

FRANCHISE DISCLOSURE DOCUMENT



Cheesy Street Grill Franchising, LLC
A Massachusetts Limited Liability Company
1257 Worcester Road #276
Framingham, MA 01701
860-930-2472
info@cheesystreetgrillfranchising.com
www.cheesystreetgrill.com

As a franchisee, you operate a CSG® Restaurant and/or CSG® MOBILE (MBL) Unit that offers: a fast-food/fast-casual restaurant and/or mobile food vendor, serving gourmet grilled cheese sandwiches, "mac & cheese," sides, and optional Beer & Wine Service.

CSG® Franchised Restaurant: The total investment necessary to begin operation of a CSG® Restaurant is from \$267,012 to \$426,152. This includes \$36,845 that must be paid to Franchisor and/or its affiliate(s).

CSG® Franchised Mobile (MBL) Unit: The total investment necessary to begin operation of a CSG® MBL Unit is from \$217,418 to \$381,297. This includes \$36,845 that must be paid to Franchisor and/or its affiliate(s).

Beer & Wine Option: No additional franchise fee is required, however, there are additional opening costs ranging from \$26,968 to \$55,660, none of which are paid to Franchisor and/or its affiliate(s). Must be purchased in conjunction with a CSG® Restaurant or MBL Unit Business.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, Franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Administration Department of Cheesy Street Grill Franchising, LLC, 1257 Worcester Road, #276, Framingham, MA, 01701, 860-930-2472, info@cheesystreetgrillfranchising.com.

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

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the



Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information on franchising. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

ISSUANCE DATE: January 29, 2025



How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only CSG® business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a CSG® franchisee?	Item 20 or Exhibit E lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the Table of Contents.



What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.



Special Risks to Consider About *This Franchise*

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration only in Massachusetts. Out-of-state arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate with the franchisor in Massachusetts than in your own state.
2. **Governing Law.** The franchise agreement provides that Massachusetts law governs the agreement, and this law may not provide the same protection and benefits as local law. You may want to compare these laws.
3. **Minimum Payments.** You must make minimum advertising, and other payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
4. **Guaranty.** Your spouse must sign a document that makes your spouse liable for your financial obligations under the franchise agreement, even though your spouse has no ownership interest in the business. This guaranty will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.



MICHIGAN

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.

- (a) A prohibition of the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure each failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchised business are not subject to compensation. This subsection applies only if (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualification or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as



a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General
G. Mennen Williams Building, 7th Floor
525 W. Ottawa Street
Lansing, Michigan 48909
(517) 335-7567



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APPLICABLE STATE LAW MIGHT REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT, AND/OR ADDENDUM TO THE FRANCHISE AGREEMENT. THESE ADDITIONAL DISCLOSURES AND ADDENDA, IF ANY, ARE INCLUDED IN EXHIBIT F.



Item 1

FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The Franchisor, Cheesy Street Grill Franchising, LLC, is referred to as “**Franchisor**,” “**We**,” “**Us**,” or “**Our**.” The person to whom we sell a franchise is referred to as “**Franchisee**,” “**You**” or “**Your**.” If you are a corporation, partnership, Limited Liability Company, or other entity, your principals and their spouses must sign a “**Personal Guaranty and Assumption of Obligations**,” in the form attached to the Franchise Agreement as Exhibit 2, which means that all of the provisions of the Franchise Agreement (Exhibit B) will also apply to your principals. (See Item 15) If you are a corporation, partnership, limited liability company, or other entity, “**Franchisee**,” “**You**” or “**Your**” includes your principals.

We are a Massachusetts Limited Liability Company, formed in the state of Massachusetts on August 3, 2017. Our principal business address is 1257 Worcester Road, #276, Framingham, MA, 01701. We operate under our corporate name Cheesy Street Grill Franchising, LLC and the CSG® trademarks described in Item 13 (the “**Mark(s)**”). We do not do business or intend to do business under any other names. We currently have no predecessors or affiliates required to be included in this Item (except as provided below).

We have no other business activities and have not offered franchises in other lines of business.

Predecessors and Parents

We currently have no Predecessors or Parents required to be included in this Item.

Our Affiliates

We currently have one affiliate:

Cheesy Street Grill, LLC, a Connecticut Limited Liability Company formed on March 28, 2014, whose principal business address is 389 East Road, Bristol, CT 06010-6841. Our affiliate, Cheesy Street Grill, LLC, operated a mobile food truck from June 2014 to April 2016, based from 389 East Road, Bristol, CT; and currently operates two (2) restaurants under the CSG® name at the following locations:

1. Natick Service Plaza, 117 Mile Post, Massachusetts Turnpike I-90 Eastbound, Natick, MA 01760, since June 2016; and
2. Westborough Service Plaza, 1044 Massachusetts Turnpike Westbound, Westborough, MA 01581, since June 2016.

Our affiliate has not offered franchises in any line of business.

Agents for Service of Process

If we have an agent for service of process, we disclose those agents in Exhibit A.

The Franchise

We grant franchises for a business operating under the CSG® (the “**Franchise**,” “**Restaurant**,” “**MBL Unit**,” “**Unit**,” or “**Business**”) name and other Marks. CSG® Restaurants and CSG® MBL Units



offer: a fast-food/fast-casual restaurant and/or mobile food vendor serving gourmet grilled cheese sandwiches, “mac & cheese,” sides and optional Beer & Wine Service in conjunction with any Unit.

A CSG® business may be comprised of a restaurant; Mobile food truck/trailer or container plus Commissary/Kitchen (if required); and/or temporary location (i.e. pop-up, tent, etc.).

A copy of the Franchise Agreement is attached as Exhibit B.

We intend to offer franchises for CSG® Traditional / Non-Traditional Restaurants (hereinafter referred to as “**Restaurant**” or “**Restaurants**”) and CSG® MBL Units in Massachusetts, Connecticut, New Jersey, New York, Florida, Indiana and other states. We do not operate any CSG® Restaurants or MBL Units ourselves, although we may do so in the future.

Items and/or Services are sold by CSG® Restaurants and/or CSG® MBL Units according to specified procedures. If you acquire a franchise, you must operate your Business according to our business formats, methods, procedures, designs, layouts, standards, and specifications, as detailed in our Operations Manual.

We and our affiliate provide the following services, equipment and/or methodology(ies) and/or systems(s) to our franchisees: Utilization of CSG® proprietary recipes, availability of products, vendors and supplies, training, supervision and use of the trademarks.

Laws and Regulations

RESTAURANT AND MBL UNIT – FOR THE BUSINESS:

Payment Card Data Security

Managed Firewall: You are required to comply with Payment Card Industry Data Security Standards (“**PCIDSS**”). As part of your compliance, you must install and use a managed firewall between the Internet Service Provider (“**ISP**”) equipment and the Computer System in the cafe (including POS System, BOH computer, camera equipment, etc.) and utilize our designated managed firewall provider. The initial and ongoing costs for managed firewall services are described in Item 6 and Item 7.

RESTAURANT – FOR THE BUSINESS:

You must comply with all laws and regulations that apply generally to businesses where your Restaurant is located as well as laws and regulations that apply specifically to the industry in which a CSG® Restaurant operates. You should investigate these laws and regulations.

Specifically, you must obtain a business license. You must also comply with all laws and regulations that apply generally to businesses where your Restaurant/Unit is located, and you should investigate these laws and regulations.

You must also comply with laws and regulations that apply specifically to the restaurant and food service industry; and liquor service industry (optional) where your Restaurant/Unit is located. You should investigate these laws and regulations.



Specifically, you must obtain and maintain a food operator's license; delivery and catering industry (optional) permits/licenses; and beer & wine/liquor licensing (optional); and comply with their related rules and regulations where your Restaurant is located, and you should investigate these laws and regulations.

Optional Federal, State or Local Municipality Health Regulations:

It may be required by federal, state or local municipality laws and regulations to engage in additional health precautionary measures. You must investigate these laws and regulations.

MBL OR CONTAINER UNIT – FOR THE BUSINESS:

You must comply with all laws and regulations that apply generally to the businesses where your MBL Unit is operated, as well as laws and regulations that apply specifically to the industry in which a CSG® MBL Unit operates. You should investigate these laws and regulations.

Specifically, each state generally requires you obtain a business license, a food license, a mobile food vendor's license, or their equivalents. Some states, counties and/or municipalities may generally require you to obtain a commercial driver's license or its equivalent, which may require renewal(s), vehicle permit, and/or commercial driving insurance. You must also comply with laws and regulations that apply generally to the mobile food vendor and food service industry; liquor licensing (optional), where your MBL Unit is operated, and you should investigate these laws and regulations. All drivers' licenses and insurance must always be up-to-date and in good standing.

Multiple operating permits may be required, which may vary per event and/or location, and may include: vehicle license, permit and/or certification; seller-vendor permit (sales tax license/permit); health department inspections and/or permits; fire department inspections, certificates and/or permits; event permit(s); and others depending on venue, city and state, and scope of services provided. You should investigate these laws and regulations.

Optional Federal, State or Local Municipality Health Regulations:

It may be required by federal, state or local municipality laws and regulations to engage in additional health precautionary measures. You must investigate these laws and regulations.

RESTAURANT AND MBL UNIT – FOR STAFF/INDIVIDUALS:

We require your managers and/or supervisors to have a Food Protection Manager Certification, Allergen Certification and Choke Saver Certification and comply with their related rules and regulations, or their equivalents. If managers are attending initial training, certifications must be completed prior to attending training and these certifications must be obtained from an accredited certifying state agency. All managers and/or supervisors are required to be current with these certifications and comply with their related rules and regulations, or their equivalents. You must have current Food Protection Manager, Allergen and Choke Saver Certifications on file at all times.

We require each of your food handlers to have a Food Handlers Certification, and comply with its related rules and regulations, or their equivalents. If food handlers are attending initial training, certification must be completed prior to attending training and these certifications must be from an accredited certifying agency. All food handlers are required to be current with this certification and comply with its related rules and regulations, or their equivalents. You must have current food handlers' certifications on file at all times for applicable staff members.



Beer & Wine Service Option: We require each of your alcohol service staff to have a current alcohol service certificate or equivalent and comply with its related rules and regulations, or their equivalents. You must have current certifications on file at all times for applicable staff members.

If required by State or Municipality regulations, all employees are required to attend a class or classes for liquor, food and health safety that your state may offer annually and comply with its related rules and regulations, or their equivalents. This certification must be successfully completed and must be obtained from an accredited certifying state agency.

MBL OR CONTAINER UNIT – FOR THE STAFF/INDIVIDUALS:

If you have chosen the temporary location (i.e. pop-up, tent, etc.), mobile food truck/trailer, and/or delivery service option: We require your drivers to have a Compliant Driver's License (commercial if applicable) that is current and in good standing, with compliant insurance. Driving record checks are conducted upon hire and at scheduled intervals.

Competition

Your Restaurant and/or MBL Unit will offer services and products to the general public throughout the year and compete with other fast casual restaurants and mobile food vendor services, which may be franchised by other companies, or independent operations. The market for your type of service and products generally is developed and very competitive. Despite this competition, we believe that CSG® Restaurants and MBL Units appeal to consumers because of menu items, food quality and service quality.

Item 2

BUSINESS EXPERIENCE

Cheesy Street Grill Franchising, LLC: CEO and Lead Corporate Trainer: Lisa Dowd

Lisa Dowd has been our CEO and Lead Corporate Trainer since our formation in August 2017. Since March 2014, she has been the Managing Member of our affiliate Cheesy Street Grill, LLC, the operator of CSG® Restaurants.

Cheesy Street Grill Franchising, LLC: Member of the Board of Directors: Geoffrey Howe

Geoffrey Howe has been a Member of the Board of Directors since our formation in August 2017. He has been a Member of the Board of Directors of our affiliate Cheesy Street Grill, LLC, the operator of CSG® Restaurants, since March 2014.

Cheesy Street Grill Franchising, LLC: Member of the Board of Directors: Ann Howe

Ann Howe has been a Member of the Board of Directors since our formation in August 2017. She has been a Member of the Board of Directors of our affiliate Cheesy Street Grill, LLC, the operator of CSG® Restaurants, since March 2014.

Cheesy Street Grill Franchising, LLC: Member of the Board of Directors: Patricia Mischke



Patricia Mischke has been a Member of the Board of Directors since August 2017. She has been a Member of the Board of Directors of our affiliate Cheesy Street Grill, LLC, the operator of CSG® Restaurants, since January 2017. From August 1981 to 2021 she has been in several positions with Aetna, Inc. in Hartford, CT and is now retired.

Cheesy Street Grill Franchising, LLC: Member of the Board of Directors: Todd Fairchild

Todd Fairchild has been a Member of the Board of Directors since our formation in August 2017. He has been a Member of the Board of Directors of our affiliate Cheesy Street Grill, LLC, the operator of CSG® Restaurants, since January 2017. From May 2012 to present he has been the Founder of Shutterbug Photography in West Hartford, CT.

Cheesy Street Grill Franchising, LLC: Member of the Board of Directors: Jean LaTorre

Jean LaTorre has been a Member of the Board of Directors since February 2018. From February 2020 to December 2022, she has been the Executive Vice President and Chief Investment Officer of Guardian Life Insurance in New York City, NY. From February 2008 to November 2019, she was the Chief Investment Officer and Corporate Economist of Aetna, Inc. in Hartford, CT, and is now retired.

Item 3

LITIGATION

No litigation is required to be disclosed in this Item.

Except as provided above, with regard to the Franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result



of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

Item 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

Item 5

INITIAL FEES

Initial Franchise Fee

You must pay us an Initial Franchise Fee (the “**Initial Franchise Fee**”) in a lump sum when you sign the Franchise Agreement.

INITIAL FRANCHISE FEE:

CSG® Restaurant: The Initial Franchise Fee is \$35,000 for the 1st Franchised Restaurant; \$27,500 for the 2nd Unit; and \$21,500 for each additional Unit.

CSG® Mobile (MBL) Unit: The Initial Franchise Fee is \$35,000 for the 1st Stand-Alone Franchised MBL Unit; \$27,500 for the 2nd Unit; and \$21,500 for each additional Unit.

Re-sale Beer, RTD Wine & RTD Cocktails Option: The pre-requisite for the Re-Sale Beer, RTD Wine & RTD Cocktails Option is either a CSG® Restaurant or MBL Unit Business. No additional Initial Franchise Fee is required; however, additional costs may be incurred as identified in Exhibit 4 to the Franchise Agreement.

U.S. Armed Forces Veterans or Military Veterans of Allied Countries with a General Discharge under Honorable Conditions, and/or active, former or retired law enforcement officers and/or firefighters will receive a ten percent (10%) discount of the Initial Franchise Fee on the purchase of the first Franchised Restaurant. Discount may not be combined with other discounted offers.

Current or Former CSG System Members: Depending on your management or supervisory experience in the CSG System, you may receive a discount of up to 10% on the Initial Franchise Fee ranging from \$0 - \$3,500 when you sign the Franchise Agreement. Discount may not be combined with other discounted offers and is applicable to the first unit only.

Franchise Processing Fee (Optional): You may choose the option to pay us a non-refundable Franchise Processing Fee of \$5,000 in exchange for our agreement to not sell in a given area, for the next 60 days, a CSG® Restaurant and/or locate the CenterPoint of a MBL Unit prior to the submission of your signed Franchise Agreement and Initial Franchise Fee funds; however, we will not refrain from marketing the proposed area until you have been awarded your franchise. We will apply this Franchise Processing Fee to your Initial Franchise Fee, as applicable. We do not refund your Franchise Processing Fee if you decide not to purchase the Franchise, or if you are not awarded a Franchise, or do not qualify to purchase



the Franchise, or we choose to exercise our right to terminate the Franchise Agreement as detailed below. In the event that any such circumstances occur, the non-refundable Franchise Processing Fee is not included in the two-thirds ($\frac{2}{3}$) we keep. You may not transfer or assign the Franchise Processing Fee. Additionally, we reserve the right to continue to market your chosen Area of Primary Responsibility (“APR”) for sale until you have been awarded your franchise.

Franchise Processing Fee. You must execute the Processing Fee Agreement attached to this disclosure document as Exhibit 1 to the Franchise Agreement.

Initial Franchise Fee Terms: The Initial Franchise Fee is fully earned when paid and is not refundable under any circumstances, except:

- if in connection with your franchise you are obtaining a loan through the US Small Business Administration (“SBA Loan”), if your SBA Loan is not funded in full within 120 days after you sign your Franchise Agreement, then we have the right, but not the obligation, to terminate your Franchise Agreement; or
- After this 120-day period, if your SBA Loan has not funded, we have two options: either refund one-third ($\frac{1}{3}$) of the Initial Franchise Fee (less the Franchise Processing Fee) to you or extend the 120 days to any number of days we determine appropriate under the circumstances. The right to make this extension is solely our right; or
- if we determine that you (or your managing owner) cannot complete the initial training program to our satisfaction, we may terminate the Franchise Agreement; or
- if you are unable to obtain the necessary business permits or licenses through no fault of your own, within 90 days after signing the FA, either one of us can terminate the Franchise Agreement.

However, if we choose to exercise our rights in any of such events, we will return to you one-third ($\frac{1}{3}$) of the Initial Franchise Fee (less the optional non-refundable Franchise Processing Fee, if applicable), and keep two-thirds ($\frac{2}{3}$), to offset expenses associated with onboarding, training, assistance and other pre-opening matters, and, provided that you sign our required form of release of claims. NOTE: The refundable portion of the Initial Franchise Fee is based on \$35,000, unless the optional non-refundable Franchise Processing Fee has been applied, thereby adjusting the Initial Franchise Fee amount to \$31,500.

The payment of the Franchise Fee includes the right to use the trademarks (see Item 13) and training in the operation of your Restaurant and/or MBL Unit and does not include any items you are required to purchase to establish your operations as detailed in the Franchise Agreement, the Franchise Disclosure Document and Franchise Manuals.

The Initial Franchise Fee is fully earned when paid and is not refundable under any circumstances, except that if we determine that you (or your managing owner) cannot complete the initial training program to our satisfaction, we may terminate the Franchise Agreement, in which event we will keep two-thirds ($\frac{2}{3}$) of the Initial Franchise Fee and return the other one-third ($\frac{1}{3}$) to you, provided that you sign our required form of release of claims. Also, if you are unable to obtain the necessary business permits or licenses through no fault of your own, within 90 days, either one of us can terminate the Franchise Agreement, and we will keep two-thirds ($\frac{2}{3}$) of the Initial Franchise Fee and return the other one-third ($\frac{1}{3}$) to you, provided that you sign our required form of release of claims. Franchisor may grant Franchisee two (2) thirty-day (30) extensions within which to obtain business permits or licenses. Franchisee must submit a request for an extension in writing no less than ten (10) days prior to the end of the ninety (90) licensing or first extension period.



Micro-Site and Database Set-Up

We provide you with a micro-site and the initial set-up of your database during the initial training program. You pay us a \$1,500 fee for these items at least 30 days before you begin training.

Micro Site – Monthly Fee

You pay us and/or our affiliate a \$45 for the first three months for micro-site hosting fee.

Technology Fee

You pay us and/or our affiliate(s) \$150 - \$300 for the first three months for updates and/or ongoing software enhancements, access to communication system (e.g. email), and other technology fees.

Training Fee (for more than two (2) trainees):

We provide initial training and training materials for up to two (2) trainees per CSG® franchise purchased at no charge. If you send more than two (2) trainees to initial training, we will charge you a \$200 per day training fee for each additional trainee (maximum of two (2)) attending training together with the first two (2) trainees, based on availability. Training fees, if applicable, are payable before the initial training begins, and are uniform and non-refundable. You must also pay all of your trainees' travel, meal and lodging expense, along with their hourly wage/salary (if applicable), and workers' compensation insurance, unemployment insurance, and disability insurance (if applicable) while at training. See Item 11 for more information on training.

Except for the limited circumstances described in this Item 5, we do not refund any initial fees.

Item 6

OTHER FEES **CSG®**

Type of Fee ¹	Amount	Due Date	Remarks
Royalty	6% of weekly Gross Sales ²	Wednesday of each week, based on Gross Sales during previous week ending Sunday	“ Gross Sales ” means all of your revenue from operating the Business, but excluding taxes collected from customers and paid to any taxing authority, tips collected from customers and paid to staff, and reduced by the amount of any documented refunds, credits, allowances, and chargebacks given in good faith to customers.
Transfer Fee	Restaurant: 35% of our then-current initial franchise fee	Before transfer completed	No charge if Franchise Agreement is transferred to an entity you control.



Type of Fee ¹	Amount	Due Date	Remarks
	MBL Unit: \$5,000		
Renewal Fee	10% of our then current initial franchise fee	Before renewal completed	If you are in full compliance with all terms and conditions, you may acquire two (2) successor franchise terms of ten (10) years each.
National Advertising and Brand Development Fund	Up to 1% of monthly Gross Sales ²	By the 25 th of the month, based on Gross Sales during previous month	Payable to Us and/or our affiliate if we establish a National Advertising and Brand Development Fund. See Item 11 for a detailed discussion about this Fund.
Initial Training of New Hire Manager	Currently \$500 per person, two (2) day training course for training at the location we designate ^{3, 4}	Two weeks before training begins	Payable to Us and/or our affiliates.
Additional Training or Assistance at corporate or other designated location	\$250 per person per day, with a two (2) day minimum for training at the location we designate ^{3, 4}	Before training or assistance begins	Payable to Us and/or our affiliates.
Your Location: Additional Training or Assistance at your location	\$950 per trainer per day, with a two (2) day minimum ⁴	One (1) week before training or assistance begins and is non-refundable.	Payable to Us and/or our affiliates. At our option, should it be necessary, based on availability.
Management Service Fee – In Person	\$750 per person per day, with a (3) three- day minimum ⁵	Upon your receipt of our invoice	Payable to Us and/or our affiliate and/or a third party, based on availability.
Management Service Fee – Virtual	\$500 package ⁵	Upon your receipt of our invoice	Payable to Us and/or our affiliate, based on availability.



Type of Fee ¹	Amount	Due Date	Remarks
Inventory and Service Purchases	The price of the products and services that you must purchase and utilize.	As incurred	You must buy certain proprietary products and services from Us, our Affiliates, and designated or approved vendors whose items meet our standards and specifications, which are detailed in our Manual. We may also permit you to buy from other suppliers to the industry upon review and approval.
Micro-Site; Monthly Hosting Fee	\$15 per month (monthly fee may increase)	As Agreed	Us, our Affiliate, or a designated vendor.
Technology Fees	\$50 - \$100 per month	As Incurred	Us/Affiliate
Testing New Products or Services	Actual Cost of Testing	Upon your receipt of our invoice.	Payable to Us and/or our Affiliates. This covers the costs of testing new products or services or inspecting new suppliers you propose.
Fee: Unapproved product or service/Non-compliance with System Specifications	\$500 first week; \$250 per week thereafter	Upon your receipt of our invoice.	We may charge you \$500 if your business is not compliant with our system specifications or the franchise agreement and you fail to correct the non-compliance after 30 days' notice. Thereafter, we may charge you \$250 per week until you correct such non-compliance.
Inspections	Amount will vary under circumstances	As Incurred	Payable to Us and/or our Affiliates. Includes all travel expenses, lodging, meals and compensation of Our employees.
Late Penalty Fee ⁶	\$100 per incident plus 1½% interest per month, or maximum allowed by law	Upon your receipt of our invoice	Payable to us on any overdue or past due amounts of any fees or charges.
Insufficient Funds	\$50 or as permitted by local law	Upon your receipt of our invoice	Payable to Us if you have insufficient funds in your EDTA to cover a payment, or if you pay by check and a check is returned for insufficient funds or a closed account.



Type of Fee	Amount	Due Date	Remarks
Deficiencies	Our actual costs	Upon your receipt of our invoice	Payable to Us and/or our Affiliates. If you do not satisfy your obligations under the Franchise Agreement, we may perform your obligations for you. You must reimburse us for our costs in satisfying your obligations.
Fee for Failure to Submit Reports	\$50 per incident	As Incurred	If reports are not submitted as of their due dates, we may charge you the fee for not submitting reports.
Manual Handling Fee	\$10,000 per incident	Upon your receipt of our invoice	Payable to Us if you fail to keep the Operations Manual at your place of business.
Unreturned Materials Fee	\$1,000 per person per incident	Upon your receipt of our invoice	Applies if Copyrighted materials or materials bearing our Marks fail to be returned.
Audit	Actual Cost of audit	Upon your receipt of our invoice	Payable to Us if you do not provide us with reports, supporting records or other required information, on a timely basis, or if you understate required Royalty payments and/or Fund contributions by more than two percent (2%).
Maintenance and Refurbishing of Business	Our actual costs	Upon your receipt of our invoice	If, after We notify You, you do not undertake efforts to correct deficiencies in Business appearance, then we can undertake the repairs and You must reimburse Us.
Insurance	Our actual costs	Upon your receipt of our invoice	If you fail to obtain insurance, as specified, we may obtain insurance for you and you must reimburse Us.
Cost and Attorneys' Fees	Our actual costs	Upon your receipt of our invoice	Payable to Us if you do not comply with the Franchise Agreement.
Indemnification	Our actual costs and/or liability	Upon your receipt of our invoice	You must reimburse Us if we are held liable for claims arising from the operation of your Business.

There are other recurring or isolated fees or payments other than the Initial Franchise Fee or your estimated initial investment that you must pay to us, or that you must pay to third parties. The preceding table outlines these fees or payments and the formulae used to compute them, whether or not these fees are refundable, and, if they are refundable, under what conditions they are refundable. This table does not



represent your total financial obligation; the fees listed above are only those that are imposed by and/or payable to us. No fee or other payment set forth above is imposed or collected on behalf of a third party.

1. Except for the product and service purchases described in Item 8, and except as otherwise noted in this Item 6, all fees are imposed and collected by and payable to Us. All fees are non-refundable and are uniformly imposed. Regardless of what day of the month you open the Business the last day of the month will signify the end of the first month, subsequent months will begin on the first day of each month and end on the last day of each month.
2. Before your Business opens, you must sign and deliver to us an "**Electronic Depository Transfer Account Document**" or "**EDTA**" (Exhibit G), which authorizes us to debit your business checking account automatically for the Royalty payments, Fund contributions, and other amounts due under the Franchise Agreement. We will debit the EDTA for these amounts on their due dates. Funds must be available in the EDTA for withdrawal.

We may require payment other than by automatic debit or check, i.e. credit card split processing, and you must comply with our payment instructions. If the amounts debited by credit card split processing are less than the amounts you actually owe us, we will debit the balance due on the day we specify. If the amount(s) debited by credit card split processing are more than the amount(s) you actually owe us, we will make a monthly adjustment and credit any balance due on the day we specify. (Franchise Agreement - Article XIX.I)

If you do not report the Business's Gross Sales, we may debit your EDTA for 120% of the last Royalty payment and Fund contribution that we debited. If the amounts we debit are less than the amounts you actually owe us, we will debit your EDTA for the balance on the day we specify. If the amounts we debit are greater than the amounts you actually owe us, we will credit the excess against the amounts that we otherwise would debit from your EDTA during the following month.

3. We may charge you for additional, or special assistance, and/or training you need or request; for refresher training courses; and/or for training newly hired personnel.
4. For all training sessions and conferences, you must pay for your trainees' and representatives' salaries and benefits, and workers' compensation insurance, unemployment insurance, and disability insurance (if applicable), plus travel, meal and lodging expenses for each attendee.

For all training sessions held at your location, in addition to the training fee, you must pay travel, meal and lodging expenses, reasonable daily charges for Franchisor employees' time for each Trainer, and other related costs.

5. Management Fee is payable to Us and/or our Affiliate and/or a third party if:
 - You choose to engage management services during a planned absence; or
 - You choose to engage Virtual Management Service, which is a package of four (4) virtual management hours, to be used in one (1) hour increments over no more than a two (2) working week period.
 - We are required to manage your Business remotely after your or your managing owner's death, mental or physical incapacity, or
 - We are required to manage your Business after your default or abandonment of your Restaurant.
6. Late Fees – If you fail to pay any sums payable to us, when due, you must pay us a late fee of \$100 per incident plus 1½% interest per month on the unpaid balance, or the maximum permitted by law.



Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT CSG® TRADITIONAL RESTAURANT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee ¹	\$35,000	Lump Sum	On signing Franchise Agreement	Us
Real Estate ³	\$0	Not Included/Not Applicable	Not Included/Not Applicable	Not Included/Not Applicable
Rent ^{2, 3}	\$10,500 - \$30,000	As Agreed	Monthly	Landlord
Optional: Storage Unit Rent	\$0 - \$600 ²	As Agreed	Monthly	Landlord
Optional: Lease Security Deposit ⁴	\$0 - \$10,000	Lump Sum	Generally, a security deposit is payable upon your execution of the lease	Landlord
Utility Deposits ⁵	\$100 - \$500	As Arranged	As Incurred	Utility Companies
Utilities	\$3,000 Minimum ²	As Agreed	As Incurred	Utility Companies and/or Landlord
Leasehold Improvements ⁷	\$30,000 - \$84,000	As Agreed	As Incurred	Outside Suppliers
Architectural Plans ⁸	\$1,200 - \$7,500 Varies by municipality	As Agreed	As Incurred	Architect
Licenses and Permits ⁹	\$350 - \$1,000 Varies by state and municipality	Lump Sum	As Incurred	Outside governing organization(s)
Industry-Specific Licenses and/or Certifications ¹⁰	\$150 - \$500	Lump Sum	As Incurred	Outside Governing Organization(s)



Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Membership Renewal Costs for Business and/or Industry Associations	\$200 - \$1,000	As Agreed	Upon Joining and/or Renewal	Chamber, BBB, etc.
Computer and Technical Equipment ¹¹	\$3,500 - \$6,500	As Agreed	As Incurred	Outside Supplier (See Item 11)
Micro-Site and Initial Setup of Database	\$1,500	As Agreed	As Incurred (prior to opening)	Us/Affiliate (See Item 5)
Micro-Site Monthly Hosting Fee	\$45 ²	As Agreed	As Incurred (prior to opening)	Us/Affiliate (See Item 5)
Technology Fee ¹²	\$150 - \$300	As Agreed	As Incurred	Us/Affiliate (See Item 5)
Online Bookkeeping System	\$195 minimum ²	As Agreed	As Incurred	Designated or Approved Suppliers
POS Software Subscription	\$525 - \$825 ²	As Agreed	As Incurred	Designated or Approved Suppliers
Internet Antivirus/Security Service; Virtual Data and File Backup Service	\$127 - \$558 Minimum Annual Fee	As Agreed	As Agreed	Outside Supplier
Telecommunication Service and Initial Equipment ¹³	\$1,515 - \$2,455 ²	Lump Sum	Monthly	Outside Suppliers
Security System and Equipment ¹⁴	\$200 - \$2,900	As Agreed	As Incurred	Designated or Approved Supplier
Security Monitoring	\$150 minimum ²	As Agreed	As Incurred	Outside Supplier
Furniture, Fixtures, and Large Kitchen Equipment ¹⁵	\$60,000 - \$72,000	As Agreed	As Incurred	Outside Suppliers
Small Kitchen Equipment/Wares	\$2,000 - \$6,000	As Agreed	As Incurred (prior to opening)	Outside Suppliers



Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Office Equipment and Supplies ¹⁶	\$500 - \$1,000	As Agreed	As Incurred	Outside Suppliers
Opening Non-Food Inventory and Supplies ¹⁷	\$5,000 - \$7,000	As Agreed	As Incurred	Designated and Approved Suppliers
Food Costs ¹⁸	\$49,500 - \$60,000 ²	As Agreed	As Incurred	Designated and Approved Suppliers
Signage (Interior & Exterior)	\$19,900 - \$24,900	As Agreed	As Incurred	Third Party Vendors
Uniforms	\$400 - \$1,500	As Agreed	As Incurred (prior to opening)	Designated Supplier
Sanitation/Recycling, Grease Trap, Pest Control Service, and Laundry/Sanitization Service ¹⁹	\$1,590 - \$2,090 ²	As Agreed	As Incurred	Outside Suppliers
Grand Opening Marketing ²⁰	\$5,000 minimum required	As Agreed	First Three (3) Months of Operation	Outside Suppliers
Training Expenses (out-of-pocket costs for two (2) people), includes travel, meals and lodging, etc.	\$2,400 - \$3,400	As Agreed	As Incurred (prior to opening)	Outside Suppliers
Business and Commercial Automobile Insurance ²¹	\$1,000 - \$2,000 ² (rates will vary by individual)	As Agreed	As Agreed	Insurance Company(ies)
Delivery and Shipping (furniture & fixtures, office equipment, other equipment and signage)	\$3,250- \$8,500	As Agreed	As Incurred	Third Parties
Additional Funds ²²	28,033 - \$43,921 ²	As Incurred	As Incurred	Employees, Third Parties



Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
TOTAL ESTIMATED INITIAL INVESTMENT ²³	\$266,980 - \$425,839			As specified above

All figures are based on the parameters in Explanatory Note 2.

None of the payments shown above are refundable except office rent deposits and/or utilities deposits and/or insurance deposits; or as agreed with provider. We do not finance any part of the initial investment. The figures and footnotes listed in Item 7 of the Franchise Disclosure Document are estimates and we cannot guarantee that you will not have additional expenses starting your CSG® Restaurant Business. These estimates also do not include any compensation for the Franchise Owner or personal living expenses. These numbers are based on average market rates at the time of this Franchise Disclosure Document and may fluctuate based on numerous variables. Actual costs will vary for each Franchise depending on a number of factors. Your costs depend on how much you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and the sales level reached during the initial period of operation of your Business. You should review these figures carefully with a business advisor before making any decision to purchase a Franchise.

Explanatory Notes

1. We describe the initial franchise fee in Item 5.
2. Estimated expense through the first three (3) months of operation.
3. A CSG® Traditional Restaurant occupies approximately 600 - 900 square feet of restaurant space, with a minimum of 250 – 450 square feet of kitchen/working space; front service area; and storage. The specific square footage for each area is detailed within the Manual.

Rent varies by geographic location, size, local rental rates, businesses in the area, site profile, and other factors, and may be considerably higher in large metropolitan areas than in more suburban or small-town areas. CSG® Restaurants can be located in transportation hubs, i.e. airports, train stations, bus stations, and/or travel plazas; malls, shopping venues, convention centers, military facilities, schools, colleges, universities, hospitals, recreational theme parks, business or industrial/commercial complexes, Native American reservations, casinos or any similar captive market locations, etc. and other venues in downtown commercial areas, business park areas and in multi-use residential areas; “grey shell” not included.

We anticipate that you will rent the Business's restaurant premises, and the figures in the table include the first three months' rent. Whether this rent is refundable depends on your agreement with your landlord. We require you secure and operate from a zoned-business premises.

It is possible, however, that you might choose to buy, rather than rent, real estate on which a building suitable for the Business already is constructed or could be constructed.



Real estate costs depend on location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of ownership interest you are buying. Because of the numerous variables that affect the value of a particular piece of real estate, this estimated initial investment table does not reflect the potential cost of the purchase of real estate.

4. Generally, a lease security deposit must be paid upon the execution of the lease. The amount of the lease security deposit depends on your lease agreement. Thereafter, rent is generally paid on a monthly basis. Whether this deposit is refundable depends on your agreement with your landlord.
5. You may be required to pay deposits for utilities. The amount of these deposits will vary depending on the practices of the utility companies and whether any impact or hook-up fees are required.
6. These costs are typically included in a Triple Net (NNN) lease; sanitation, recycling, landscape maintenance and snowplowing may also be included.
7. Prior to Opening. Leasehold improvement costs, as detailed in the Build-out Guide, may include floor covering, wall treatment, counters, ceilings, painting, window coverings, electrical, plumbing, carpentry, and similar work; will depend on the site's condition, location, and size; the demand for the site among prospective lessees; the site's previous use; the build-out required to conform the site for your Business; and any construction or other allowances the landlord grants. The lower figure assumes that you remodel a second-generation restaurant space or commercial space used previously by a similar business with fixtures and electrical service up to code; while the higher figure assumes that you remodel a general commercial space. Neither figure includes a *shell lease*.
8. Prior to Opening. An architect can provide architectural services relating to the Business building as needed; and may provide services for states that have additional health department compliance requirements, as necessary. Architectural needs and requirements may vary by municipality.
9. Prior to Opening. These amounts include possible permits and licensures required by local or federal law, including, but not limited to business license, Certificate of Occupancy, remodeling permit, debris removal permit, signage permit, electrical permit, and inspection fee. Rates will vary by federal, state and local laws.
10. Prior to Opening. These amounts include industry-specific licensures and certifications required before opening, and the rules and regulations may vary by state, local and municipal law. Actual costs vary by state and/or municipality and may not be refundable. You should investigate these requirements.
11. Prior to Opening. This includes the Computer and POS System with terminal, printer and drawer; plus POS-associated gift cards.
12. This includes set-up, updates and/or ongoing software enhancements, access to communication system, and other technology fees. We may increase this fee by up to five percent (5%) once per year upon 60 days' notice.
13. The estimate is for three months' telecommunications expenses for one hard line with 2 numbers ported in with rollover, high-speed Internet, plus initial equipment (one phone) and installation.
14. Prior to Opening. These amounts include the required building surveillance system, with cameras located at each door and each POS, with recording capability; and security gate if required.



15. Prior to Opening. This includes but is not limited to: presses; refrigerated prep station; freezer; refrigerator; microwaves; ovens; prep tables; soup warmers; beverage coolers; fountain drink dispenser; and counter(s).
16. Prior to Opening. This includes, but is not limited to: a desk, two (2) chairs, a four-drawer filing cabinet with lock, small safe, a multi-function printer/copier/scanner/fax, peripheral computer equipment, office paper products, printing supplies, and general office supplies.
17. Prior to Opening. This includes, but is not limited to: retail product inventory; non-food, non-beverage single-use items (plastic cups, paper towels, napkins, restroom supplies), plastic cards for Gift Card and Loyalty Card Programs, cleaning supplies, etc.
18. Prior to Opening. These amounts include average food costs for three (3) months' usage for the restaurant. Your actual costs may vary depending on your location and time of year you open your location.
19. This includes but is not limited to: trash removal and recycling; grease trap; pest control; laundry, cleaning and sanitization of floor mats and rugs. NOTE: trash removal and recycling may be included in CAM and/or NNN lease; typically included in CAM in mall/food court-type location.
20. This is the minimum required amount you must spend on grand opening marketing for your Business. Your grand opening marketing and advertising campaign must include, but is not limited to, traditional advertising (i.e. print media, signage and banners, etc.), a virtual campaign, and other Social Media, as described in the Pre-Opening Manual, and does not include Advertising Fund or cooperative contributions.
21. You must obtain and maintain certain types and amounts of insurance. (See item 8) Insurance costs depend on policy limits, types of policies, nature and value of physical assets, gross revenue, square footage, location, business contents, and other factors bearing on risk exposure. The estimate includes insurance costs for the first three (3) month period, based on a monthly payment plan. However, this cost may be significantly higher depending on the state coverage requirements, Restaurant location and your loss history.

Because of the numerous variables that affect the cost of workers' compensation, disability or unemployment insurance, this estimated initial investment table does not reflect the potential cost of this insurance.

22. This item estimates your initial startup expenses and through the first three (3) months of operation. These expenses include but are not limited to:
 - a) Payroll costs, but do not include any draw or salary for you;
 - b) Payroll service expenses;
 - c) Standard initial operating expenses not listed above;
 - d) Triple-Net Lease expenses, if applicable;
 - e) Individual Licenses and/or Certifications;
 - f) Background Checks on Management and/or Supervisory Personnel;
 - g) Credit Card Processing;
 - h) Optional Professional Janitorial;
 - i) Installation of Small Equipment.

These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business.



Your costs depend on how much you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and the sales level reached during the initial period of operation of your Business.

23. We relied on the experience of our affiliate, Cheesy Street Grill, LLC's operation of a mobile food truck for approximately 2 years (2014 – 2016), and their operation of businesses similar to the Business for approximately eight (8) years (2016 to present) to compile these estimates. You should review these figures carefully with a business advisor before deciding to acquire the Franchise. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of financial institutions from which you request a loan.

**YOUR ESTIMATED INITIAL INVESTMENT
CSG® MOBILE (MBL) UNIT**

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee ¹	\$35,000	Lump Sum	On signing Franchise Agreement	Us
Real Estate	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Booth/Location/Participation Fees ³	\$2,500 - \$6,500	Lump Sum	As Incurred	When Applicable, Landlords, Event Promoters, and/or Outside Governing Organization(s)
Commissary Rent ⁴	\$7,500 - \$9,500 ²	As Agreed	Monthly	Landlord
MBL Unit with Buildout ⁵	\$80,000 - \$179,500	Lump Sum	As Agreed	Outside Supplier
Industry-Specific and Operating Certifications, Permits and/or Licenses ⁶	\$1,325 - \$5,650 (varies by state and municipality)	Lump Sum	As Incurred	Outside Governing Organization(s)
Computer System, POS System and Training	\$3,500 - \$4,000	As Agreed	As Incurred (prior to opening)	Outside Supplier (See Item 11)



Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Micro-Site and Initial Setup of Database	\$1,500	As Agreed	As Incurred (prior to opening)	Us/Affiliate (See Item 5)
Micro-Site Monthly User Fee	\$45 ²	As Agreed	As Incurred	Us/Affiliate (See Item 5)
Technology Fee ⁷	\$150 - \$300 ²	As Agreed	As Incurred	Us/Affiliate (See Item 5)
PO:S Software Subscriptions ⁷	\$525 - \$825 ²	As Agreed	As Incurred	Designated or Approved Suppliers
Online Bookkeeping System	\$195 minimum ²	As Agreed	As Incurred	Designated or Approved Suppliers
Internet Antivirus/Security Service; Virtual Data and File Backup Service	\$127 - \$558 Minimum Annual Fee	As Agreed	As Agreed	Outside Supplier
Telecommunication Service & Initial Equipment ⁸	\$900 - \$2,400	As Agreed	As Incurred	Outside Suppliers (See Item 11)
Optional Large Equipment ⁹	\$0 - \$6,500	Lump Sum	As Agreed	Outside Supplier
Kitchen Equipment, Small ¹⁰	\$4,800 - \$7,200	As Agreed	As Incurred	Designated or Approved Suppliers
Opening Dry Goods Supplies ¹¹	\$4,000 - \$6,000 ²	As Agreed	As Incurred	Designated or Approved Suppliers
Food Costs ¹²	\$42,000 - \$54,000 ²	As Agreed	As Incurred	Designated or Approved Suppliers
Vehicle: Fuel and Car Washes	\$1,500 - \$1,800 ² (Based on \$3.00/gallon fuel cost)	As Incurred	As Incurred	Third Parties



Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Pest Control; Laundry and Sanitization Service ¹³	\$900 - \$2,500	As Agreed	As Incurred	Approved Suppliers
MBL Unit Interior, Exterior Signage and/or Vehicle Wrap ¹⁴	\$6,700 - \$8,200	As Agreed	As Incurred	Designated Suppliers
Garage or shelter for the MBL Unit (optional) ¹⁶	\$0 - \$900 ²	As Agreed	As Incurred	Third Parties
Training Expenses (out-of-pocket costs for two (2) people), includes travel, meals and lodging, etc.	\$2,400 - \$3,400	As Agreed	As Incurred (prior to training)	Third Parties
Grand Opening Marketing and Advertising ¹⁷	\$4,500 minimum	As Agreed	First Three (3) Months	Advertising Sources
Business Insurance ¹⁸	\$600 - \$1,200 ²	As Agreed	As Agreed	Insurance Company(ies)
Commercial Vehicle Insurance ¹⁹	Rates vary by individual	As Incurred	As Incurred	Insurance Company(ies)
Optional: Surveillance System and Monitoring ²⁰	\$0 - \$150 ²	As Agreed	As Incurred	Approved Supplier
Additional Funds ²¹	\$16,751 - \$38,794 ²	As Incurred	As Incurred	Employees, Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT ²²	\$217,418 - \$381,297			As specified above

None of the payments shown above are refundable except rent deposits and/or utilities deposits and/or insurance deposits; or as agreed with provider. We do not finance any part of the initial investment. The figures and footnotes listed in Item 7 of the Franchise Disclosure Document are estimates and we cannot guarantee that you will not have additional expenses starting your CSG® MBL Unit Business. These estimates also do not include any compensation for the Franchise Owner or personal living expenses. These numbers are based on average market rates at the time of this Franchise Disclosure Document draft and may fluctuate based on numerous variables. Actual costs will vary for each Franchise depending on a number of factors. Your costs depend on how much you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for your



products and services; the prevailing wage rate; competition; and the sales level reached during the initial period of operation of your Business. You should review these figures carefully with a business advisor before making any decision to purchase a Franchise.

Explanatory Notes

1. We describe the Initial Franchise Fee in Item 5.
2. Estimated expense for the first three (3) months.
3. There are booth fees, participation and/or location fees, which may vary with time of year, venue, and type of event; may also vary with geographic location.
4. You may need a “full service mobile food” Commissary and/or “Kitchen” (which may be referred to as Virtual, Cloud, Ghost, Shared, or Dark). If you operate a CSG® Restaurant, the Restaurant may serve as the Commissary.
5. MBL Unit:
Specifications for food service truck or trailer vehicle: overall length of thirty (30) feet with a minimum of twenty-three (23) feet interior length.
 - The lower figure is based on the purchase of a pre-owned empty shell vehicle or trailer for \$20,000 with buildout costs of \$60,000 (large equipment and fixtures including but not limited to refrigerator, cooler, freezer, range, ovens, sinks, steamers, food warmers, worktable, generator, compressor, propane and water tanks);
 - the higher figure assumes lease or purchase of a refitted pre-owned or new built-to-suit food service vehicle or trailer, to our specifications as identified in the Operations Manual;
 - these figures, \$140,000 - \$160,000, represent lease or purchase of a new built-to-suit food service container, to our specifications as identified in the Operations Manual.

NOTE: A used vehicle must be less than 7 years old, in very good condition, as detailed in the Manual.

This figure may vary if you choose a pop-up restaurant or temporary (i.e. rental of a special event concession stand, pop-up or tent; or purchase of a tent), version of an MBL Unit; your costs may be less, and you should investigate these expenditures.

6. Prior to Opening. These amounts include industry-specific licensures and certifications required before opening, and the rules and regulations may vary by state, local and municipal law. You are required to obtain a food operator's license, food protection manager certification and/or food handler, and/or if applicable: allergen and choke saver certification(s), as detailed in the Manual. Multiple operating permits may be required, which may vary per event and/or location, and may include: vehicle license, permit and/or certification; seller-vendor permit (sales tax license/permit); health department inspections and/or permits; fire department inspections, certificates and/or permits; event permit(s); and others depending on venue, city and state, and scope of services provided.

All of these industry-specific licensures, certifications and permits may have an annual or two-year renewal. You should investigate these requirements.



7. This includes set-up, updates and/or ongoing software enhancements, access to communication system (e.g. email), and other technology fees. We may increase this fee by up to five percent (5%) once per year upon 60 days' notice.
8. This includes first three (3) months' fees for: POS Subscription and Backup Service; and annual software enhancements.
9. Prior to Opening. These amounts include the telecommunication system and service with unlimited data plan plus initial equipment, as detailed in the Manual.
10. Optional large equipment that you may need to purchase, as detailed in the Manual, which may include a fire suppression system.
11. Prior to Opening. These items include, but are not limited to, the typical and very specific kitchen small equipment, supplies and small wares that you must purchase, as detailed in the Manual. The amounts include, but are not limited to, cookware, fry pans, food preparation bowls and crockeries, baking sheet pans, coffee/espresso maker, food preparation utensils, commercial grade knives, small wares, storage containers.
12. Prior to Opening. This includes, but is not limited to, paper plates, paper cups, paper napkins, plastic silverware, single-use kitchen items, plastic cards for Gift Card and Loyalty Card Programs, first aid supplies, and cleaning and sanitizing supplies. The figure estimates a three (3) month supply with an average traffic flow for the MBL Unit. Needs may vary by location.
13. Prior to Opening. These amounts include food costs for first three (3) month's usage for the MBL Unit. Your actual costs may vary depending on your location and time of year you open your location.
14. Prior to Opening. These figures include the minimum amounts for the initial pest control application. You must utilize a certified pest control service monthly, as detailed in the Manual. You must also utilize an approved laundry and sanitization provider, as detailed in the Manual. Costs will vary depending on location and type of services needed.
15. Prior to Opening. These figures include the MBL Unit interior and exterior signage and/or vehicle wrap that you must purchase from our designated supplier, as described in the Manual.
16. Prior to Opening. These amounts include the uniforms required of MBL Unit personnel that you must purchase from our designated supplier, as detailed in the Manual.
17. Optional garage or shelter for the MBL Unit; this may be required based on local ordinances.
18. This is the minimum required amount you must spend on grand opening marketing and advertising for your Business.
19. You must obtain and maintain certain types and amounts of insurance. (See item 8) Insurance costs depend on policy limits, types of policies, nature and value of physical assets, gross revenue, type and size of vehicle/trailer, location, business contents, and other factors bearing on risk exposure. The estimate includes insurance costs for the first three (3) month period, based on a monthly payment plan. However, this cost may be significantly higher depending on the state coverage requirements, Restaurant, Food Truck and/or Commissary/Kitchen location and your loss history.



Because of the numerous variables that affect the cost of workers' compensation, disability or unemployment insurance, this estimated initial investment table does not reflect the potential cost of this insurance.

20. Commercial Vehicle Insurance: Rates will vary by individual. Because of the numerous variables that affect this cost, this estimated initial investment table does not reflect the potential cost of this insurance.
21. Prior to Opening. These figures include the optional surveillance system and monitoring, as detailed in the Manual.
22. This item estimates your initial expenses during the initial period of operation of your Business (other than the items identified separately in the table). These expenses include but are not limited to:
 - a) Payroll costs, but do not include any draw or salary for you;
 - b) Payroll services expenses;
 - c) Standard initial operating expenses not listed above;
 - d) Individual Licenses and/or Certifications;
 - e) Background Checks on Management and/or Supervisory Personnel;
 - f) Credit Card processing;
 - g) Uniforms.

These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business.

Your costs depend on how much you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and the sales level reached during the initial period of operation of your Business.

22. We relied on the experience of our affiliate, Cheesy Street Grill, LLC's operation of a mobile food truck similar to the Business for approximately 2 years (2014 – 2016), and their operation of businesses similar to the Business for approximately eight (8) years (2016 to present) to compile these estimates. You should review these figures carefully with a business advisor before deciding to acquire the Franchise. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and your collateral, and lending policies of financial institutions from which you request a loan.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate the Restaurant according to our "**System Standards**." System Standards may regulate, among other things: the types, models, and brands of fixtures, furniture, equipment, furnishings, and signs (collectively, "**Operating Assets**"); products, supplies, recipes and services you must use in operating the Restaurant; unauthorized and prohibited products, and services you must not use; inventory



requirements; and designated and approved suppliers of Operating Assets, any proprietary products or procedures (“**Trade Secret Products**”), and other items.

Purchase from Designated or Approved Suppliers, and Specifications

We have the absolute right to restrict all of the suppliers with whom you may deal for your CSG® Restaurant and/or MBL Unit. We may, in our sole discretion, require that any services, products and other items and/or any proprietary and/or private label services, products and other items currently under development or that may be developed in the future, used in connection with the operation of your CSG® Restaurant or MBL Unit be purchased exclusively from us, our affiliate, or other approved or designated supplier(s), or distributor(s).

We restrict your suppliers in order to assure quality, assure a reliable service(s) and product(s) that meet our standards, achieve better terms of purchase and delivery service, control usage of the Mark by third parties, and monitor the processing, delivery service, manufacture (if applicable) and sale of the items.

Suppliers of certain items and services may be limited to us, our affiliate, or other specified exclusive supplier(s), in which event you must buy such services and items from us, our affiliate or any such other specified approved or designated supplier at the prices exceeding our or their costs we or they decide to charge.

You must buy all Trade Secret Products, which currently consist of our proprietary products, including but not limited to “Mac & Cheese,” from Us or our Affiliate, and/or designated or approved suppliers; and you must currently buy all of your food products, standard and seasonal packaging, tools of the trade, small wares, utensils, paper products, industry software point-of-sale system, signage, security system and surveillance, accounting/bookkeeping service, credit card services and other business services, as well as certain restaurant furnishings and fixtures (see Item 7), and the Computer System (see Item 11), from designated or approved suppliers. We will identify all designated or approved suppliers in the Manual or other written communications. Any purchases from us, and our affiliate, whether required or voluntary, will be at prices exceeding our or their costs.

In addition to the above listed items and products, as a franchisee you must buy and use the additional patent pending processes and/or items, proprietary and/or private label processes, products and items that are currently in various stages of production and/or development as they become available, from Us or our affiliates. There are no contractual limitations on the frequency and cost of this obligation.

If we have not instituted any type of restrictive sourcing program (which, as noted above, we already have done for certain items and may do so for other items), and if you want to use any item or service that we have not yet evaluated or to buy or lease from a supplier that we have not yet approved or designated, you first must send us sufficient information, specifications, and samples so that we can determine whether the item or service complies with System Standards or the supplier meets approved supplier criteria. The criteria for our approving suppliers are made available to you in our Operations Manual and other written communications. We may charge you or the supplier a reasonable fee for the evaluation (see Item 6) and will decide within a reasonable time (generally no more than 30 days). We periodically will establish procedures for your requests and may limit the number of approved items, services or suppliers, as we think best.

Supplier acceptance will depend on product quality, delivery frequency and reliability, service standards, financial capability, customer relations, concentration of purchases with limited number of suppliers to obtain better prices and service, and/or a supplier’s willingness to pay Us or our Affiliate for



the right to do business with our system. Supplier approval might be temporary until we evaluate the supplier in more detail. We may inspect a proposed supplier's facilities during and after the approval process to make sure that the supplier meets our standards. If it does not, we may revoke our approval by notifying the supplier and you in writing. We have no obligation to approve any request for a new supplier, product, or service. We may refuse to accept a product or supplier for any reason whatsoever or for no reason whatsoever, strictly at our discretion.

Purchases in Accordance with our Specifications

In addition, to maintain the quality of the goods and services that CSG® Restaurants sell and the reputation of our System, we may require that certain products, supplies and services used in connection with the operation of the Business must meet our minimum standards and specifications. Such products, supplies and services may be purchased from any supplier, so long as they meet our minimum standards and specifications.

We will formulate and modify standards and specifications based on our affiliates' and our franchisees' experience in operating CSG® Restaurants. Our standards and specifications may impose minimum requirements for production, performance, reputation, prices, quality, design, and appearance. Our standards and specifications are made available to you in our Manual and other written communications. We will also notify you of all approved suppliers.

None of our officers has an interest in any supplier, excluding Us and/or our Affiliate.

We and our affiliate have the right to receive payments from suppliers on account of their actual or prospective dealings with you and other franchisees and to use all amounts that we and our affiliate receive without restriction (unless we and our affiliate agree otherwise with the supplier) for any purposes we and our affiliate deem appropriate.

We estimate that the following purchases and leases of products and services will represent the following percentages of your total purchases and leases of products and services to establish and operate the franchised business:

	% of Total to Establish	% of Total to Operate
Collectively, leases and purchases from Us, our Affiliates, or designated or approved suppliers that must meet our specifications.	Approximately 90%	N/A
Collectively, purchases under our specifications used in operating your Facility.	N/A	25% - 35%

During fiscal year 2024, neither we, nor our affiliate, derived any revenue from selling products or services to franchisees, nor did we or it receive any rebates from suppliers on account of purchases of required and approved items by franchisees. We and/or our affiliate reserve the right to receive such payments in the future.

There currently are no purchasing or distribution cooperatives, however, you may be required to participate in a local or regional advertising cooperative. (See Item 11.) We may negotiate purchase agreements with suppliers (including price terms), for the benefit of the franchise system. We do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products or services or use of particular suppliers.



We may also require you to participate in company-wide promotions as specified in our Operations Manual.

We have established CSG® Loyalty and/or Gift Card Programs which you may choose to participate in.

- The Loyalty Card Program is a points-based Customer Reward Incentive program that rewards customers for purchases; points are accumulated based on purchases that are redeemable towards future food purchases. Guests are rewarded for repeat visits and are eligible for promotional incentives; and cards may be used at any location.

- The Gift Card is an electronic cash card for same store usage (inter-store usage is under development at this time) available for purchase and redemption at CSG® Restaurants and MBL Units, for use as a payment method for food and beverage purchases. Customers may also increase, replenish or restore balances. We will debit or credit your bank account for the net amount of Gift Card Purchases / balance increases and redemption transactions. The funds collected are not and will not be the asset of any franchisee. You must obtain and use gift cards and transaction processors, including internet or other connections, from vendors designated by us. You will also be required to use the designated transaction processor. Cards are issued and distributed by a Designated Vendor.

Insurance

You must obtain and maintain, at your own expense, the insurance coverage that we periodically require and satisfy other insurance-related obligations. Such policy or policies shall be written by an insurance company rated A-minus or better, in Class 10 or higher, by Best Insurance Ratings Service and satisfactory to Franchisor in accordance with standards and specifications set forth in the Manual or otherwise in writing, from time to time. You currently must carry General Liability Insurance, which can include bodily injury liability (for injuries to other people in connection with your business), property damage (for damage to the property of others), personal injury liability (for wrongful entry, libel, slander, false arrest), advertising liability (for publishing inaccurate information resulting in slander or libel, violation of privacy, wrongful copying and infringement), legal defense, product liability, products/completed operations, and contracts. Coverage may vary depending on space, size or location of your Restaurant. You should establish with landlord or property owner the required minimums for your location, any coverage required by law, or by your lease. Premiums depend on the insurance carrier's charges, terms of payment, and your history. All insurance policies must name us and our affiliate as additional insured parties.

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CORE COVERAGES:

Type:	Minimum Coverage Amount	How Rated:
General Liability (includes Food Contamination, F&B Spoilage, Sewer/Water Backup)	\$ 1,000,000	Per Occurrence
	\$ 2,000,000	In the Aggregate
	\$ 2,000,000 (Products and Completed Operations)	In the Aggregate
	\$ 1,000,000 (Personal/ Advertising Injury Limit)	Per Occurrence
	\$ 1,000,000 (Optional Liquor/Dram Shop)	Per Occurrence
	\$ 500,000 (Damage to Rented Premises)	Per Occurrence
	\$ 5,000 (Medical – each person)	Per Occurrence
	\$ 25,000 (Personal Effects)	Per Occurrence
	\$ 15,000 (Property Off- Premises)	Per Occurrence
Business Property Insurance	\$ 150,000	Per Occurrence
Unemployment and Disability Insurance	As required by law	Per Employee
Workers' Compensation	\$ 1,000,000	Each Accident
	\$ 1,000,000	Disease – Each Employee
	\$ 1,000,000	Disease – Policy Limit
Business Interruption Insurance	\$ 50,000	Not less than Per Month
Vehicle Liability Insurance (If vehicle is owned, non-owned, rented, scheduled or hired by the business)	\$ 1,000,000	Per Person
	\$ 3,000,000	Per Accident
	\$ 500,000	Per Occurrence
	\$ 1,000,000	General Liability per Occurrence

OPTIONAL COVERAGES:

Type:	Minimum Coverage Amount	How Rated:
Optional: Fire Damage	To Cover Building and Property	Not Less Than Per Occurrence
Optional: Comprehensive Crime & Employee Dishonesty Insurance	\$ 25,000	Per Occurrence
Business Income Extension for Off-Premises Utility Services	\$ 25,000	Not less than per Occurrence
Business Income Extension for Websites	\$ 10,000	Not less than per Occurrence
Business Income from Dependent Properties	\$ 50,000	Not less than per Occurrence
Commercial Umbrella	\$ 1,000,000	Per Occurrence
	\$ 1,000,000	In the Aggregate
	\$0 / TBD if higher limits elected	Self-Insured Retention
Optional: Employment Practices Liability	\$ 1,000,000	In the Aggregate



Advertising Materials

Before you use any advertising, promotional, and marketing materials that we have not prepared or previously accepted, you must send us samples for review. If you do not receive written rejection within one (1) business day of us receiving a social media platform, i.e. self-serving social media ads and/or posts; three (3) business days of us receiving time sensitive publications, such as virtual publications, newspapers and press releases, fourteen (14) business days of us receiving monthly publications and coupons, and thirty (30) days of us receiving exterior signage and banners, they are deemed to be accepted.

Restaurant and/or MBL Unit Site

The CSG® Restaurant and/or MBL Unit Business must be located at a site that we accept. We must also accept your lease or sublease, if any, and we have the right to reject a proposed lease or sublease and/or to require that it include certain provisions (see Articles VIII.E, XII.X and XX.B of the Franchise Agreement), including our right to the occupancy of the Restaurant if your Franchise is terminated or not renewed, or if you lose possession because of your default under the lease, pursuant to a Collateral Assignment of Lease in the form attached hereto as Exhibit I.

Business Development

You must develop the Business. We will give you mandatory and suggested specifications and layouts for a CSG® Restaurant and/or MBL Unit (including, but not limited to, food trucks, temporary concession stands, and pop-up restaurants), and/or kiosk, including requirements for dimensions, “**Trade Dress**” (design, image, interior layout, décor, and color scheme), and Operating Assets. These specifications and layouts might not reflect the requirements of any federal, state, or local law, code, or regulation, including those arising under the Americans with Disabilities Act (“**ADA**”) or similar rules governing public accommodations for person with disabilities. You must prepare a site survey and all required construction plans and specifications for the location of your Business and make sure that they comply with the ADA and similar rules, other applicable ordinances, building codes, permit requirements, and lease requirements and restrictions. We may review and accept all final specifications and plans before you begin constructing the Unit and all revised or “as built” specifications and plans during construction. Our review is only to ensure your compliance with our design requirements. We may inspect the Unit at any time during its development.

Item 9

FRANCHISEE’S OBLIGATIONS

This table lists your principal obligations under the franchise agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

Obligation	Article in Franchise Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	VIII.E, XII.Y and XX.B	7, 8, 11 and 12



Obligation	Article in Franchise Agreement	Disclosure Document Item
(b) Pre-opening purchases/leases	VIII.E, XII.A, XII.L, XII.M, and XII.N	6, 7, 8 and 11
(c) Site development and other pre-opening requirements; corporate name approval	VIII.F or VIII.G., XII.F, XII.Y, XV.B.7, XX.B, XX.C and XX.D	7, 8, 11 and 13
(d) Initial and ongoing training	XII.BB, XX.A, XX.E and XX.G	5, 6, 7 and 11
(e) Opening	VIII.C	11
(f) Fees	VII, VIII and IX	5, 6 and 7
(g) Compliance with standards and policies/Manual	XII.A, XII.J, XX.H and XXV.O	8 and 11
(h) Trademark and proprietary information	XV and XVI	13 and 14
(i) Restrictions on services/products offered	XII.A, XII.K and XII.L	8, 11, 12 and 16
(j) Warranty and customer service requirements	XII.A.9, XII.H, XII.J, XII.O and XII.Q	None
(k) Territorial development and sales quotas	None	None
(l) On-going product/ service purchases	XII.K and XII.L	6, 8, 11 and 16
(m) Maintenance, appearance and remodeling requirements	XII.E	6, 8 and 17
(n) Insurance	XIII	6, 7, 8 and 11
(o) Advertising	IX.B, IX.C, IX.D and IX.E	6, 7, 8 and 11
(p) Indemnification	XVIII	6
(q) Owner's participation/ management/staffing	XII.F, XII.G and XII.H	11 and 15
(r) Records and reports	XIV	11
(s) Inspections and audits	XII.W, XIV.B, XIV.F, XIV.G and XX.A.12	6 and 11
(t) Transfer	XXII	6 and 17
(u) Renewal	VI.B	6 and 17
(v) Post-termination obligations	XXIV	17
(w) Non-competition covenants	XIX.B	15 and 17
(x) Dispute resolution	XXV.D	17



Item 10

FINANCING

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

Item 11

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

Except as listed below, we, Cheesy Street Grill Franchising, LLC, are not required to provide you with any assistance.

Before you open your Franchised Business, we will:

1. Accept or reject a location you propose within fifteen (15) business days after receiving your description of, and evidence confirming your favorable prospects for obtaining a lease for, the proposed site. We will use reasonable efforts to help analyze your market area, to help determine site feasibility and to assist in designating the location, although we will not locate the site, conduct site selection activities for you, or negotiate the purchase or lease of the site for you. Neither we, nor our affiliate own any premises that we would lease to franchisees. The site must meet our criteria for demographic characteristics; traffic patterns; parking; character of neighborhood; competition from, proximity to, and nature of other businesses; size; appearance; and other physical and commercial characteristics. (Franchise Agreement – Article XX.B)
2. Accept or reject your proposed lease. You must sign a lease for the premises of your Business that meets our requirements within two (2) months after you have been “**Awarded**” a franchise. “**Award**” is the process of submitting a signed receipt for the Franchise Disclosure Document, clearance of the Initial Franchise Fee funds, the satisfactory completion of your application for purchase of a Franchise, and our acceptance of your application. Franchisor may grant Franchisee two thirty (30) day extensions within which to sign a lease. Franchisee must submit written documentation of the status of the application(s) ten (10) days prior to the date of the thirty (30) day extension request. (Franchise Agreement – Article XII.I)

If you do not locate and sign a lease that we have accepted or a purchase document for an acceptable site for the premises of your Business within four (4) months (including extensions) after you have been accepted as a franchisee, we will have the right to terminate the Franchise Agreement. (Franchise Agreement – Article VIII.E)

3. Provide you with mandatory and suggested specifications and layouts for a CSG® Restaurant and vehicle (optional), or MBL Unit, including requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs, furnishings, and color scheme. We will not assist you in conforming your premises to local ordinances, and/or building codes, obtaining any required permits, or constructing, remodeling or decorating the premises. (Franchise Agreement – Article XX.B, and XX.C)
4. Identify the operating assets, and other products, services, and supplies that you must use to develop and operate the Business, the minimum standards and specifications that you must satisfy, and the designated or approved suppliers from whom you must or may buy or lease these items (which may



be limited to or include us, our affiliate, or other specified exclusive sources). We will also assist you in providing or obtaining the necessary equipment, signs, fixtures, opening inventory and supplies. As disclosed above, we provide written specifications for these items in the Operations Manual. We will not either deliver or install these items, unless we agree otherwise. (Franchise Agreement – Articles XII.A, XII.A.8, XII.L.2, XII.M, XII.N, XX.D, XX.H, and XX.I)

5. Provide you with one copy of each of our manuals (the “**Manual**”), on loan, which may include, but is not limited to, printed materials, portable storage devices, PowerPoint® presentations, flash presentations, video, webinars, computer software, online/virtual means, and/or other electronic media, for the term of the Franchise Agreement. The current table of contents of the Operations Manual is in Exhibit D. As of the date of this disclosure document, the Operations Manual contains 1,215 pages. (Franchise Agreement – Article XX.H.)

The number of pages devoted to each subject is also shown on Exhibit D. The Manual contains mandatory and suggested specifications, standards, operating procedures, and rules (“**System Standards**”) that we periodically require. These are the administrative, bookkeeping, accounting, and inventory control procedures you will need. We may modify the Manual periodically to reflect changes in System Standards and these modifications may require you to invest additional capital in the Business or incur higher operating costs. (Franchise Agreement – Articles XII.A, XX.H and XXV.N)

6. We do not establish your prices, but we reserve the right to advise you from time to time concerning suggested retail prices. (Franchise Agreement – Articles XII.A, XX.J and XXV.N)
7. Advise you with respect to the grand opening marketing and advertising program. (Franchise Agreement – Article IX.E)
8. Train you (or your managing owner) and one manager-level employee. (Franchise Agreement – Articles XII.BB and XX.A) We will describe this training later in this Item.
9. Provide you with a Welcome Package after you sign the Franchise Agreement and are accepted as a Franchisee that includes at minimum: logo-emblazoned t-shirts, starter business pack, and miscellaneous marketing/promotional items. There is one (1) Welcome Package per managing staff member/staff member, up to a maximum of two (2). (Franchise Agreement – Article XX.M)

During your operation of the Franchised Business, we will:

1. Advise you regarding the Business’s operation based on your reports and our inspections. We also will guide you on standards, specifications, and operating procedures and methods that CSG® Restaurants and/or MBL Units use; standards, specifications, operating procedures and methods to use CSG® branded social media; purchasing required and authorized Operating Assets, Trade Secret Products, Services, proprietary recipes and other items, and arranging for their distribution to you; advertising and marketing materials and programs; employee training; and administrative, bookkeeping, accounting, and inventory control procedures. We will guide you in our Manual; bulletins and other written materials; by electronic media; by telephone consultation; and/or at our office or the Business. (Franchise Agreement – Articles XII.A and XII.J)
2. Give you, at your request (and our option), additional or special guidance, assistance, and training. (Franchise Agreement – Articles XX.G)



3. Provide periodic telephone, electronic mail or other assistance on daily operations, marketing, advertising, financial management, personnel and other operating issues that you encounter. (Franchise Agreement Article XX)
4. Continue to loan you one copy of the Operations Manual, which could include, but is not limited to, printed materials, portable storage devices, PowerPoint® presentations, flash presentations, video, webinars, software, online/virtual means, and/or other electronic media. (Franchise Agreement – Articles XII.A, XX.H and XXV.N)
5. Distribute to you revisions of our Operations Manual to incorporate improvements and new developments in our system, including improvements in products and services you offer to your customers. These revisions may be made at any time but will not unreasonably increase your obligations under the Franchise Agreement. (Franchise Agreement – Articles XII.A, XX.H and XXV.N)
6. We do not establish your prices, but we reserve the right to advise you from time to time concerning suggested retail prices. (Franchise Agreement – Articles XII and XX.J)
7. Issue and modify System Standards, products and services for CSG® Restaurants and MBL Units. We periodically may modify System Standards, which may accommodate regional or local variations, and these modifications may require you to invest additional capital in the Business or incur higher operating costs. (Franchise Agreement – Articles XII.A, XII.J and XII.Q)
8. Inspect the Business from time to time and observe its operation to help you comply with the Franchise Agreement and all System Standards. We will also be available by phone and/or email to help resolve operating problems you may encounter. (Franchise Agreement – Articles XII.W and XIV.B.)

The industry software system and support vendor, along with the accounting, bookkeeping and payroll service vendor and/or personnel, and the payments system vendor are available by phone to help resolve operating problems you may encounter. This service is part of your monthly fee.

9. Let you use our confidential information. (Franchise Agreement – Article XVI)
10. Let you use our Marks. (Franchise Agreement – Article XV)
11. Develop and provide you with creative materials for local and regional advertising and make such advertising materials available to you for publication or distribution in your market area and at your own expense and provide you with specific guidelines for advertising initiated by you. (Franchise Agreement – Article XX.K)
12. Offer refresher management training courses from time to time. At our discretion, you and your employees must attend these courses, in person or by virtual training sessions, as we may specify. We do not assist you in hiring your employees. (Franchise Agreement – Article XX. (See Item 6)

Training

If this is your first **CSG® Unit**, then before the Restaurant or MBL Unit opens, we will train you (or your managing owner) and one of your manager-level employees on operating a CSG® Unit. We will provide approximately 23 hours of Administrative training, which may be virtual, in-person, and/or a combination of the two; and approximately 27 hours of Hands-On training (the specific number of days



depends on our opinion of your experience and needs) at our restaurant in Natick, MA or another location we designate and/or at an operating CSG® location. If you (or your managing owner) and one of your manager-level employees cannot complete initial training to our satisfaction, we may terminate the Franchise Agreement. (Franchise Agreement – Articles XII.BB and XX)

We provide initial training for two (2) people at no charge. Additional persons (beyond the first two), up to a maximum of four persons attending training concurrently, may attend initial training if you pay our then current training charge for each additional person, based on availability. (See Item 5) You also must pay for all travel and living expenses that you and your employees incur and for your employees' hourly wages and/or salaries (if applicable), and workers' compensation insurance, unemployment insurance, and disability insurance (if applicable) during training.

Training will occur after you have been “**Awarded**” a Franchisee and while you are developing the Business. “**Award**” is the process of submitting a signed receipt for the Franchise Disclosure Document, clearance of the Initial Franchise Fee funds and the satisfactory completion of your application for purchase of a Franchise, and our acceptance of your application. All required attendees must complete training to our satisfaction before you may open your Business. We plan to be flexible in scheduling training to accommodate our personnel, you, and your personnel and, in all events, we will schedule the training in sufficient time in order to enable you to open your Restaurant within 90 days from the date that you sign a lease for the location of your Business. (Franchise Agreement – Articles XII.I and XX)

As of the date of this Disclosure Document, we provide the following initial management training program:

INITIAL TRAINING PROGRAM
CSG® RESTAURANT AND/OR MBL UNIT

Subject	Hours of Classroom Training	Hours of On the Job Training	Location
Module 1 – Classroom/Administrative			
Introduction/History/Philosophy of CSG®	1.0		Virtual and/or Natick, MA
Use of the Manual	2.0		Virtual and/or Natick, MA
Pre-Opening	4.0		Virtual and/or Natick, MA
Operations	4.0		Virtual and/or Natick, MA
Operations	2.0		Natick, MA
Computer System/Software/POS Software	2.0		Virtual and/or Natick, MA
Customer Service	1.0		Virtual and/or Natick, MA
Personnel/ HR/Scheduling	1.0		Virtual and/or Natick, MA
Industry Specific Rules/Regulations and Compliance Standards/State/Federal Guidelines	1.0		Virtual and/or Natick, MA



Accounting/Bookkeeping Transactions	3.0		Virtual and/or Natick, MA
Advertising/Marketing	1.0		Virtual and/or Natick, MA
Customer Acquisition and Retention	1.0		Virtual and/or Natick, MA
Module 2 - Hands-On			
On-the-Job and/or Hands-On Training		27.0	Natick, MA or Designated location
Training TOTALS of Module 1 & 2 =	23.0	27.0	50 Hours Total

Lisa Dowd, our Founder and Corporate Trainer, conducts or personally oversees all training. The Operations Manual will be used as the principal instruction material. Lisa is responsible for training in the following topics: history and philosophy of CSG®; general operations, including front of the house and back of the house; industry-specific rules and regulations; advertising, marketing and PR; product and menu knowledge; inventory control; and bookkeeping. Other staff, as identified in the operations manual, may assist.

Hands-On Training classes are held on an as-needed basis, either at one of our affiliate's locations, or at our restaurant in Natick, MA, and training will be scheduled in order to enable you to open the Business within 90 days from the date that you sign a lease for the Business. The only expenses you will incur for training of up to two (2) persons are travel and living expenses, and wages (if applicable) while the training program occurs, and workers' compensation insurance, unemployment insurance and disability insurance (if applicable). All required attendees must successfully complete the initial management training. Additional training, which may be virtual or in-person, may be held prior to your opening or after you open the Business. Such training may be mandatory at our discretion.

When the first Unit is ready to open, we will, at our cost, send one of our representatives to the Unit for three (3) days to assist with the opening.

You (or your managing owner), all Restaurant/MBL Unit Managers and/or other previously trained and experienced employees must also attend and satisfactorily complete various training courses that we periodically provide at the times and locations we designate or by printed materials, portable storage devices, PowerPoint® presentations, flash presentations, video, webinars, computer software, online/virtual means, and/or other electronic media. We will not require attendance for more than a total of five (5) days during a calendar year. Besides attending these courses, you must attend an annual meeting, which may be virtual, of all franchisees at a location we designate, or by online/virtual methods. We will not require attendance at the annual meeting for more than three (3) days during any calendar year. (See Item 6) You are responsible for all related travel and living expenses and hourly wages and/or salaries (if applicable), and workers' compensation insurance, unemployment insurance, and disability insurance (if applicable) for all attendees.

We may also require newly hired managers to complete the 2-day management training program, in addition to any locally required food management certifications, Food Protection Manager Certification, Allergen Certification and Choke Saver Certification, as required by Us. You are responsible for all related travel and living expenses, and hourly wages and/or salaries (if applicable), and workers' compensation insurance, unemployment insurance, and disability insurance (if applicable) for all attendees.



Opening

We estimate that it will be 150 to 240 days after you sign the Franchise Agreement, and are accepted as a Franchisee, before you open the Business, which includes the lease signing period and three (3) thirty-day extensions. If you have a site for the Business or find one shortly after signing the Franchise Agreement, which is a second-generation restaurant use location, you may be able to open in less time. You must sign a lease for an acceptable site within 60 days after the Franchise Agreement's effective date, and we may terminate the Franchise Agreement if you fail to sign a lease within the 120-day period.

The specific timetable for opening depends on the site's condition; the Unit's construction/remodel schedule; the extent to which you must upgrade or remodel an existing location; the delivery schedule for equipment and supplies; completing training; and complying with local laws and regulations. You may not open the Business until: (1) we notify you in writing that the Business meets our standards and specifications; (2) you complete pre-opening training to our satisfaction; (3) you pay the Initial Franchise Fee and other amounts then due us; and (4) you supply us with copies of all certificates for all required insurance policies, copies of all required industry-specific certifications and/or licenses, copies of required background checks, and copies of appropriate government approvals, permits, and licenses. Subject to these conditions, you must open the Business within 240 days (including extensions) from the Awarding of your franchise. (Franchise Agreement – Article XII.I)

National Advertising and Brand Development Fund

We may establish a National Advertising and Brand Development Fund (the “**Fund**”) in the future for advertising, marketing, and public relations programs, materials, campaigns and related overhead we deem appropriate. As of the date of this disclosure document, we have not established a Fund. However, if and when we do, you must contribute to the Fund, on a monthly basis, up to 1% of your Gross Sales, as we require (See Item 6). Media coverage may be local, regional or national. We have the authority to determine the composition of all geographic territories and market areas for the advertising and promotion programs. All formulation, development and production costs of advertising and promotion (including the proportionate compensation of our employees for advertising functions) will be paid from a separate fund administered by Franchisor and/or Affiliate. The CSG® Restaurants or MBL Units that we, or our affiliate own will contribute to the Fund on the same basis as franchisees. We have the right to collect for deposit into the Fund any advertising, marketing, or similar allowances paid to us by suppliers who deal with CSG® Restaurants and MBL Units and with whom we have agreed that we will so deposit these allowances.

We will direct all programs financed by the Fund, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. We reserve the option of using an in-house advertising department or a national or regional advertising agency. The Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining an electronic commerce Web site and/or related strategies; administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, and other media advertising; using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities. The Fund may advertise locally, regionally, and/or nationally in printed materials, on radio or television, and/or on the Internet, whatever we think best. The Fund periodically will give you samples of advertising, marketing, and promotional formats and materials at no cost. We will sell you multiple copies of these materials at our cost of producing them, plus any related shipping, handling, and storage charges.



We will account for the Fund separately from our other funds and not use the Fund for our general operating expenses. However, we may use the Fund to pay the reasonable salaries and benefits of personnel who manage and administer the Fund, the Fund's other administrative costs, travel expenses of personnel while they are on Fund business, meeting costs, overhead relating to Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Fund and its programs, including conducting market research; public relations; preparing advertising, promotion, and marketing materials; and collecting and accounting for Fund contributions. We may also use the Fund to pay for the creative and production costs for such items as billboard design, radio and video production, public relations campaigns, copy for newspaper, magazine advertisements, flyer, and other promotional material.

The Fund is not our asset. The Fund also is not a trust. We have a contractual obligation to hold all Fund contributions for the benefit of the contributors and to use contributions only for their permitted purposes (described above). We have no fiduciary obligation to you for administering the Fund. The Fund may spend in any fiscal year more or less than the total Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. If not all of the advertising funds are spent in the year they accrue, we will carry the balance over into the next year. We will use interest earned on Fund contributions to pay costs before spending the Fund's other assets. We will not use Fund contributions for advertising that principally is a solicitation for the sale of franchises. We will prepare an annual, unaudited statement of Fund collections and expenses, and provide you with a copy upon your written request. We may have the Fund audited annually, at the Fund's expense, by an independent certified public accountant, but we are not required to do so. We may incorporate the Fund or operate it through a separate entity when we think best. The successor entity will have all of the rights and duties described here.

The purpose of the Fund is to maximize recognition of the Marks and patronage of CSG® Restaurants and MBL Units. Although we will try to use the Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all CSG® Restaurants and MBL Units, we need not ensure that Fund expenditures in or affecting any geographic area are proportionate or equivalent to Fund contributions by CSG® Restaurants and MBL Units operating in that geographic area or that any CSG® Restaurant or MBL Unit benefits directly or in proportion to its Fund contributions from the development of advertising and marketing materials or the placement of advertising, or that any advertising is placed in your Territory. We may use collection agents and institute legal proceedings to collect Fund contributions at the Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Fund. We assume no other direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Fund.

We may at any time defer or reduce your Fund contributions and, upon 30 days prior written notice to you, reduce or suspend Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Fund. If we terminate the Fund, we will distribute all unspent monies to franchisees, and to us and our affiliate, in proportion to their, and our, respective Fund contributions during the preceding 12-month period. (Franchise Agreement – Article IX.B)

During fiscal year 2024, there were no contributions to the Fund.

Regional Advertising Program.

We may designate an Advertising Coverage Area ("ACA") – local or regional – in a Designated Market Area ("DMA") in which two (2) or more CSG® Restaurants or MBL Units are located in order to seek to establish a Regional Advertising Program ("Regional Program"). An ACA is the area covered by the particular advertising medium recognized in the industry (i.e. a DMA is a recognized marketing medium by Nielsen). If your Restaurant or MBL Unit is located in an ACA, you must participate. Each CSG®



Restaurant or MBL Unit operating in the ACA will have one vote, including each Business we or our affiliate operate.

If a Regional Program is established for your ACA, your Business and each other Business in the ACA (whether franchised or owned by us or an affiliate) must contribute up to two percent (2%) of monthly Gross Sales to the Regional Program weekly, monthly, or as otherwise specified by 50% or more of the CSG® Restaurants and MBL Units operating in the ACA. Any amounts you contribute to a Regional Program will count toward the amount you are required to spend monthly on local advertising, however, the amount credited towards your local advertising will be capped at two hundred fifty dollars (\$250) each month.

We have the power to form, change, dissolve, or merge any Regional Program. Regional Programs will not operate from any written governing documents. We will make available for your review any records showing payments to and expenses of any Regional Program in which you participate. (Franchise Agreement – Article IX.C)

Your Local Advertising

In addition to your National and/or Regional Fund contributions, if any, and your grand opening marketing and advertising obligation, you must spend a monthly minimum on a descending scale based on longevity as a Franchisee to advertise and promote your Business (including the costs of virtual and/or print business listings) as described below:

Minimum Monthly Amount	Time Period
\$1,000	Months 4 – 12
\$750	Months 13 -24
\$500	Months 25 - conclusion

Within 10 days from the end of each month, you must send us, in the manner we prescribe, an accounting of your expenditures for local advertising and promotion during the preceding month. Your local advertising and promotion must follow our guidelines. All advertising and promotional materials developed for your Business must contain notices of our Website's domain name in the manner we designate. You may not develop, maintain, or authorize any Website that mentions or describes you or the Business or displays any of the Marks.

All advertising, promotion, and marketing must be completely clear, factual, and not misleading, and must conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we periodically require. Before you use any advertising, promotional and marketing materials that we have not prepared or previously accepted, you must send us or our designated agency samples for review. If you do not receive written rejection within one (1) business day of us receiving a social media platform, i.e. self-serving social media ads and/or posts; three (3) business days of us receiving time sensitive publications, such as virtual publications and press releases, fourteen (14) business days of monthly publications and coupons, and thirty (30) days of exterior signage and banners after we receive the materials, they are deemed to be accepted. You may not use any advertising, promotional, or marketing materials that we have not accepted or have rejected.

You must list and advertise the Business in at least one recommended online/virtual directory distributed within the Business's market area (in designated business classifications) and use an approved form of online directory advertisement. If other CSG® Restaurants or MBL Units are located within the



directory's distribution area and/or broadcast area, you must participate in a collective virtual directory advertisement with those Businesses and pay your share. (Franchise Agreement – Article IX.D)

Franchise Advisory Council

We do not currently have a franchise advisory council that advises us on advertising policies.

Operations Manual

The Table of Contents for the Operations Manual is shown in Exhibit D. As of the date of this Disclosure Document, the Operations Manual contains a total of 1,215 pages. The number of pages devoted to each subject is also shown in Exhibit D. The Operations Manual contains mandatory and suggested specifications, standards, operating procedures, and rules (“**System Standards**”).

Telecommunications

Restaurant: You will need one (1) hardline phone with two (2) numbers ported in, with voicemail service. You must have high-speed Internet/Email with password protected Wi-Fi.

MBL Unit: You will need one (1) designated smartphone with a minimum of one (1) designated business number, with voicemail service. You will need a designated iPad® (part of POS system) with cellular service. You must have high-speed Internet/Email with password protected Wi-Fi.

Computer System

You must obtain and use in your Restaurant or MBL Unit a computer-based point-of-sale cash register system and a “back-office” compatible computer (the “**Computer System**”). The Computer System will generate reports on the sales and expenses of the Restaurant, and costs from \$3,500 - \$6,500.

The principal components of the current Computer System are as follows:

Required Computer Hardware:

- One desktop or laptop PC or MAC computer system
- POS System (includes iPad® terminal (MBL Unit must be a cellular iPad terminal with unlimited data plan), monitor, receipt printer, cash drawer)

Required Office Software:

- Online Bookkeeping System (latest version)
- MS Home & Business (latest version)
 - Word
 - Excel
 - PowerPoint
 - Outlook

Required POS Software

Paid Security and Backup Software

Supporting Office System Equipment Requirements:



- 3-in-1 Printer/Copier/Scanner
- Monitor (optional)
- Multi-port wireless router
- Surge protector(s)/battery backup (as needed)
- Mouse (optional for laptop)
- Cables, wires & adapters—as required for system

Minimum System Requirements for the Business PC

Operating System	Windows (latest version in English)
Processor	Intel Core (latest generation)
Processor Speed	Minimum 3.40 GHz
Standard Memory	16 GB
Drive Capacity	1 TB
Solid State Drive	32 GB
Video Memory	Up to 2 GB
Cache Memory	8 MB
Recordable DVD Drive Speeds	Maximum write (DVD±R), rewrite (DVD±RW) and read (DVD-ROM) speeds of the DVD±RW drive.
Additionally:	Natively installed
Operating System Bit Version	Recommend 64-bit Processing

Minimum System Requirements for the Business Mac

Operating System	Mac OS (latest version)
Processor	Intel® (latest generation)
Processor Speed	2.7 GHz
Standard Memory	8 GB
Drive Capacity	1 TB
Solid State Drive	32 GB
Video Memory	Up to 2 GB
Cache Memory	8 MB
Recordable DVD Drive Speeds	Optional
Additionally:	Natively installed
Operating System Bit Version	Recommend 64-bit Processing

Minimum System Requirements for the Business iPad:

Operating System	Apple iOS (latest version)
Drive Capacity	16 GB
Display	7.9" LED-backlist display (minimum)
Camera	5.0MP iSight camera with 1080p HD video recording
Camera	FaceTime HD camera
Wireless Capability	Wi-Fi with service contract with a carrier

The Computer System will manage client data and generate income and expense reports of the Restaurant and MBL Unit. You may obtain the Computer System from any vendor so long as the Computer System meets our requirements as set forth below. You will be solely responsible for the acquisition, operation, maintenance, and upgrading of the Computer System. Neither we, nor any affiliate or third party,



is obligated to provide ongoing maintenance, repairs, upgrades or updates for the Computer System. We currently do not require that you purchase a maintenance, repair, upgrade, or update service contract for the Computer System, but we reserve the right to do so in the future. All technology specifications and costs are subject to change based on technology changes and/or system changes.

You will not be required to retain a computer expert to set up or operate your Computer System except in the event of any system malfunction. We reserve the right to change the Computer System requirements at any time. There are no contractual limitations on the frequency and cost of this obligation, and we will not reimburse you for any of these costs.

We and our affiliate will have independent, unlimited access to the computer data and equipment containing the information, records and reports required by the Franchise Agreement. (Franchise Agreement – Article XIV)

You must also have a functioning email address so that we can send you notice and otherwise communicate with you by Internet. Franchisee's personal information is not to be stored on any business-dedicated electronic device.

Our affiliate has been using the current Computer System since December 2017.

If we or our affiliate should develop any proprietary software or technology for use by the System, we may condition your use of such software or technology on your signing the Software License Agreement or similar document that we or our affiliate prescribe to regulate your use of, and our and your respective rights and responsibilities concerning the software or technology. We or our affiliate may charge you a monthly or other fee for any proprietary software or technology that we or our affiliate license to you and for other maintenance and support services that we or our affiliate provide during the franchise term.

We require you to complete background investigations on all managers and supervisory personnel. This will require annual renewal. These background investigations must be current and kept on file at all times.

Item 12

TERRITORY

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

You will receive a defined territory (the “**Territory**”). We will describe the Territory in your Franchise Agreement (Exhibit 3 to the Franchise Agreement) before you sign it and, except as disclosed herein, we do not have the right to alter the Territory.

TRADITIONAL RESTAURANT

You will locate and operate a permanent Traditional Restaurant at a specific location within the Territory that we first must accept. You will not receive an exclusive territory under our Standard Restaurant Franchise Agreement, with or without Beer & Wine Service. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands.



You will be assigned a Territory/Area of Primary Responsibility. The boundaries of the Area of Primary Responsibility will be inserted in the standard Franchise Agreement when you have been accepted as a Franchisee.

You may operate the permanent Traditional Restaurant only at the accepted location and may not relocate the Business without our written acceptance. We will allow a relocation of your Business to another location within the Territory, provided that it does not encroach upon the territorial rights of either another franchisee or an affiliate.

We will determine the size and boundaries of the Territory in our discretion, based on factors such as population density, character of neighborhood, location and number of competing businesses and other factors.

Territory/Area of Primary Responsibility for a Traditional Restaurant:

A: The Area of Primary Responsibility will generally be a 1-mile radius/2-mile diameter from the identified CenterPoint; and/or a 1-mile radius/2-mile diameter from a street intersection; or a written description equivalent to a 1-mile radius; except in densely populated areas (defined as a daytime or residential population of 30,000 or more people) it will be generally a $\frac{1}{2}$ mile radius; provided, however, the radius will be reduced to the extent it would extend over an international border; OR

B: Complex or Hub: Permanent sites that generate customer traffic flow which is independent from the general customer traffic flow of the surrounding area, including, but not limited to: airports (serviced by one or more public or charter carriers), train stations, bus terminals, travel plazas, port authority, malls, shopping venues, convention centers, military facilities, campus at any college, university or other post-secondary education institution, hospitals and other health care facilities, recreational theme parks, stadium, arena, state or national park, business or industrial/commercial complexes, Native American reservations, casinos or any similar captive market locations, etc., or is located across an international border. The Area of Primary Responsibility will be the Complex or Hub, or a portion thereof (i.e. individual terminal or concourse within an airport, etc.).

Your Territory may be defined by 1 or more 5-digit ZIP Codes, county or city boundaries, or fixed geographical boundaries such as rivers, streets or highways, or may be identified by a map (Exhibit MAP to the Franchise Agreement), OR the permanent location found within a Complex or Hub. During the term of the Standard Franchise Agreement, neither we nor our affiliates will operate or grant a franchise for a Store whose Area of Primary Responsibility overlaps your Area of Primary Responsibility.

Non-Exclusive Territory – Complex or Hub Locations

If you operate your Traditional Restaurant in a Complex or a Hub location, you will not receive a protected territory. We may establish other franchised outlets, or outlets owned by us or our affiliates (or their franchisees) that compete with your location, including outlets using our trademarks or other marks. If your Restaurant is located within a Complex or Hub and we decide to have another Restaurant or one becomes available within the Complex or Hub, we will give you the opportunity to be first considered for the additional Restaurant, provided that you are in compliance with the Franchise Agreement. You only have this right for additional Restaurants located within the boundaries of your Complex or Hub for a pre-determined time period. If you apply for the additional franchised Restaurant in your Complex or Hub and we accept your application, you will sign our then-current form of our Franchise Agreement and pay the



then-current Initial Franchise Fee. Except as provided in this paragraph, you have no options, rights, rights of first refusal or similar rights to acquire additional franchises.

Temporary venues/events for institutions such as: healthcare, military, religious, governmental, social, cultural, economic, community, etc.; shopping venues; transportation hubs; parks (including theme parks); arenas, convention centers, sporting & music events; educational campuses; festivals, fairs, other mass gathering locations or events; and other facilities or venues where events are scheduled are excluded from your area of primary responsibility, unless specified in writing. You will have the first option to service such temporary venues/events if you meet the legal and/or venue requirements, subject to our approval within a pre-determined time period.

MBL UNIT

You will operate the MBL Unit; with or without Beer and Wine Service; only in an Area of Primary Responsibility awarded by Us. You will not receive an exclusive territory under our MBL Unit Standard Franchise Agreement, with or without Beer & Wine Service. You may be required to operate a “**Kitchen**” (Kitchen is defined as a Commissary, Leased Kitchen, or Shared Kitchen) to comply with local rules and requirements. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands. You will be assigned an Area of Primary Responsibility. The boundaries of the Area of Primary Responsibility will be inserted in the standard Franchise Agreement when you have been awarded a Franchise.

You may operate the MBL Unit only in the accepted Area of Primary Responsibility and may not relocate or re-define the area/location without our written approval. We may allow a relocation of your MBL Unit to another location within the Territory, provided that it does not encroach upon the territorial rights of either another franchisee or an affiliate. You must submit a request to relocate to us in writing.

Your Territory will be defined by using your Kitchen’s (which may also be your Traditional Restaurant) location as the Center Point.

Territory/Area of Primary Responsibility:

A: The Area of Primary Responsibility will generally be a 25-mile radius around the Center Point; except in densely populated areas (defined as a daytime or residential population of 30,000 or more people) it will generally be a 10-mile radius; and

Not within 2 miles from any existing CSG® permanent location; OR

B: TEMPORARY (POP-UP): Temporary sites found within the Area of Primary Responsibility that generate customer traffic flow which is independent from the general customer traffic flow of the surrounding area, including, but not limited to: annual temporary location, i.e. state fair, annual or seasonal sports event, etc.; work-sites; “Pop-Up Restaurant events;” “Supper Clubs;” festivals, fairs, other mass gathering locations or events, i.e. temporary concession site per event; business or industrial/commercial foodservice venues; venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider; or any similar captive market location.

You must operate the Restaurant and/or MBL Unit, with Unit Designations(s) as identified in Exhibit 5 to the Franchise Agreement, from an identified location or from within its defined territory or CenterPoint. Conducting business outside of the Territory will be considered a material default under the



Franchise Agreement, however, you have the right to use any channels of distribution in your Territory (other than the Internet) to make sales, and you may accept orders from outside your Territory.

You do not receive the exclusive right to obtain additional franchises in the Territory.

You may not engage in any type of fast-casual restaurant business other than the CSG® fast-casual restaurant without our written prior consent, and you may not be engaged in any other business whatsoever within your Territory without our prior written consent.

Except as expressly disclosed above, and provided that you are in full compliance with the Franchise Agreement, we and our affiliates will not operate or grant a franchise for the operation of another CSG® Restaurant at a location within your territory during the term of the Franchise Agreement. Except as expressly limited by the previous sentence, we and our affiliates retain all rights with respect to CSG® Restaurants, the Marks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire, including but not limited to:

- (1) the right to provide, offer and sell and to grant others the right to provide, offer and sell goods and services that are identical or similar to and/or competitive with those provided at CSG® Restaurants and/or MBL Units, whether identified by the Marks or other trademarks or service marks, through dissimilar channels of distribution (including specialty stores, grocery distributors, or direct sales via the Internet or similar electronic media) both inside and outside your territory and on any terms and conditions we deem appropriate;
- (2) the right to establish and operate, and to grant to others the right to establish and operate, businesses offering dissimilar products and services, both inside and outside your territory under the Marks and on any terms and conditions we deem appropriate;
- (3) the right to establish and operate, and to grant to others the right to establish and operate, businesses that do not utilize the System or utilize the CSG® service mark;
- (4) the right to operate, and to grant others the right to operate CSG® Restaurants and/or MBL Units located anywhere outside your territory under any terms and conditions we deem appropriate and regardless of proximity to the Business;
- (5) the right to operate and grant others the right to operate CSG® Units at “**Hubs**” or “**Complexes**” within and outside your territory on any terms and conditions we deem appropriate;
- (6) the right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at CSG® Units, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the Franchisees or licensees of these businesses) are located or operating (including in your territory); and
- (7) the right to be acquired (whether through acquisition of assets, ownership interests or otherwise regardless of the form of transaction), by a business providing products and services similar to those provided at CSG® Units, or by another business, even if such business operates, franchises and/or licenses competitive businesses in your territory.



We are not required to pay you if we exercise any of the rights specified above inside your territory.

You have no options, rights of first refusal, or similar rights to acquire additional franchises.

Although we and our affiliate have the right to do so (as described above), we and our affiliate have not operated or franchised, and presently have no plans to operate or franchise, other businesses selling or leasing similar products or services under different names than CSG® or Cheesy Street Grill Cheese Wheelin' and Sandwich Dealin' Gourmet CSG Sandwich®.

We do not restrict you from soliciting or accepting orders from outside your Territory, but you do not have the right to use other channels of distribution to make sales outside your Territory.

Renewal or Transfer

On renewal or transfer of a franchise, the Territory may be modified. Depending on the then-current demographics of the Territory, and on our then-current Franchise Agreement, specifically relating to the standards for territories, if your defined Territory is larger than our then-current standards for territories, we may require you or the transferee to accept a Franchise Agreement with a smaller Territory than you had previously been awarded.

Continuation of your franchise or territorial rights does not depend on your achieving a certain sales volume, market penetration, or other contingency. However, if you want to renew your franchise at the end of the initial term, you must attain, during the last 12 months of the term, Gross Sales equal to not less than 50% of the chain median (including both company or affiliate owned and franchised outlets) over the same period, and receive an average score of at least 85% on audits and mystery customers at your Restaurant over the prior three (3) year period, as permitted by state and/or local laws and regulations.

Item 13

TRADEMARKS

Under the Franchise Agreement, we grant you the non-exclusive right to use the Marks in operating the Business. The principal Marks are:

MARK	FEDERAL REGISTRATION NUMBER	FEDERAL REGISTRATION DATE	FEDERAL INTERNATIONAL CLASS OF GOODS
	5264003	August 15, 2017	IC 043. US 100 101. G&S
	5559776	September 11, 2018	IC 043. US 100 101. G&S



MARK	FEDERAL REGISTRATION NUMBER	FEDERAL REGISTRATION DATE	FEDERAL INTERNATIONAL CLASS OF GOODS
Cheesy Street Grill (word mark only)	5755844	May 21, 2019	IC 043. US 100 101. G&S

Cheesy Street Grill, LLC DBA Cheesy Street Grill owns the Federal Registration for CSG®. They have registered the Mark listed above on the Principal Register of the United States Patent and Trademark Office (USPTO), with the Registration Number shown above. All necessary affidavits or renewal filings due in connection with the registration have been filed.

Under a License Agreement, dated August 18, 2017 (“**License Agreement A**”), Cheesy Street Grill, LLC DBA Cheesy Street Grill has licensed us the right to use the Mark and to sublicense it to our franchisees for use in connection with the operation of CSG® Restaurants and MBL Units. The license agreement is perpetual, but either we or Cheesy Street Grill, LLC DBA Cheesy Street Grill may terminate it with 30 days’ notice to the other. However, termination of the license agreement will not affect existing franchise agreements. No other agreement limits our right to use or license the Mark.

Cheesy Street Grill, LLC DBA Cheesy Street Grill owns the Federal Registration for Cheesy Street Grill Cheese Wheelin’ and Sandwich Dealin’ Gourmet CSG Sandwich®. They have registered the Mark listed above on the Principal Register of the United States Patent and Trademark Office (USPTO), with the Registration Number shown above. All necessary affidavits or renewal filings due in connection with the registration have been filed.

Under a License Agreement, dated September 14, 2018 (“**License Agreement B**”), Cheesy Street Grill, LLC DBA Cheesy Street Grill has licensed us the right to use the Mark and to sublicense it to our franchisees for use in connection with the operation of CSG® Restaurants and MBL Units. The license agreement is perpetual, but either we or Cheesy Street Grill, LLC DBA Cheesy Street Grill may terminate it with 30 days’ notice to the other. However, termination of the license agreement will not affect existing franchise agreements. No other agreement limits our right to use or license the Mark.

Cheesy Street Grill, LLC DBA Cheesy Street Grill owns the Federal Registration for Cheesy Street Grill®. They have registered the Mark listed above on the Principal Register of the United States Patent and Trademark Office (USPTO), with the Registration Number shown above. No affidavits or renewal filings are yet due in connection with the registration.

Under a License Agreement, dated May 23, 2019 (“**License Agreement C**”), Cheesy Street Grill, LLC DBA Cheesy Street Grill has licensed us the right to use the Mark and to sublicense it to our franchisees for use in connection with the operation of CSG® Restaurants and MBL Units. The license agreement is perpetual, but either we or Cheesy Street Grill, LLC DBA Cheesy Street Grill may terminate it with 30 days’ notice to the other. However, termination of the license agreement will not affect existing franchise agreements. No other agreement limits our right to use or license the Mark.

Your usage of the Marks and any goodwill you establish is to our and our affiliates’ exclusive benefit and you retain no right in the Marks when the Franchise Agreement terminates or expires. You must follow our rules when you use the Marks, including giving proper notices of trademarks and service mark registration and obtaining fictitious or assumed name registrations required by law. You may not use the Marks as a part of any corporate, legal business name or trademark or with any name or symbol you use to operate your Restaurant or MBL Unit, nor may you use any trade name, trademark, service mark, emblem or logo other than the Marks we periodically designate. You may not use the Marks with modifying



words, terms, designs, or symbols (except for those we license to you); in selling any unauthorized services or products; or as part of any domain name, homepage, electronic address, or otherwise in connection with a Website.

To the best of our knowledge, information and belief, there are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement, opposition, or cancellation proceedings or material litigation, involving the principal Marks and there are no agreements that may limit your use of the Marks. We do not actually know of either superior prior rights or infringing uses that could materially affect your use of the Marks in any state.

You cannot register as Internet domain names any of the Marks, Franchisor's or Affiliate's Corporate Names, or any other trademark relating to the Business, now or hereafter owned by us or any abbreviation, acronym, portion of or variation thereof, or any other name that could be deemed confusingly similar. We retain the sole right to advertise the System on the Internet and to create, operate, maintain and modify, or discontinue using a website using the aforesaid Marks and Names. You may access our website through your assigned web page. Except as we may authorize in writing in advance, you cannot: (i) link or frame our website; (ii) conduct any business or offer to sell or advertise any products, or services on the worldwide web; or (iii) create or register any Internet domain name in connection with your franchise.

We or our affiliate will protect your right to use the Marks and will indemnify and hold you harmless against claims of infringement or unfair competition resulting from your use of the Marks, provided that you are in full compliance with the Franchise Agreement.

You must notify us immediately of any apparent infringement or challenge to your use of the Marks, or of any trademark claim of any rights in the Marks, and you may not communicate with any person other than us, our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We may take the action we deem appropriate (including no action) and control exclusively any litigation, USPTO proceeding, or other administrative proceeding arising from any infringement, challenge, or claim. You must assist us in protecting and maintaining our interests in any litigation or USPTO or other proceeding. We will reimburse you for your costs of taking any action that we asked you to take.

In the event a dispute arises over our right to the use of any Mark, or if it becomes advisable at any time for us and/or you to modify or discontinue using the Marks and/or to use one or more additional or substitute trade or service marks, you must comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your direct expenses of changing the Business's signs, for any loss of revenue due to modification or discontinuance. of the Marks, or for your expenses of promoting a modified or substitute trademark or service mark

We will reimburse you for all damages and expenses that you incur in any trademark infringement or unfair competition proceeding disputing your authorized use of the Marks under the Franchise Agreement if you have timely notified us of, and comply with our directions in responding to, the proceeding, and if you are in compliance with the Franchise Agreement. At our option, we may defend and/or control the defense of any proceeding arising from your use of the Marks.



Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents are material to the Franchise at this time.

We have not registered any copyrights with the United States Copyright Office, but various marketing and advertising, sales, training and management materials, menus and similar items that we created, including website and webpages, are and will be protected under the U.S. Copyright Act, whether or not we have obtained registrations. You may use these copyrighted materials during the term of the franchise, in a manner consistent with our ownership rights, solely for the purpose of promoting the franchised business.

There currently are no effective adverse determinations of the U.S. Copyright Office (Library of Congress), or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation, involving the copyrighted materials that are relevant to their use by our franchisees.

There are no agreements currently in effect that significantly limit our right to use, allow others to use, or license the use of the copyrighted materials in any manner material to the franchise. We do not actually know of any superior rights in or any infringing uses of our copyrighted materials that could materially affect your use of the copyrighted materials in any state.

We need not protect or defend copyrights, although we intend to do so if in the system's best interests. We may control any action we choose to bring, even if you voluntarily bring the matter to our attention. We need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving a copyright.

Our Manual and other materials contain our confidential information (some of which constitutes trade secrets under applicable law). This information includes site selection criteria; recipes for Trade Secret Products; training and operations materials; methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating CSG® Restaurants and MBL Units; marketing and advertising programs for CSG® Restaurants and MBL Units; any computer software or similar technology that is proprietary to us or the system; knowledge of specifications for and suppliers of Operating Assets, Trade Secret Products and/or Services, and other products and supplies; knowledge of the operating results and financial performance of CSG® Restaurants and MBL Units other than your Restaurant or MBL Unit; and graphic designs and related intellectual property.

All ideas, concepts, techniques or materials concerning a CSG® Restaurant or MBL Unit, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the system, and works made-for-hire for us. To the extent any item does not qualify as a "work made-for-hire" for us, you assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing assignment or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item.

You may not use our confidential information in an unauthorized manner. You must take reasonable steps to prevent improper disclosure to others and use non-disclosure and non-competition agreements with those having access. We may regulate the form of agreement that you use and will be a third-party beneficiary of that agreement with independent enforcement rights.



We will disclose to you all parts of the confidential information as are required for the operation of the Business, during Initial Training, in the Manuals, and in guidance and assistance furnished to you during your operation of the Franchised Business, and you may learn additional confidential information during your operation of the Franchise. You must disclose the confidential information to your instructors and staff members only to the extent reasonably necessary. During and after the term of your Franchise Agreement, you, (or your managing owner), instructors, and staff members must: (a) not use the confidential information in any other business or capacity, including any derivative or offshoot of the System; (b) maintain absolute discretion and confidentiality of the confidential information at all times; (c) not make unauthorized copies of any portion of the confidential information disclosed or recorded on printed materials, portable storage devices, PowerPoint® presentations, flash presentations, video, webinars, software, online/virtual means, and/or other electronic media; and (d) adopt and implement all procedures that we prescribe to prevent unauthorized use or disclosure of, or access to, the confidential information.

All persons whom you authorize to have access to the Manuals, or any other confidential information, must first sign our form of Non-Disclosure and Confidentiality Agreement and you must provide us with a copy of each signed Non-Disclosure and Confidentiality Agreement. Nothing contained in the Franchise Agreement will be construed to prohibit you from using the confidential information in the operation of your Business, under your Franchise Agreement. We will be a third-party beneficiary of all Non-Disclosure and Confidentiality Agreements with the independent right to enforce their terms.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You (or, if you are an entity, your managing owner) must act as the general manager of the Business with responsibility for direct, on-premises supervision of the Business. You (or your managing owner) must devote full time and efforts to the management and supervision of the Business. You must at all times faithfully, honestly, and diligently perform your contractual obligations and use best efforts to promote and enhance the Business. System Standards may regulate the Business's staffing levels, identifying the Business's personnel, and employee qualifications, training, dress, and appearance. If you are a legal entity, you must appoint a shareholder, member, or partner (as applicable) to be your managing owner, responsible for overseeing and supervising the Business's operation.

You are required to belong to certain industry associations, as specified in the Manual (see Item 6 and Item 7).

You are required to belong to certain social media, as detailed in the Manual.

You must keep us informed via email at all times of the identity and personal contact information of any and all supervisory employees acting as managers or supervisors of the Business. Your managers and/or supervisors need not have an equity interest in the Business but must agree in writing to preserve confidential information to which they have access and not to compete with you, us, and other franchisees. We may regulate the form of agreement that you use and be a third-party beneficiary of that agreement with independent enforcement rights.

If you are a corporation, limited liability company, or partnership, the principal stockholders or partners must personally guaranty your obligations under the Franchise Agreement and agree to be bound



personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to compete. This **“Personal Guaranty and Assumption of Obligations”** is included in Exhibit 2 of the Franchise Agreement.

In addition to your operating staff (as defined in the Manual), you must have a part-time bookkeeper (that can be you or your managing owner).

Item 16

RESTRICTIONS ON WHAT FRANCHISEE MAY SELL

You must offer and sell only those services and products that we have approved, and you must offer and sell all services and products that we designate as required for all franchisees, as specified in the Manual. You may not offer or sell any Items or use any services and products that we have not authorized or approved. Our System Standards may regulate required and/or authorized Items and Trade Secret Services, Recipes and Products; unauthorized and prohibited products and services; purchase, storage, preparation, handling, and packaging procedures, and cleaning techniques for any Items and Trade Secret Products and Recipes; and inventory requirements for Trade Secret Products and other products and supplies so that your Business operates at full capacity. You must offer all Approved Products that we designate as mandatory. You must maintain a sufficient supply of required Approved Products to meet the inventory standards we prescribe in the Manuals (or to meet reasonably anticipated customer demand if we have not prescribed specific standards). We periodically may change required and/or authorized Items and Trade Secret Products. There are no limits on our right to do so. (See Item 8)

We reserve the right to specify specific menu items for different regions, cities, states, as we see fit, as specified in the Operations Manual. A “Hub” or “Complex” Restaurant location may offer only a portion of the approved product line due to the restrictions of a host facility. An MBL Unit may be able to sell only a portion of the approved product line due to space limitations, the Restaurant Franchisee’s other business operations, or similar factors.

Currently, the following products and services are both approved for sale and required: t-shirts and other promotional items; as well as items which are or may be under development.

We do not impose any restrictions or conditions that limit your access to customers.

Item 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this disclosure document.



PROVISION	ARTICLE IN FRANCHISE AGREEMENT	SUMMARY
(a) Length of the franchise term	VI.A	Ten (10) years from the effective date of the Franchise Agreement.
(b) Renewal or extension of the term	VI.B	If you are in full compliance with all terms and conditions, and are eligible for renewal, you may acquire 2 successor franchise terms of ten (10) years each (for a total of twenty (20) additional years).
(c) Requirements for franchisee to renew or extend	VI.B	<p>Give us a minimum of 90 days' notice; maintain possession of Business premises or find acceptable substitute premises; remodel Business according to our then-current standards (regardless of cost); and sign our then-current Franchise Agreement, which may contain terms and provisions that are materially different from the Franchise Agreement, such as different fee requirements and territorial rights, a release (subject to applicable state law), and other documents we use to grant franchises.</p> <p>In addition, you must attain, during the last twelve (12) months of the then-current term of the Franchise Agreement, Gross Sales of not less than 50% of the chain median (including both company or affiliate owned and franchised outlets) over the same period, and receive an average score of at least 85% on audits and mystery shoppers at your Restaurant over the prior three (3) year period, as permitted by state and/or local laws and regulations.</p> <p>However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.</p>



PROVISION	ARTICLE IN FRANCHISE AGREEMENT	SUMMARY
(d) Termination by franchisee	XXIII.D	You may terminate the agreement on any grounds available by law.
(e) Termination by franchisor without cause	None	None
(f) Termination by franchisor with cause	XXIII.B	We may terminate your franchise only if you or your owners commit one of several violations.
(g) “Cause” defined – curable defaults	XXIII.B	You have 72 hours upon receipt of notification to cure health, safety, or sanitation law violations; 72 hours upon receipt of notification to cure state, local, and/or federal telecommunications violations; 10 days upon receipt of notification to cure monetary defaults and failure to maintain required insurance; 30 days to cure operational defaults and other defaults not listed in (h) below; and 90 days to relocate to a new site if you lose possession of the premises. NOTE: Local law supersedes these deadlines if there is a conflict.
(h) “Cause” defined – non-curable defaults	XXIII.C	Non-curable defaults include: misrepresentation in acquiring the franchise; failure to secure Business's site within 120 days after Franchise Agreement's effective date; failure to complete training; abandonment; unapproved transfers; conviction of a felony; dishonest or unethical conduct; unauthorized use or disclosure of the Manual or other confidential information; failure to pay taxes; understating Gross Sales; repeated defaults (even if cured); an assignment for the benefit of creditors; appointment of a trustee or receiver; and violation of any anti-terrorism law.
(i) Franchisee's obligations on termination/ nonrenewal	XXIV	Obligations include paying outstanding amounts; complete de-identification; assigning telephone and other numbers; and returning confidential information (also see (o) and (r) below).



PROVISION	ARTICLE IN FRANCHISE AGREEMENT	SUMMARY
(j) Assignment of contract by franchisor	XXII.B	No restriction on our right to assign; we may assign without your approval.
(k) “ Transfer ” by franchisee – definition	XXII.A	Includes transfer of Franchise Agreement, the Business (or its profits, losses or capital appreciation), or the Business's assets, and ownership change in you or your owners.
(l) Franchisor approval of transfer by franchisee	XXII.A	No transfer without our prior written consent.
(m) Conditions for franchisor approval of transfer	XXII.A	<p>Transferee qualifies; you pay us, our affiliate, and third party vendors all amounts due and submit all required reports; no default during 60-day period before transfer request or during period between request and transfer's proposed effective date; transferee (and its owners and affiliates) are not in a competitive business; training completed; lease transferred; you or transferee signs our then-current franchise agreement, which may contain terms and provisions that are materially different from the Franchise Agreement, and other documents; transfer fee paid; you sign release (subject to applicable state law); we approve material terms; you subordinate amounts due to you; you de-identify; you correct existing Business deficiencies of which we notify you on punch list; and transferee agrees to upgrade and remodel Business within specified timeframe after transfer (also see (r) below).</p> <p>However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.</p>



PROVISION	ARTICLE IN FRANCHISE AGREEMENT	SUMMARY
(n) Franchisor's right of first refusal to acquire franchisee's business	XXII.E	We may match any offer for your Business or an ownership interest in you.
(o) Franchisor's option to purchase franchisee's business assets	XXIV.G	We may purchase the equipment and/or vehicle, or any or all of the assets of your Business at the then-current book value after the Franchise Agreement is terminated or expires (without renewal)
(p) Death, mental or physical disability of franchisee	XXII.D	Assignment of franchise or an ownership interest in you to accepted party within six (6) months of mental or physical incapacity, or within nine (9) months of death; we may manage Business if there is no qualified manager.
(q) Non-competition covenants during the term of the franchise	XIX.B; XIX.D	No diverting business; no ownership interest in or performing services for a competitive business anywhere ("competitive business" means any business that derives more than 25% of its revenue from selling services or products competitive with those sold by us, our affiliates or our franchisee, or any business granting franchises or licenses to others to operate such a business); no interference with our or our franchisees' employees.
(r) Non-competition covenants after the term of the franchise	XIX.B; XIX.D; XIX.E	No diverting business; no ownership interest in or performing services for a competitive business for two (2) years at the Business premises and/or within 25 miles of any said premises or any other CSG® Restaurant or CSG® MBL Unit existing or under construction as of date the Franchise Agreement expires or is terminated (same restrictions apply after transfer).
(s) Modification of the agreement	XXV.N; XXV.O	No modifications of Franchise Agreement generally, but we may change the Operations Manual and System Standards.



PROVISION	ARTICLE IN FRANCHISE AGREEMENT	SUMMARY
(t) Integration/merger clause	XXV.L; XXV.M; XXV.N; XXV.O	Only the terms of Franchise Agreement (including System Standards in the Operations Manual) are binding (subject to state law), although nothing contained in the Agreement is intended to disclaim any representation made by us in this disclosure document. Any representations or promises outside of the Franchise Agreement or this disclosure document should not be relied upon and may not be enforceable.
(u) Dispute resolution by arbitration or mediation	XXV.D	All disputes must be resolved by arbitration under the auspices of the American Arbitration Association in Middlesex County, Massachusetts (subject to applicable state law).
(v) Choice of forum	XXV.E	<p>Disputes will be arbitrated under the auspices of the American Arbitration Association in Middlesex County, Massachusetts (subject to applicable state law).</p> <p>Subject to the arbitration requirement; litigation generally must be in the courts in Middlesex County, Massachusetts (subject to applicable state law).</p> <p>The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.</p>
(w) Choice of Law	XXV.C	<p>Except for the Federal Arbitration Act and other federal law, Massachusetts law governs (subject to applicable state law).</p> <p>The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.</p>

Restrictions on Termination or Non-Renewal under State Laws

These and other states have laws that may supersede the franchise agreement and related agreements in your relationship with us, including the areas of termination and renewal of your franchise:



ARKANSAS [Stat. Section 70-807], CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Section 42-133e et seq.], DELAWARE [Code Sections 2551-2556], HAWAII [Rev. Stat. Section 482E-1], ILLINOIS [815 ILCS 705/1-44], INDIANA [Stat. Section 23-2-2.7], IOWA [Code Sections 523H.1-523H17 and 537A.10], MICHIGAN [Stat. Section 19.854(27)], MINNESOTA [Stat. Section 80C.14], MISSISSIPPI [Code Section 75-24-51], MISSOURI [Stat. Section 407.400], NEBRASKA [Rev. Stat. Section 87-401], NEW JERSEY [Stat. Section 56:10-11], RHODE ISLAND [Gen. Laws 19-28.1-14], SOUTH DAKOTA [Codified Laws Section 37-5A-51], VIRGINIA [Code 13.1-557-574-13.1-564], WASHINGTON [Code Section 19.100.180], WISCONSIN [Stat. Section 135.03]. These and other states may have court decisions that may supersede the franchise agreement and related agreements in your relationship with us, including the areas of termination and renewal of your franchise.

Restrictions on our Post-Termination Rights

These and other states have laws that may limit our ability to restrict your activity after the franchise expires, is not renewed or has been terminated: California Business and Professions Code Section 16,600, Florida Statutes Section 542.33, Michigan Compiled Laws Section 445.772 et seq., Montana Codes Section 30-14-201, North Dakota Century Code Section 9-08-06, Oklahoma Statutes Section 15-217-19, and Washington Code Section 19.86.030.

In addition to the provisions noted in the chart above, the Franchise Agreement contains a number of provisions that may affect your legal rights, including a waiver of a right to a jury trial, waiver of punitive or exemplary damages, and limitations on when claims may be raised. (Franchise Agreement – Articles XXV and XXVI) We recommend that you carefully review all of these provisions, and each of the agreements attached to this disclosure document in their entirety, with a lawyer. Applicable state law might require additional disclosures related to the information contained in this Item 17. These additional disclosures, if any, appear in Exhibit F.

Item 18

PUBLIC FIGURES

We do not use any public figure to promote the Franchise. However, our principal officer, Lisa Dowd, has appeared on a Rachael Ray Show episode showcasing Cheesy Street Grill® as an entrepreneurial chef and a business to be watched! Our principal officer, Lisa Dowd, has also appeared on an episode of The Phantom Gourmet. Our Affiliate, Cheesy Street Grill, LLC hosted a Grilled Cheese Challenge featuring James Webb (“**J Webby Can Eat**”), the 4th ranked competitive eater in the world.

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC’s Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example by providing information about possible performance at a particular location or under particular circumstances.



We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the Franchisor's management by contacting Cheesy Street Grill Franchising, LLC, 1257 Worcester Road #276, Framingham, MA 01701, 860-317-0925, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1

SYSTEMWIDE OUTLET SUMMARY FOR YEARS 2022 TO 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	2	2	0
	2023	2	2	0
	2024	2	2	0
Company-owned*	2022	2	2	0
	2023	2	2	0
	2024	2	2	0
Total Outlets	2022	4	4	00
	2023	4	4	0
	2024	4	4	0

We did not own or operate any company-owned outlets, but our affiliate, Cheesy Street Grill, LLC, operated two (2) outlets of the type being franchised during 2022-2024.

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TABLE NO. 2

**TRANSFERS OF OUTLETS FROM FRANCHISEES TO
NEW OWNERS (OTHER THAN FRANCHISOR OR AN AFFILIATE)
FOR YEARS 2022 TO 2024**

State	Year	Number of Transfers
Massachusetts	2022	0
	2023	1
	2024	0
All Other States	2022	0
	2023	0
	2024	0
Total	2022	0
	2023	1
	2024	0

TABLE NO. 3

**STATUS OF FRANCHISED OUTLETS
FOR YEARS 2022 TO 2024**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
Mass.	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
All Other States	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Total	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2



TABLE NO. 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2022 TO 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
Mass.	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
All Other States	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Total	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2

We did not own or operate any company-owned outlets, but our affiliate, Cheesy Street Grill, LLC, operated two (2) outlets of the type being franchised during 2022-2024.

TABLE NO. 5
PROJECTED OPENINGS
AS OF DECEMBER 31, 2024

State	Franchise Agreements Signed but Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Massachusetts	0	1	0
Connecticut	0	1	0
Florida	0	1	0
Indiana	0	1	0
New Jersey	0	1	0
New York	0	1	0
Total	0	6	0

Exhibit E-1 lists the names of all of our operating franchisees and the addresses and telephone numbers of their Restaurants as of December 31, 2024. Exhibit E-2 lists the Franchisees who have signed Franchise Agreements for Restaurants which were not yet operational as of December 31, 2024. Exhibit E-3 lists the name, city and state, and business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the most recently completed fiscal year, or who has not communicated with us within ten (10) weeks of the issuance date of



this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three (3) fiscal years, we have not signed any confidentiality clauses with current or former franchisees which would restrict them from speaking openly with you about their experience with us.

At this time CSG® does not have an Advisory Council. If and when an advisory council is formed, we will sponsor it, but its members will be elected by franchisees. The contact information will be provided at that time.

Item 21

FINANCIAL STATEMENTS

Exhibit C contains our audited financial statements for the periods ended December 31, 2022, December 31, 2023, and December 31, 2024.

Item 22

CONTRACTS

The following agreements are exhibits:

Franchise Agreement – Exhibit B

Franchise Processing Fee Agreement – Exhibit 1 to the Franchise Agreement

Personal Guaranty – Exhibit 2 to the Franchise Agreement

Optional: Re-sale Beer, RTD Wine & RTD Cocktails – Exhibit 4 to the Franchise Agreement

Unit Designation(s) – Exhibit 5 to the Franchise Agreement

Nondisclosure and Confidentiality Agreement – Exhibit 6 to the Franchise Agreement

State Disclosure Supplements and Franchise Agreement Riders Addenda – Exhibit F

Electronic Depository Transfer Account - Exhibit G

Collateral Assignment of Lease – Exhibit I

Collateral Assignment of Equipment Lease – Exhibit J

Confidentiality Agreement – Exhibit K

Release – Exhibit L



Item 23

RECEIPTS

Exhibit M contains detachable documents acknowledging your receipt of this disclosure document.



EXHIBIT A

STATE AGENCIES - AGENTS FOR SERVICE OF PROCESS

Directory of Franchise Regulators

FEDERAL:

FEDERAL TRADE COMMISSION

Division of Marketing Practices
Seventh and Pennsylvania Avenues N.W.
Room 238
Washington, D.C. 20580
202-326-2970

STATE:

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws and for service of process. We may not yet be registered to sell franchises in any or all of these states. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process. There also may be additional agents appointed in some of the states listed.

Agent for Service of Process in All Other States:

Cheesy Street Grill Franchising, LLC

1257 Worcester Road #276
Framingham, MA 01701

<u>Directory of State Franchise Regulators</u>	<u>Agents Authorized to Receive Process</u>
<u>CALIFORNIA</u> Department of Financial Protection and Innovation 2101 Arena Blvd. Sacramento, CA 95834 (916) 327-7585 (866) 275-2677	<u>CALIFORNIA</u> Commissioner of the Department of Financial Protection and Innovation 2101 Arena Blvd. Sacramento, CA 95834
<u>FLORIDA</u> State Department of Agriculture and Consumer Services P.O. Box 6700 Tallahassee, FL 32314-6700 (850) 410-3754	
<u>HAWAII</u>	<u>HAWAII</u>

<u>Directory of State Franchise Regulators</u>	<u>Agents Authorized to Receive Process</u>
Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
<u>ILLINOIS</u> Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	<u>ILLINOIS</u> Office of the Attorney General Franchise Division 500 South Second Street Springfield, Illinois 62706
<u>INDIANA</u> Office of Secretary of State Franchise Division 302 W. Washington St., Rm. E111 Indianapolis, IN 46204 (317) 232-6681	<u>INDIANA</u> Office of Secretary of State Franchise Division 302 West Washington St., Room E111 Indianapolis, Indiana 46204
<u>MARYLAND</u> Office of the Attorney General Division of Securities 200 St Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	<u>MARYLAND</u> Maryland Securities Commissioner 200 St Paul Place Baltimore, MD 21202-2020
<u>MICHIGAN</u> Consumer Protection Division Franchise Section PO Box 30213 Lansing MI 48909 (517) 373-7117	
<u>MINNESOTA</u> Minnesota Department of Commerce Securities Section 85 7 th Place East, Suite 280 St. Paul, MN 55101 (651) 539-1600	<u>MINNESOTA</u> Minnesota Commissioner of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101
<u>NEW YORK</u> NYS Department of Law Investor Protection Bureau	<u>NEW YORK</u>

<u>Directory of State Franchise Regulators</u>	<u>Agents Authorized to Receive Process</u>
28 Liberty Street, 21st Floor New York NY 10005 (212) 416-8222	New York Department of State 99 Washington Avenue, 6 th Floor Albany, NY 12231
<u>NORTH DAKOTA</u> Franchise Division Securities Department 600 East Boulevard - 5 th Floor, Dept. 414 Bismarck, ND 58505 (701) 328-4712	<u>NORTH DAKOTA</u> Securities Commissioner 600 East Boulevard - 5 th Floor Bismarck, ND 58505
<u>RHODE ISLAND</u> Franchise Office Division of Securities 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 (401) 462-9527	<u>RHODE ISLAND</u> Department of Business Regulation Securities Division 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920
<u>SOUTH DAKOTA</u> Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	<u>SOUTH DAKOTA</u> Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501
<u>TEXAS</u> Secretary of State P.O. Box 12887 Austin, TX 78711-2887 (512) 463-5701	
<u>VIRGINIA</u> State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main St., 9 th Floor Richmond, VA 23219 (804) 371-9051	<u>VIRGINIA</u> Clerk of the State Corporation Commission 1300 E. Main St., 9 th Floor Richmond, VA 23219
<u>WASHINGTON</u> Department of Financial Institutions Securities Division PO Box 41200 Olympia, WA 98507-1200 (360) 902-8760	<u>WASHINGTON</u> The Department of Financial Institutions 150 Israel St SW Tumwater, WA 98501-6456

<u>Directory of State Franchise Regulators</u>	<u>Agents Authorized to Receive Process</u>
<p><u>WISCONSIN</u></p> <p>Department of Financial Institutions Division of Securities 201 West Washington Ave., Suite 300 PO Box 1768 Madison, WI 53701-1768 (608) 266-1064</p>	<p><u>WISCONSIN</u></p> <p>Department of Financial Institutions 201 West Washington Ave., Suite 300 Madison, WI 53703</p>
<p><u>CANADA</u></p> <p>Director of Franchises Alberta Securities Commission Agency 21st Floor 10025 Jasper Avenue Edmonton, Alberta T5J 3Z5</p>	

EXHIBIT B
FRANCHISE AGREEMENT



Cheesy Street Grill Franchising, LLC
1257 Worcester Road #276
Framingham, MA 01701
860-930-2472
info@cheesystreetgrillfranchising.com

AND

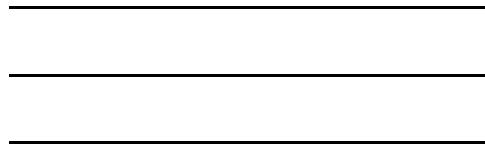


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EXHIBITS

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Exhibit 2 – Personal Guaranty and Assumption of Obligations

Exhibit 3 – Defined Territory

Exhibit MAP – Defined Territory

Exhibit 4 – Beer & Wine Option – Estimated Initial Costs

Exhibit 5 – Unit Designation(s)

Exhibit 6 – Nondisclosure and Confidentiality Agreement



Cheesy Street Grill Franchising, LLC
FRANCHISE AGREEMENT

PARTIES

THIS AGREEMENT is made, as of the date of the signature page, by and between Cheesy Street Grill Franchising, LLC, a Massachusetts Limited Liability Company, (hereinafter referred to as “CSG,” “Franchisor,” “We,” “Our,” or “Us”) and the person(s) or entity signing as Franchisee (referred to herein individually or collectively as “Franchisee,” “You,” or “Your”) to evidence the agreement and understanding between the parties as follows:

RECITALS

WHEREAS, Franchisor has developed, operates and has the right to license a system or business program, including expertise for conducting and operating a business under the mark CSG®; that offers a fast-food/fast-casual restaurant and/or mobile food vendor serving gourmet grilled cheese sandwiches, “mac & cheese,” sides, and optional Beer & Wine Service; and

WHEREAS, Franchisor has entered into an exclusive license with Cheesy Street Grill, LLC DBA Cheesy Street Grill, a Connecticut LLC, dated August 18, 2017 (“**License Agreement A**”) to use certain trade names, trademark, logos, service marks and other property in connection with the operation of business and has developed expertise (including confidential information) and a unique, distinctive and comprehensive system (the “**System**”) for the establishment and operation of a franchised business offering a fast-food/fast-casual restaurant and/or mobile food vendor serving gourmet grilled cheese sandwiches; and

WHEREAS, Franchisor has entered into an exclusive license with Cheesy Street Grill, LLC DBA Cheesy Street Grill, a Connecticut LLC, dated September 14, 2018 (“**License Agreement B**”) to use certain trade names, trademark, logos, service marks and other property in connection with the operation of business and has developed expertise (including confidential information) and a unique, distinctive and comprehensive system (the “**System**”) for the establishment and operation of a franchised business offering a fast-food/fast-casual restaurant and/or mobile food vendor serving gourmet grilled cheese sandwiches; and

WHEREAS, Franchisor has entered into an exclusive license with Cheesy Street Grill, LLC DBA Cheesy Street Grill, a Connecticut LLC, dated May 23, 2019 (“**License Agreement C**”) to use certain trade names, trademark, logos, service marks and other property in connection with the operation of business and has developed expertise (including confidential information) and a unique, distinctive and comprehensive system (the “**System**”) for the establishment and operation of a franchised business offering a fast-food/fast-casual restaurant and/or mobile food vendor serving gourmet grilled cheese sandwiches; and

WHEREAS, Franchisor for the promotion and identification of the mark, Trademark and stylized logo for the sale of products and services at CSG® locations and other locations at the discretion of the licensee Cheesy Street Grill Franchising, LLC (hereinafter referred to as a Franchise Location or “**Business**”); and

WHEREAS, Franchisor identifies the System by means of certain trade names, service marks, trademarks, logos, emblems, trade dress and other indicia of origin, including, but not limited to the mark CSG® and such, other trade names, service marks, trademark and trade dress as are now designated (and



may be hereafter be designated by Franchisor in writing) for use in connections with its System (the “**Names and Marks**”); and

WHEREAS, Franchisor has devised a uniform system for the establishment and operation of CSG®, including a distinctive exterior and interior design, trade dress décor and color scheme; uniform standards, specifications, and procedures for operations; procedures for quality control; training and ongoing operational assistance; advertising and promotional programs; and other related benefits for use of Franchisee under the Names and Marks, all of which may be changed, improved, and further developed by Franchisor from time to time; and

WHEREAS, Franchisor continues to develop, use, and control the use of such Names and Marks to identify for the public the source of services and products marketed there under and under its System, and to represent the System’s high standards of consistent quality, appearance, and service.

WHEREAS, Franchisor has established substantial goodwill and business value in its Names and Marks, expertise and System; and

WHEREAS, Franchisee desires to obtain a franchise from Franchisor for the right to use the “**Names and Marks**” and the expertise for operating a CSG® and to obtain the benefits and knowledge of Franchisor’s System including, but without limitation, as detailed in our Operations Manual(s): business design, operating methods, product preparation, advertising, sales techniques and materials, signs, personnel management, control systems, bookkeeping and accounting methods, and in general a style, method and procedure of business operation utilizing the Names and Marks as a Franchisee of Franchisor; and

WHEREAS, Franchisee recognizes the benefits to be derived from being identified with and licensed by Franchisor and Franchisee understands and acknowledges the importance of Franchisor’s high standards of quality, cleanliness, appearance, and service and the necessity of operating the Business in conformity with Franchisor’s standards and specifications.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

I. FRANCHISEE’S ACKNOWLEDGEMENT OF BUSINESS RISK AND ABSENCE OF GUARANTEE

Franchisee (and each partner or shareholder of Franchisee, if Franchisee is a partnership or Corporation or LLC) hereby represents that he or she has conducted an independent investigation of the Franchisor’s business and System and recognizes that the business venture contemplated by this Agreement involves business risks.

II. FRANCHISEE’S ACKNOWLEDGEMENTS CONCERNING RECEIPT AND THOROUGH EVALUATION OF AGREEMENT

Franchisee acknowledges having received, read, and understood this Agreement, including the Franchise Disclosure Document and attachments thereto. Franchisee further acknowledges that Franchisor has accorded Franchisee ample time and opportunity to consult with independent legal counsel and other advisors of its own choosing concerning the potential benefits and risks of entering into this Agreement. Franchisee further acknowledges that it has received the disclosure document required by the



Trade Regulation Rule of the Federal Trade Commission, entitled, "Information for Prospective Franchisees Required by The Federal Trade Commission", at least fourteen (14) days prior to the date on which this Agreement was executed. Franchisee acknowledges that it has received a completed copy of this Agreement, attachments referred to herein and agreements relating hereto, if any, at least seven (7) days prior to the date on which this Agreement was executed if the document has been modified in favor of the Franchisor after initial disclosure. No statement, questionnaire or acknowledgement signed or agree to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Franchisee acknowledges that any statements, oral or written, by Franchisor or its agents preceding the execution of this Agreement were for informational purposes only and do not constitute any representation or warranty by Franchisor.

Franchisee acknowledges that Franchisor will not provide or designate locations for Franchisee, will not provide any financial assistance to Franchisee, and has made no representation that it will buy back from Franchisee any products, supplies or equipment purchased by Franchisee in connection with the Business.

III. RELATIONSHIP / INDEPENDENT CONTRACTOR

A. Franchisee is an Independent Contractor

During the term of this Agreement, and any renewals or extensions hereof, Franchisee shall hold itself out to the public as an independent contractor operating its business pursuant to a franchise from Franchisor. This Agreement is purely a contractual relationship between the parties and does not appoint or make Franchisee an agent, legal representative, joint venturer, partner, employee, servant or independent contractor of Franchisor or any Affiliate for any purpose whatsoever. Franchisee may not represent or imply to third parties that Franchisee is an agent of Franchisor or any Affiliate, and Franchisee is in no way authorized to make any contract, agreement, warranty or representation on behalf of Franchisor or any Affiliate, or to create any obligation, express or implied, on behalf of Franchisor or any Affiliate. Franchisee agrees to take such affirmative action as may be necessary, including, without limitation, exhibiting multiple public notices of that fact, the content and display of which Franchisor shall have the right to specify. For example, such notices shall be provided on letterhead, business cards, bank account names, bank checks, and signs at the place of business.

B. Franchisor is Not in a Fiduciary Relationship with Franchisee

It is understood and agreed by the parties hereto that this Agreement does not establish a fiduciary relationship between them, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venture, partner, employee, or servant of the other for any purpose whatsoever.

It is understood and agreed that nothing in this Agreement authorizes Franchisee, and Franchisee shall have no authority, to make any contract, agreement, warranty, or representation on behalf of Franchisor, or to incur any debt or other obligation in Franchisor's name; and that Franchisor shall in no event assume liability for, or be deemed liable hereunder or there under as a result of any such action; nor



shall Franchisor be liable by reason of any act or omission of Franchisee in its conduct of the Business or for any claim or judgment arising therefrom against Franchisee or Franchisor.

C. Standard of Care

Unless otherwise specifically provided in this Agreement with respect to certain issues, whenever this Agreement requires Franchisee to obtain the written consent of Franchisor or any Affiliate or permits Franchisee to take any action or refrain from taking any action, Franchisor or its Affiliate (as applicable) is free to act in its own self-interest without any obligation to act reasonably, to consider the impact on Franchisee or to act subject to any other standard of care limiting the right of Franchisor or any Affiliate, except as may be provided by statute or regulation.

D. Ethics

Franchisee agrees to conduct his/her business in a manner that complies with the terms and intent of this Agreement, with national, state and local laws, regulations and ordinances, and with the Franchisor's Code of Ethics (if and when adopted and published by Franchisor). Franchisee hereby authorizes any federal, local or state body regulating or supervising the Franchised Business to release to Franchisor information related to complaints and to any disciplinary actions taken based upon Franchisee's practices. Franchisee agrees to notify Franchisor within five (5) business days of any such complaints or disciplinary actions. Franchisee also agrees to maintain all permits, certificates and licenses (necessary for his/her franchise operation) in good standing and in accordance with applicable laws and regulations.

IV. FRANCHISE GRANT

Franchisor hereby grants to Franchisee, upon the terms and conditions herein contained and with the Unit Designation(s) as identified in Exhibit 4 and subject to the License Agreements, the right, license, and privilege, and Franchisee hereby accepts a franchise under the terms and conditions set forth herein for the right to operate (indicate number of each here):

Restaurant MBL &/or Container Unit Initial Here

at the Location set forth in Article V.B (the "**Accepted Location**"), with the non-exclusive right to use solely in connection therewith Franchisor's Names and Marks, advertising and merchandising methods, and System, as they may be changed, improved and further developed from time to time only at the Accepted Location as set forth in Article V, and provided Franchisee adheres to all of the terms and conditions hereof. It is understood and agreed that, except as expressly provided herein, this Franchise is non-exclusive and includes no right of Franchisee to sub-license or sub-franchise.

V. DEFINED TERRITORY; ACCEPTED LOCATION

A. Defined Territory

You will not receive an exclusive territory. We will describe the Territory in Exhibit 3 to the Franchise Agreement before you sign it and, except as disclosed herein, we do not have the right to alter the Territory.



1. TRADITIONAL RESTAURANT

You will locate and operate a permanent Traditional Restaurant at a specific location within the Territory that we first must accept. You will not receive an exclusive territory under our Standard Restaurant Franchise Agreement, with or without Beer & Wine Service. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands. You will be assigned a Territory/Area of Primary Responsibility. The boundaries of the Area of Primary Responsibility will be inserted in the standard Franchise Agreement when you have been accepted as a Franchisee.

You may operate the permanent Traditional Restaurant only at the accepted location and may not relocate the Business without our written approval. We will allow a relocation of your Business to another location within the Territory, provided that it does not encroach upon the territorial rights of either another franchisee or an affiliate. You must submit a request to relocate to us in writing.

We will determine the size and boundaries of the Territory in our discretion, based on factors such as population density, character of neighborhood, location and number of competing businesses and other factors.

Territory/Area of Primary Responsibility:

I: The Area of Primary Responsibility will generally be a 1-mile radius/2-mile diameter around the location; a 1-mile radius/2-mile diameter from a street intersection; or a written description equivalent to a 1-mile radius; except in densely populated areas it will be generally a $\frac{1}{2}$ mile radius; OR

II: Hub or Complex: Permanent sites that generate customer traffic flow which is independent from the general customer traffic flow of the surrounding area, including, but not limited to: airports, train stations, bus stations, travel plazas, malls, shopping venues, convention centers, military facilities, schools, colleges, universities, hospitals, recreational theme parks, business or industrial/commercial complexes, Native American reservations, casinos or any similar captive market locations, etc. The Area of Primary Responsibility will be the Hub or Complex, or a portion thereof (i.e. individual terminal or concourse within an airport, etc.).

Your Territory may be defined by 1 or more 5-digit ZIP Codes, county or city boundaries, or fixed geographical boundaries such as rivers, streets or highways, or may be identified by a map (Exhibit MAP to the Franchise Agreement), OR the permanent location found within a Hub or Complex. During the term of the Standard Franchise Agreement, neither we nor our affiliates will operate or grant a franchise for a Restaurant whose Area of Primary Responsibility overlaps your Area of Primary Responsibility.

Temporary venues/events in enclosed malls, institutions (such as hospitals), airports, parks (including theme parks), sports arenas, convention centers, educational campuses, festivals, fairs, other mass gathering locations or events, and other facilities or venues where events are scheduled are excluded from your area of primary responsibility, unless specified in writing. You will have the first option to service such facility if you meet the legal and/or venue requirements, subject to our approval.



2. MBL UNIT AND KITCHEN

You will operate the MBL Unit and Kitchen, with or without Beer and Wine Service, only in an Area of Primary Responsibility accepted by Us. You will not receive an exclusive territory under our Standard MBL Unit Franchise Agreement, with or without Beer & Wine Service. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands. You will be assigned an Area of Primary Responsibility. The boundaries of the Area of Primary Responsibility will be inserted in the standard Franchise Agreement when you have been accepted as a Franchisee.

You may operate the MBL Unit only in the accepted Area of Primary Responsibility and may not relocate or re-define the area/location without our written approval. We may allow a relocation of your MBL Unit to another location within the Territory, provided that it does not encroach upon the territorial rights of either another franchisee or an affiliate. You must submit a request to relocate to us in writing.

Your Territory will be defined by using an Accepted CenterPoint, which may be your Kitchen's location.

Territory/Area of Primary Responsibility:

I: MOBILE: The Area of Primary Responsibility will generally be a 25-mile radius around the Accepted Center Point; except in densely populated areas (defined as greater than 10,000 population per square mile) it will generally be a 10-mile radius; and

Not within 2 Miles from any existing CSG® permanent location; OR

II: POP-UP: Temporary sites found within the Area of Primary Responsibility that generate customer traffic flow which is independent from the general customer traffic flow of the surrounding area, including, but not limited to: annual temporary location, i.e. state fair, annual or seasonal sports event, etc.; work-sites; "Pop-Up Restaurant events;" "Supper Clubs;" festivals, fairs, other mass gathering locations or events, i.e. temporary concession site per event; business or industrial/commercial foodservice venues; venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider; or any similar captive market location.

You must operate the Restaurant from an identified location; and you must operate the MBL Unit from within its defined territory. Conducting business outside of the Territory will be considered a material default under the Franchise Agreement, however, you have the right to use any channels of distribution in your Territory (other than the Internet) to make sales, and you may accept orders from outside your Territory.

You do not receive the right to obtain additional franchises in the Territory.

You may not engage in any type of fast-casual restaurant business other than the CSG® fast-casual restaurant without our written prior consent, and you may not be engaged in any other business whatsoever within your Territory without our prior written consent.

So long as this Agreement is in force and effect and you remain in full compliance with the terms thereof, we will not license or establish another CSG® Restaurant to conduct business at a location situated



within the area described in Exhibit 3 attached hereto.

B. Accepted Location/CenterPoint

1. The Business shall be located within the State of _____ within the county(s) of _____, and within the Designated Marketing Area, as specified by Nielsen, of _____.
2. The exact address of the Center Point and/or the Accepted Location is: _____.
3. If the Accepted Location and/or Center Point has not been determined prior to the signing of this Agreement, by the parties, then it shall be entered at a later date, under the terms of this Agreement. _____

(Initial Here)
4. Franchisee shall not relocate the Business without the express prior written consent of Franchisor.
5. During the term of this Agreement, the Accepted Location shall be used exclusively for the purpose of operating a franchised CSG® Restaurant.

C. Right of First Refusal

In the event Franchisor proposes to open or license another CSG® Restaurant in a “**Non-Traditional Site**” or “**Hub/Complex**” site in the territory, Franchisee shall have the right to open said restaurants upon compliance with the following:

1. Franchisee is in full compliance with all provisions of this Franchise Agreement;
2. Franchisee submits a written acceptance of the Right of First Refusal within ten (10) days of being notified by Franchisor of the proposed new restaurant;
3. Franchisee executes an additional Franchise Agreement for the new site within 30 days of being notified; and
4. Franchisee opens said new restaurant within 360 days of signing the additional Franchise Agreement.

VI. TERM AND RENEWAL OF AGREEMENT

A. Term

The Franchise herein granted shall be for a term of ten (10) years from the date of execution and acceptance (the “**Effective Date**”) of this Franchise Agreement (the “**Agreement**”) by Franchisor and subject to earlier termination as herein provided.



B. Renewal

Provided that Franchisee has complied with all the terms and conditions of this Agreement during the term of this Agreement, is in full compliance with the provisions of this Agreement and has attained, during the last twelve (12) months of the initial or then current renewal term of this Agreement, as applicable, Gross Sales of not less than 50% of the chain average (including both company owned and franchised outlets) over the same period, as permitted by state and/or local laws and regulations, Franchisee may renew the Franchise granted by this Agreement for two (2) additional periods of ten (10) years each, if Franchisor is still offering franchises in the relevant state at that time subject to the following conditions, all of which must be met prior to renewal:

1. Franchisee shall give Franchisor written notice of its election to renew not less than three (3) months prior to the end of the then current term;

2. Franchisee must not be in default under any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisor and Franchisee, and Franchisee shall have complied with all the terms and conditions of all such agreements during the terms thereof;

3. Franchisee shall complete to Franchisor's satisfaction such maintenance and renovation of the Business as Franchisor may require in writing;

4. Franchisee shall have satisfied all monetary obligations owed by Franchisee to Franchisor and its affiliate, and shall have timely met these obligations throughout the current term;

5. Franchisee shall execute, before the renewal term, Franchisor's then-current form of Agreement, which agreement shall supersede this Agreement in all respects, and the terms of which may materially differ from the terms of this Agreement.

6. Franchisee shall pay Franchisor a renewal fee of ten percent (10%) of our then-current initial franchise fee.

7. Franchisee shall comply with Franchisor's then current qualification and training requirements; and

8. Franchisee must execute a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its affiliate, and their respective officers, directors, agents and employees, provided that such release is not in conflict with any applicable local, state or federal laws.

C. Non-Renewal by You

You will be deemed to have declined to renew the Franchise as to your CSG® Restaurant, and the option to renew the Franchise set forth in this Article VI.B.1 of this Agreement will expire automatically and without notice as to your CSG® Restaurant, if you do not deliver to us all items required for renewal, including, without limitation, the Renewal Fee (if applicable), the executed Renewal Franchise Agreement, and the executed Release, to us within 30 days after we deliver the Renewal Franchise Agreement and Release to you for execution per this Article VI.B.5.



VII. FRANCHISEE'S INITIAL INVESTMENT

Franchisee's initial investment will vary depending upon the size of the Business, its geographical location, leasehold improvements required, the number of Businesses to be opened selected by Franchisee, and other factors.

Franchisee hereby certifies that he, she or it has reviewed the above-estimated start-up costs as detailed in the Franchise Disclosure Document and has sufficient cash resources available to meet said expenses. These start-up costs are in addition to the initial franchise fee.

VIII. INITIAL FRANCHISE FEE; TIME LIMIT FOR APPROVING FRANCHISEE; TIME LIMIT FOR STARTING BUSINESS; COOPERATION; LEASE; USE OF PREMISES

A. Initial Franchise Fee

- i. **Restaurant:** Franchisee shall pay an initial franchise fee in the amount of thirty-five thousand dollars (\$35,000) (the "**Initial Franchise Fee**") upon execution of this Agreement for a single CSG® Franchised Restaurant, and receipt of which is hereby acknowledged by Franchisor. Additional Restaurant Unit(s): \$27,500 for the 2nd Unit; and \$21,500 for additional units that must be paid to Franchisor upon execution of the Agreement.
- ii. **MBL Unit:** Franchisee shall pay an initial franchise fee in the amount of thirty-five thousand dollars (\$35,000) (the "**Initial Franchise Fee**") upon execution of this Agreement for the 1st Stand-Alone CSG® Franchised MBL Unit, and receipt of which is hereby acknowledged by Franchisor. Additional Unit(s): \$27,500 for the 2nd Unit; and \$21,500 for additional units that must be paid to Franchisor upon execution of the Agreement.
- iii. **Beer & Wine Option:** The Beer & Wine Option must be purchased in conjunction with a CSG® Restaurant or MBL Unit Business. No additional Initial Franchise Fee is required.
- iv. **Franchise Processing Fee (Optional):** You may choose the option to pay us a non-refundable Franchise Processing Fee of \$5,000 in exchange for our agreement to not sell in a given area, for the next 60 days, a CSG® Restaurant and/or locate the CenterPoint of a MBL Unit prior to the submission of your signed Franchise Agreement and Initial Franchise Fee funds. We retain the right to continue marketing the proposed area until you have been awarded your franchise. We will apply this Franchise Processing Fee to your Initial Franchise Fee, as applicable. We do not refund your Franchise Processing Fee if you decide not to purchase the Franchise, or if you are not awarded a Franchise, or do not qualify to purchase the Franchise, or we choose to exercise our right to terminate the Franchise Agreement as described in Article XXIII.C. In the event that any such circumstances occur, the non-refundable Franchise Processing Fee is not included in the two-thirds (2/3) we keep. You may not transfer or assign the Franchise Processing Fee.

Franchise Processing Fee. You must execute the Processing Fee Agreement attached to this Franchise Agreement as Exhibit 1.



The Initial Franchise Fee shall be paid in a lump sum in U.S. funds and shall be deemed fully earned and nonrefundable in consideration of administrative and other expenses incurred by Franchisor in granting this franchise and for Franchisor's lost or deferred opportunity to franchise others, except as described below in Article IX.C.

B. Time Limit for Awarding Franchise

Within thirty (30) days following payment of the Initial Franchise Fee provided for in Article VIII.A above, Franchisor will accept or reject Franchisee's application for a Franchise. If Franchise is not awarded, the Initial Franchise Fee will be refunded in full; less the non-refundable Franchise Processing Fee, if applicable.

C. Time Limit for Starting Business

Franchisee shall complete the preparation of the location of the Business at the Accepted Location in accordance with the provisions and requirements of Article XI. hereof (the "**Construction**") and shall obtain all required industry-specific licenses and open the Franchise for business within two hundred and forty (240) days of the date of acceptance of this Franchise Agreement (the "**Opening Date**"); provided, however, that Franchisee shall have the right to substitute a different site, if such different site is acceptable to Franchisor, within sixty (60) days of execution of this Agreement, or if Franchisee is unable to obtain all necessary permits and licenses and obtain industry-specific business licenses for the Accepted Location as a result of causes beyond the reasonable control of Franchisee. Franchisor may grant Franchisee two thirty (30) day extensions within which to sign a lease, and one thirty (30) day extension within which to open the Business. Franchisee must submit documentation of the status of the application(s) ten (10) days prior to the date of the thirty (30) day extension request. Upon the grant of such extension(s) by Franchisor the Opening Date will be commensurately extended.

Should Franchisee be unable to obtain all necessary permits and licenses during the stated period and extension time period or periods as a result of causes beyond the reasonable control of Franchisee (unless the requirement for the issuance of such permits and licenses is waived in writing by Franchisor), this Agreement shall be deemed terminated upon written notice from either Franchisee or Franchisor to the other, without the necessity of further action by either party or further documentation. Upon such termination, Franchisor shall retain two-thirds ($\frac{2}{3}$) of the Franchise Fee as a Termination Fee, one-third ($\frac{1}{3}$) of the Franchise Fee will be refunded to Franchisee within thirty (30) days of the notice by Franchisor of the termination of this Agreement.

D. Cooperation Required

Franchisee shall cooperate reasonably with Franchisor to ensure that the various actions occur which are necessary to obtain acceptance by Franchisor of the Business location. In particular, Franchisee shall furnish any pertinent information as may be reasonably requested by Franchisor regarding Franchisee's business and finances.

E. Lease

The lease for the Accepted Location must include all provisions required by Franchisor, including Franchisor's right to the occupancy of the Restaurant site if the Franchise is terminated or not renewed, or if Franchisee loses possession because of its default under the Lease. See Exhibit I.



F. Development of Accepted Location – Restaurant

Franchisor shall make available to Franchisee, at no charge to Franchisee, specifications for the Franchised Business Restaurant, office equipment, supplies, inventory and equipment necessary for the development of a CSG® Restaurant. Franchisee shall cause the Franchised Business to be developed, equipped and improved in accordance with such specifications within two hundred forty (240) days after the Effective Date. In connection with the development of the Franchised Business Office, Franchisee shall:

1. obtain all permits and licenses required for operation of the Franchised Business, including any permits or licenses required to operate the Franchised Business, and certify in writing that all such permits and licenses have been obtained;

2. purchase any equipment and supplies necessary for the operation of the Franchised Business;

3. purchase and install any software and computer equipment, all office equipment, furniture and fixtures, required by Franchisor for the operation of the Franchised Business; and

4. establish broadband or high-speed Internet access and obtain at least one (1) hardline phone with two (2) numbers ported in, with voicemail service solely dedicated to the Franchised Business.

G. Development of Accepted Location – MBL Unit

Franchisor shall make available to Franchisee, at no charge to Franchisee, specifications for the Franchised Business MBL Unit, office equipment, supplies, inventory and equipment necessary for the development of a CSG® MBL Unit. Franchisee shall cause the Franchised Business to be developed, equipped and improved in accordance with such specifications within two hundred forty (240) days after the Effective Date. In connection with the development of the Franchised Business, Franchisee shall:

1. obtain all permits and licenses required for operation of the Franchised Business, and certify in writing that all such permits and licenses have been obtained;

2. lease or purchase a new or pre-owned food service vehicle or trailer. A used vehicle must be less than 5 years old, in very good condition, as detailed in the manual;

3. purchase any equipment and supplies necessary for the operation of the Franchised Business;

4. purchase and install any software and computer equipment, and all equipment and fixtures, required by Franchisor for the operation of the Franchised Business;

5. purchase and establish one (1) designated smartphone with a minimum of one (1) designated business number, with voicemail service. You will need a designated iPad® (part of POS system) with cellular service. You must have high-speed Internet/Email with password protected Wi-Fi.



H. Use of Premises

During the term of this Agreement, the Accepted Location shall be used exclusively for the purpose of operating the Business.

I. Failure to Develop and/or Open Accepted Location

Should Franchisee fail to develop the Accepted Location and/or the vehicle and/or fail to commence operations for the Franchised Business within identified timeframes after the Effective Date, Franchisor has the right to terminate this Agreement.

J. Relocation

Franchisee shall not relocate the Franchised Business without the prior written consent of Franchisor.

IX. OTHER FEES: ROYALTIES, ADVERTISING, TECHNOLOGY

A. Royalty Fee

In addition to the Initial Franchise Fee described in Article VIII. above, Franchisee shall pay Franchisor a Base Royalty Fee of Six Percent (6%) of the Franchisee's weekly Gross Sales.

As used in this Agreement, "**Gross Sales**" shall include all revenue earned or received from the sale of all products and performance of services in, at, upon, about, through or from the Business and every kind and nature related to the Business, whether for cash or credit and regardless of collection in the case of credit, including insurance proceeds and/or condemnation awards for loss of sales, profits or business; provided, however, that Gross Sales shall not include revenues from any sales taxes or other add on taxes collected from customers by Franchisee for transmittal to the appropriate taxing authority, tips collected from customers and paid to staff, (the retail value of any complimentary services or trade-outs or credit card discounts from Gross Sales up to a maximum of two percent (2%) of Gross Sales in the aggregate), and the amount of cash refunds to, and coupons used by customers, provided such amounts have been included in gross sales. The sale and delivery of products and services from any location other than the Business premises shall be by written approval of Franchisor only. Should Franchisor agree to allow such sales in writing, these sales will be included in computing Gross Sales.

The Royalty Fee shall be payable by Franchisee and must be actually received by the Franchisor by Wednesday of each week, based upon the Gross Sales of the prior week, ending Sunday. Each weekly payment shall be based upon the Gross Sales actually received by Franchisee during the prior week. Franchisee's obligations under this Article IX.A. shall survive the expiration or any termination of this Agreement for so long as Franchisee continues to receive Gross Sales earned during the term of this Agreement.

Any payment or report not actually received by Franchisor on or before the specified date shall be deemed overdue. If any payment is overdue, in addition to the right to exercise all rights and remedies available to Franchisor under this Agreement, Franchisee shall pay Franchisor, in addition to the overdue amount, a late fee of \$100 per incident, plus interest on such amount from the date it was due until paid at the greater of the rate of one and one-half percent (1½%) per month, or the maximum rate allowed by the laws of the State in which Franchisee's business is located (hereinafter the "**Default Rate**"), until paid in full. If any report is overdue, Franchisor may charge Franchisee a \$50 penalty fee per incident.



B. National Advertising and Development Fund

In the event that Franchisor establishes a National Advertising and Development Fund (the “**Fund**”) as Franchisor, in its sole discretion, may deem appropriate, to promote CSG®, Franchisee shall contribute up to one (1%) of Gross Sales to the Fund, as required by Franchisor, on a monthly basis. The monthly contributions are payable by Franchisee and must be actually received by Franchisor by the 25th of each month, based upon the Gross Sales of the prior calendar month. Franchisor will direct all such Programs, and will have sole discretion over the creative concepts, materials, and endorsements and media used in such Programs, and the placement or allocation of such programs. Franchisor shall also determine in its sole discretion, the composition of all geographic territories and market areas for the implementation and development of such Programs. Franchisee acknowledges and agrees that Franchisor undertakes no obligation in administering the Advertising Funds to make expenditures for Franchisee which are equivalent or proportionate to its contribution, or to ensure that Franchisee benefits directly or pro-rata from advertising or promotion conducted under the Fund, or to place any advertising in the Territory.

C. Regional Advertising Program

In the event Franchisor establishes a Regional Advertising Program (the “**Program**”) and/or an Advertising Coverage Area (“**ACA**”) – local or regional – within Franchisee’s Designated Market Area (“**DMA**”) (as defined by Nielsen, or such other entity as shall be designated by Franchisor, from time to time), Franchisee shall contribute up to two (2%) of Gross Sales to the Plan each month. The contributions are payable by Franchisee and must be actually received by the Plan each month as directed by the Program, based upon the Gross Sales of the prior calendar month. Any amounts Franchisee contributes to a Regional Advertising and Development plan will count toward the amount that Franchisee is required to spend per month on local advertising, but such contribution credited toward your local advertising shall be capped at two hundred fifty (\$250) dollars per month, pursuant to Article IX.D. of this Agreement.

D. Local Advertising Plan and Expenditures

During the term of this Agreement, Franchisee shall spend a descending minimum monthly amount of \$1,000 to \$500, (as identified in the chart below) on local advertising and promotion each month; provided, however, that Franchisor shall have the right to accept or reject any advertising proposed by Franchisee, and all Internet marketing and/or advertising of the Business shall be conducted by Franchisor. Franchisee shall submit to Franchisor an accounting of local advertising and promotional expenditures as described above within ten (10) days from the end of each month.

Minimum Monthly Amount	Time Period
\$1,000	Months 4 – 12
\$750	Months 13 -24
\$500	Months 25 - conclusion

Franchisee shall not advertise the Business in connection with any other business, except with Franchisor’s prior written approval, and Franchisee shall not conduct any Internet marketing or advertising outside of their area except through sanctioned use of social media. Franchisee(s) shall obtain Franchisor’s prior acceptance of all advertising and promotional plans and materials that Franchisee desires to use within: one (1) business day of us receiving a social media platform, i.e. self-serving social media ads and/or posts; three (3) business days of us receiving time sensitive publications, such as virtual publications and press releases; fourteen (14) business days of monthly publications and coupons; and thirty



(30) days of exterior signage and banners before the start of such plans. Franchisee shall submit such proposed plans and materials to Franchisors (by personal delivery or through the mail, return receipt requested). Franchisee shall not use such plans or materials until they have been accepted by Franchisor and shall promptly discontinue use of any advertising or promotional plans and material upon the request of Franchisor. Any plans or materials submitted by Franchisee to Franchisor which have not been accepted or rejected in writing within: one (1) business day of us receiving a social media platform, i.e. self-serving social media ads and/or posts; three (3) business days of us receiving time sensitive publications, such as virtual publications and press releases; fourteen (14) business days of monthly publications and coupons; and thirty (30) days of exterior signage and banners after we receive the materials, shall be deemed accepted. You may not use any advertising, promotional, or marketing materials that we have not accepted or have rejected.

E. Launch Campaign/Grand Opening Marketing and Advertising Expenditures

1. **CSG® Restaurant:** Franchisee shall expend a minimum of five thousand dollars (\$5,000) for launch advertising and promotions/promotional items prior to or during the first three months of operation of the Business as described in the Operations Manual. Franchisor may advise Franchisee regarding the preparation and placement of such advertising and promotional items. Franchisee shall hold at least one “open house” where Franchisee invites prospective customers to visit the Business to verify all Systems are in order and for additional training of staff. Franchisee shall submit to Franchisor an accounting of its expenditures for advertising and promotions/promotional items as described above within ten (10) days from the end of the third month.
2. **CSG® MBL Unit:** Franchisee shall expend a minimum of four thousand five hundred dollars (\$4,500) for launch advertising and promotions/promotional items prior to or during the first three months of operation of the Business as described in the Operations Manual. Franchisor may advise Franchisee regarding the preparation and placement of such advertising and promotional items. Franchisee shall hold at least one “open house” where Franchisee invites prospective customers to visit the Business to verify all Systems are in order and for additional training of staff. Franchisee shall submit to Franchisor an accounting of its expenditures for advertising and promotions/promotional items as described above within ten (10) days from the end of the third month.

F. Technology Fees

During the term of this Agreement, Franchisee shall pay to Us and/or our Affiliates a monthly technology fee. This fee may be increased by up to five percent (5%) once per year upon 60 days' notice.



X. ADVERTISING

A. Domain Names, Social Media and Email Addresses

We are the lawful and exclusive owner of the domain name www.cheesystreetgrill.com. You cannot register any of the Marks now or henceforth owned by us, or any abbreviation, acronym or variation of the Marks, or any other name that could be regarded as confusingly similar, as Internet domain names.

B. Internet Advertising

Franchisee may not establish a presence on, or market using, the Internet in connection with the Franchised Business without Franchisor's prior written consent. Franchisor has established and maintains an Internet website with a Uniform Resource Locator (URL) that provides information about the System and the services and products that Franchisor and its franchisees provide. Franchisor may (but is not required to) include at the CSG® Business website an intranet section or an interior page containing information about the Franchised Business. Franchisee may be requested to provide content for Franchisor's Internet marketing and shall be required to follow Franchisor's intranet and Internet usage rules, policies and requirements. Franchisor retains the sole right to approve any linking to, or other use of, the CSG® Business website.

C. Online Directory Advertising

Franchisee must list the Franchised Business in at least one recommended online/virtual directory advertisement, including all contact information and location. Online/virtual directory advertising expenditures are in addition to Franchisee's Local Advertising obligations.

XI. FINANCING ARRANGEMENTS

Franchisee hereby acknowledges that financing is the Franchisee's sole responsibility. Franchisor does not finance or guarantee the obligations of Franchisee. The Initial Franchise Fee is due and payable upon execution of this Agreement and as set forth in Article IX.A. of this Agreement.

XII. GENERAL OBLIGATIONS OF FRANCHISEE

A. Follow Operations Manual and Directives of Franchisor

Franchisee agrees that use of Franchisor's System and adherence to the Operations Manual (the "**Manual**"), and to Franchisor's standardized design and specifications for decor of the Business and uniformity of equipment, layouts, signs, and other incidents of the Business, are essential to the image and goodwill of the System. Franchisee shall cooperate and assist Franchisor with any customer or marketing research program which Franchisor may institute from time to time. Franchisee's cooperation and assistance shall include, but not be limited to, the distribution, display and collection of customer comment cards, questionnaires, and similar items. In order to further protect the System and the goodwill associated therewith, Franchisee shall:

1. Operate the Business and use the Operations Manual solely in the manner prescribed by Franchisor;



2. Comply with such requirements respecting any service mark, trade name, trademark, or copyright protection and fictitious name registrations as Franchisor may, from time to time, direct;

3. Follow the methods of preparation, service, and presentation so as to conform to the specifications and standards of Franchisor in effect from time to time;

4. Use only such supplies/services, equipment, and products so as to conform to Franchisor's specifications in effect from time to time;

5. Sell from the Business all products specified by Franchisor and not sell or offer for sale any other products of any kind or character without first obtaining the express approval of Franchisor, which shall be at the full discretion of Franchisor who shall have the sole right of decision with regards to all products to be sold in the Franchise Business. Franchisor shall have the right to not approve any product for any reason whatsoever or for no reason whatsoever.

6. Discontinue selling or offering for sale or using any products and/or services Franchisor may, in its absolute discretion, delete from its standards and specifications for any reason whatsoever or for no reason whatsoever.

7. Maintain in sufficient supply, and use at all times, only such products, materials, supplies, ingredients, methods of preparation and service, weight and dimensions of products served, standards of cleanliness, health and sanitation and methods of service as conform to Franchisor's standards and specifications; and to refrain from deviating therefrom by using non-conforming items or methods without Franchisor's prior written consent.

8. Purchase such equipment, supplies, or products as may be required by Franchisor, for the appropriate handling and selling of any services and products that become approved for offering in the System.

9. Require clean uniforms, as described in the operations manual, conforming to such specifications as to color, design, etc. as Franchisor may designate, from time to time, to be worn by all of Franchisee's employees at all times while in attendance at the Business, and to cause all employees to present a clean, neat appearance and render competent and courteous service to customers, as may be further detailed in the Manual.

10. At such time as items or products are produced on-site, permit Franchisor or its agents, at any reasonable time, to remove from the Business samples of item without payment therefore, in amounts reasonably necessary for testing by Franchisor or an independent laboratory to determine whether said samples meet Franchisor's then-current standards and specifications. In addition to any other remedies it may have under this Agreement, Franchisor requires Franchisee to bear the cost of such testing if the supplier of the item has not previously been approved by Franchisor, or if the sample fails to conform to Franchisor's specifications.

11. Not install or permit to be installed on or about the Business premises, without Franchisor's prior written consent, any fixtures, furnishings, signs, equipment, or other improvements not previously approved as meeting Franchisor's standards and specifications.



12. Employ a sufficient number of employees and maintain sufficient inventories as necessary to operate the Business at its maximum capacity as prescribed or approved by Franchisor and to comply with all applicable Laws with respect to such employees.

13. Not engage in any trade practice or other activity or sell any product or literature which Franchisor determines to be harmful to the goodwill or to reflect unfavorably on the reputation of Franchisee, the Business, or the products sold thereat, or which constitutes deceptive or unfair competition, or otherwise is in violation of any applicable laws. The above limitations are closely related to the business image, purpose and marketing strategy of the System and, therefore, any change there from would fundamentally change the nature of the business.

B. Operate Franchised Business Only

Franchisee shall use the System and the Names and Marks provided to Franchisee by Franchisor for the operation of the Business and shall not use them in connection with any other line of business or any other activity. Neither Franchisee, nor any of its employees, may conduct any business at the Business other than that authorized pursuant to this Agreement, without the prior written approval of Franchisor. Neither Franchisee, nor any of its employees, may conduct any activity at the Business or in connection therewith which is illegal, or which could result in damage to the Names and/or Marks or the reputation and goodwill of Franchisor.

C. Comply with Laws, Licenses and Permits

Franchisee shall comply with all federal, state and local laws and regulations, and shall obtain and at all times maintain any and all permits, certificates, or licenses necessary for full and proper operation of the Business franchised under this Agreement. Franchisor's standards may exceed any and all of the requirements of said laws.

Franchisee shall secure and maintain in force all required licenses, permits and certificates necessary for the operation of the Franchised Business, and shall operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations. Franchisor makes no representation to Franchisee with regard to any legal requirements that Franchisee must satisfy or comply with in connection with the operation of the Franchised Business. Franchisee shall be solely responsible for investigating and complying with all such laws, ordinances and regulations with regard to the operation of the Franchised Business.

You are required to comply with Payment Card Industry Data Security Standards (“**PCIDSS**”). As part of your compliance, you must install and use a managed firewall between the Internet Service Provider (“**ISP**”) equipment and the Computer System in the restaurant (including POS System, BOH computer, camera equipment, etc.) and utilize our designated managed firewall provider.

D. Maintain Confidentiality of Proprietary Information

Neither Franchisee nor any of its partners, officers, directors, agents, or employees shall, except as required in the performance of the duties contemplated by this Agreement, disclose or use at any time, whether during the terms of this Agreement or thereafter, any information disclosed to or known by Franchisee or any such person as a result of this Agreement. Such information includes, but shall not be limited to, information conceived, originated, discovered, or developed by Franchisee or by any employee of Franchisee which is not generally known in the trade or industry about Franchisor's products, services,



or licenses, including information relating to discoveries, ideas, manufacturing, purchasing, accounting, engineering, marketing, merchandising or selling.

E. Maintain and Renovate Business

Franchisee shall at all times maintain the Business in a clean, orderly condition and in first class repair and condition in accordance with all maintenance and operating standards set forth in the Manual. Franchisee shall make, at Franchisee's expense, all additions, repairs, replacements improvements and alterations that may be determined by Franchisor to be necessary so that the facilities which are viewed by the public will conform to the System's image, as may be prescribed by Franchisor from time to time. Franchisee shall undertake and complete such additions, repairs, replacements, improvements and alterations within the time and under the terms and conditions which may be reasonably specified by Franchisor.

At Franchisor's request, which shall not be more often than once every five (5) years, Franchisee shall refurbish the Business at its expense, to conform to the building design, trade dress, color schemes, and presentation of trademarks and service marks consistent with Franchisor's designated image, including, without limitation, remodeling, redecoration, and modifications to existing improvements.

MBL Unit, whether purchased or leased, must conform at all times to our specifications, as detailed in the Manual. MBL Unit Food Truck must be no more than five (5) years old at time of Acceptance, in very good condition (Kelley Blue Book standards) and have vehicle signage/wrap we specify.

F. Ownership and Management

The Franchised Business shall, at all times, be under the direct supervision of Franchisee. The Designated Manager shall devote sufficient efforts to the management of the day-to-day operation of the Franchised Business, but not less than thirty-five (35) hours per week, excluding vacation, sick leave and similar absences. Franchisee shall keep Franchisor informed, in writing, at all times of the identity of its Designated Manager. Franchisee must not engage in any business or other activities that will conflict with its obligations under this Agreement.

G. Full-Time Manager Required

Franchisee agrees to maintain a competent, conscientious, trained staff, including at least one (1) fully trained, full-time Manager (which can be you), and to take such steps as are necessary to ensure that its employees preserve good customer relations.

You must keep us informed via email at all times of the identity and personal contact information of all employees acting as managers, assistant managers of the Business. Your managers and assistant managers need not have an equity interest in the Business or you; but must agree in writing to preserve confidential information to which they have access and not to compete with you, Us, and other franchisees. We may regulate the form of agreement that you use and be a third-party beneficiary of that agreement with independent enforcement rights.

H. Maintain Competent Staff

Franchisee shall maintain a fully trained competent staff capable of rendering courteous quality service in a manner in keeping with the standards set by Franchisor.



I. Open Business within Time Limit

Within sixty (60) days after execution of this Agreement, Franchisee must sign a lease for a Business location. Franchisor may grant Franchisee two thirty (30) day extensions within which to sign a lease. Franchisee must submit written documentation of the status of the application(s) ten (10) days prior to the date of the thirty (30) day extension request. Franchisee shall obtain Franchisor's approval to open and shall open the Business and commence operations within one hundred fifty (150) to two hundred forty (240) days after execution of this Agreement. Time is of the essence. Prior to opening, Franchisee shall complete to Franchisor's satisfaction all preparations of the Business, in accordance with specifications set forth in the Manual, and as required by local governmental agencies, including the installation of fixtures, furnishings, and equipment and the acquisition of supplies and inventory.

J. Operate Business in Strict Conformity to Requirements

Franchisee shall operate the Business in strict conformity with such standards, techniques, and procedures as Franchisor may from time to time prescribe in the Manual, or otherwise in writing, and shall not deviate there from without Franchisor's prior written consent. Franchisee further agrees to offer its customers all products and services which Franchisor may, from time to time, prescribe, to offer its customers only those products and services which meet Franchisor's standards of quality and which Franchisor has approved in writing to be offered in connection with the Business's operations, and to discontinue offering any products or services which Franchisor may, in its sole discretion, disapprove in writing at any time.

K. Proprietary CSG® “Mac & Cheese” Product

Franchisor and its Affiliates have developed and manufacture a proprietary product which is especially suited for use in the operation of CSG® Businesses, referred to as “CSG® “Mac & Cheese” Product.” In order to maintain consistency, quality and uniformity of the System, Franchisee shall exclusively obtain all of its requirements of CSG® “Mac & Cheese” Product from Cheese Street Grill Franchising, LLC, our Affiliate, or such other purveyor as we specify. Franchisee acknowledges that the CSG® “Mac & Cheese” Product is distinctive and proprietary as a result of being produced pursuant to Franchisor and its Affiliates' experience and is/are inextricably interrelated with the Marks. Franchisee shall, at all times, maintain an inventory of CSG® “Mac & Cheese” Product as necessary to operate the Franchised Business at full capacity. Franchisor commits to ensuring that the CSG® “Mac & Cheese” Product is supplied at competitive prices; however, Franchisee acknowledges that Franchisor and its Affiliates have the right to earn a reasonable profit on the sale of CSG® “Mac & Cheese” Product. Franchisee shall not sell CSG® pre-packaged retail products that have not been labeled for individual sale without written permission from Franchisor.

L. Use Approved Services, Products and Supplies

1. Franchisee shall use in connection with the operation of the Business and offer, sell, and/or provide only such services, products and supplies which may, from time to time, be specified in writing, designated, and approved for sale by Franchisor.

2. To ensure the consistent high quality and uniformity of products provided by CSG® Restaurants and MBL Units, Franchisee shall purchase all equipment, inventory, and other supplies, products, and materials used in the operation of CSG® Restaurants and MBL Units as Franchisor may specify from time to time, solely from suppliers designated or approved by Franchisor. All suppliers



must be designated or approved by Franchisor in writing and not thereafter disapproved. Unless Franchisor has designated an exclusive supplier for any item(s) or services(s), if Franchisee desires to purchase the items from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval. In approving any supplier, Franchisor may consider factors such as the supplier's financial strength, quality control, and capacity to supply Franchisee's needs promptly and reliably. Franchisor shall have the right to require, as a condition of its approval and review, that its representatives be permitted to review the proposed supplier and that the proposed item be delivered to Franchisor or its designee for review and testing. The cost of such review and testing shall be paid by Franchisee or supplier, and Franchisor shall not be liable for damage to or for the return of any sample. Franchisor reserves the right to re-review the supplier and to retest the product of any approved supplier and to revoke any approval if the supplier fails to continue to meet Franchisor's high standards. Notwithstanding anything contained herein to the contrary, Franchisor may, in its sole discretion, require that any products, services and other items used in connection with the operation of the Business be purchased exclusively from Franchisor, its affiliates or designated suppliers or distributors.

3. Non-compliance with System Specifications Fees: Five hundred dollars (\$500) the first week for non-compliance with System Specifications and/or that you offer or sell any unapproved product; and Two hundred fifty dollars (\$250) per week thereafter until you correct such non-compliance.

M. Use Approved Equipment

In operating the Business, Franchisee shall install and maintain equipment, signs, furnishings, supplies and fixtures in accordance with the standards and specifications as recommended by Franchisor or that will continue to be recommended by Franchisor.

N. Use Approved Signage

Franchisee shall purchase or lease, subject to local building codes and regulations, such signs that provide maximum displays of the Names and Marks of Franchisor. Upon renewal of this Agreement, Franchisee shall be totally responsible for obtaining and equipping the Business with the signage that is approved for use by Franchisor at the time of the renewal of this Agreement. The color, size, design and location of said signs shall be as specified and/or approved by Franchisor. Franchisee shall not place additional signs, posters or other décor items in, on or about the Accepted Location without the prior written consent of Franchisor.

O. Wear Approved Uniforms

Franchisee may require its employees to wear uniforms, as described in the Operations Manual, while working at or for the Business and such uniforms shall be of such design and color as Franchisor may prescribe from time to time, as set forth in the Manual.

P. Maintain Regular Business Hours

1. **CSG® Restaurant:** Franchisee shall keep the Business open and in normal operation during normal business hours for its geographical region, for seven (7) days per week, fifty-two (52) weeks per year, with minimum hours of 11 A.M. to 7 P.M., except Easter, Thanksgiving and Christmas unless otherwise authorized in writing by Franchisor (subject to local ordinances or lease restrictions, if any). Such minimum hours and days of



operation may be changed as CSG® may from time to time specify in the Manual. If Franchisee operates the Business in a mall or similar facility, then Franchisee shall keep the Business open when the mall or similar facility is open to the general public, unless a waiver of hours is granted by the mall.

2. **CSG® MBL Unit:** Franchisee shall keep the Business open and in normal operation during normal business hours for its geographical regional events, for 1,000 to 2,000 hours per year, (subject to local ordinances, site or event restrictions, if any). Such minimum hours and days of operation may be changed as CSG® may from time to time specify in the Manual.

Q. Maintain Uniform Operating Standards

Franchisee understands and acknowledges that every detail of the design and operation of the Business is important to Franchisee, Franchisor and other franchisees in order to develop and maintain uniform operating standards, to increase the demand for the products and services sold by the Business under the System, and to protect Franchisor's reputation and goodwill.

R. No Vending Machines without Franchisor Approval

Newspaper racks, beverage, gum, candy, or other vending machines may not be installed in or at the Business without the express written consent of Franchisor and only then in such manner as prescribed by Franchisor for all of its Franchisees.

S. Telephone Number of Business

Franchisee understands and agrees that the telephone number(s) for the Business constitutes a part of the System and is subject to the restrictions of this Agreement. Accordingly, Franchisee shall not change the telephone number(s) for the Business without prior notice and written approval by Franchisor. Franchisee shall advertise and publicize the telephone number(s) for the Business in the manner prescribed by Franchisor.

T. Electronic Mail Address

Franchisee acknowledges and agrees that it will utilize the electronic mail address that Franchisor will create and provide for Franchisee for the operation of its Franchised Business. Franchisee further acknowledges and agrees that such electronic mail address will be the main address Franchisor utilizes for electronic mail correspondence with Franchisee, and that Franchisor reserves the right to unlimited monitoring of such electronic mail address and communication and information distributed and disclosed among users of such electronic mail address.

U. Electronic Media

Restrictions on Franchisee's Use of Electronic Media: CSG® restricts your right to use all electronic media including the internet in operating your Unit. You cannot conduct business over the internet or create your own website with which to conduct business without our express written consent. You must comply with CSG®'s policies and restrictions respecting the use of social media or related social networking applications in connection with the operation of your Unit.



V. Disclose Discoveries and Ideas to Franchisor

Franchisee shall promptly disclose to Franchisor all discoveries, inventions or ideas, whether patentable or not, relating to Franchisor's business, which are conceived or made by Franchisee or any partner, officer, director, agent, or employee of Franchisee solely or jointly with others, during the term of this Agreement, whether or not Franchisor's facilities, materials, or personnel are utilized in the conception or making of such discoveries or ideas. Franchisee hereby acknowledges and agrees that all such discoveries, inventions or ideas are the exclusive property of Franchisor, and that Franchisor shall have no obligation to Franchisee with respect thereto. The purpose of this clause is to ensure that ideas for improvements to the System that may be generated by franchisees within the System will be distributed to the other franchisees as a benefit of belonging to the System.

W. Permit Franchisor to Enter Business

Franchisee shall permit Franchisor and its agents or representatives to enter the Business at any reasonable time for the purpose of conducting inspections, shall cooperate fully with Franchisor's representatives in such inspections by rendering such assistance as they may reasonably request, and, upon notice from Franchisor or its agents, and without limiting Franchisor's other rights under this Agreement, shall take such steps as may be deemed necessary to immediately correct any deficiencies detected during such inspections. In the event Franchisee fails or refuses to correct immediately any deficiency detected during such inspection, Franchisor shall have the right to make or cause to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee agrees to pay upon demand. The foregoing shall be in addition to any other remedies Franchisor may have pursuant to this Agreement.

X. Additional Requirements for Corporate Franchisee

If Franchisee is or becomes a corporation, limited or general partnership or other organization or entity, the following requirements shall apply:

1. Franchisee shall confine its activities to the establishment and operation of the Business.

2. Franchisee's Certificate or Articles of Incorporation and Bylaws (or comparable governing documents) shall at all times provide that its activities are confined exclusively to operation of the Business and that the issuance, redemption, purchase for cancellation and transfer of voting stock, or other ownership interest therein, is restricted by the terms of this Agreement. Franchisee shall furnish Franchisor promptly upon request copies of Franchisee's Articles of Incorporation, Bylaws, and other governing documents, and any other documents Franchisor may reasonably request, and any amendments thereto, from time to time.

3. Franchisee shall maintain a current list of all owners of record and beneficial owners of any class of voting stock of Franchisee and shall furnish such list to Franchisor upon request.

4. Franchisee shall maintain stop transfer instructions against the transfer on its record of any equity securities (voting or otherwise) except in accordance with the provisions of Article XXII. All securities issued by Franchisee shall bear the following legend, which shall be printed legibly and conspicuously on each stock certificate or other evidence of ownership interest:

THE TRANSFER OF THESE SECURITIES IS SUBJECT TO THE TERMS AND CONDITIONS



OF A FRANCHISE AGREEMENT WITH CHEESY STREET GRILL FRANCHISING, LLC DATED _____. REFERENCE IS MADE TO SAID AGREEMENT AND TO THE RESTRICTIVE PROVISIONS OF THE ARTICLES AND BYLAWS OF THIS CORPORATION OR LLC.

5. All shareholders of Franchisee shall jointly and severally guaranty Franchisee's performance hereunder and shall bind themselves to the terms of this Agreement, provided, however, that the requirements of this Article XII.W shall not apply to any corporation or limited liability company registered under the Securities Exchange Act of 1934 (hereinafter known as a "**Publicly-Held Corporation or LLC**").

6. If Franchisee is or becomes a partnership, Franchisee shall furnish Franchisor promptly upon request a copy of its partnership agreement and any other documents Franchisor may request, and any amendments thereto, from time to time.

7. Franchisee shall maintain a current list of all general and limited partners and all owners of record and all beneficial owners of any class of voting stock of Franchisee and shall furnish the list to Franchisor promptly upon request, from time to time.

8. Each individual who or entity which holds a ten percent (10%) or greater ownership or beneficial ownership interest in Franchisee, directly or indirectly, (including each individual holding a fifty percent (50%) or greater interest in any partnership or corporation which has a ten percent (10%) or greater interest in Franchisee) shall enter into a continuing guaranty agreement under seal, in the form attached hereto as Exhibit 2, as such form may be amended or modified by Franchisor, from time to time (if such guaranty agreement is to be executed subsequent to the date hereof in accordance with the terms of this Franchise Agreement).

Y. Site Selection and Acceptance

Franchisee has the responsibility for selecting a site for the restaurant. Franchisor shall then review and accept or reject Franchisee's site selection and lease agreement, based on an analysis of local competing businesses, population density and other demographics, visibility and accessibility, traffic patterns, the neighborhood, suitability of the premises to be leased and other factors more fully described in Franchisor's Manual. The suitability of a site is determined on a case-by-case basis.

Franchisee assumes all costs, liability, expense, and responsibility for locating, obtaining, and developing a site for the Business to be established under the Franchise Agreement and for constructing and equipping the Business at such site. Franchisee shall not make any binding commitment to a prospective vendor or lessor of real estate with respect to the Accepted Location for the Business unless such Accepted Location is accepted in accordance with the procedure herein set forth and which provides, without limitation, for (a) thirty (30) days prior written notice of any default there under specifying such default and the right (but with no obligation) of Franchisor to cure any such default within said period, and (b) approval of the Franchisor as an assignee of Franchisee's interest there under.

Franchisee acknowledges that franchisor's acceptance of a prospective site and rendering of assistance in the selection of a site does not constitute a representation, promise, warranty, or guarantee by franchisor that a CSG® Restaurant operated at that site will be profitable or otherwise successful.



Z. Vehicle Selection and Acceptance

Franchisee has the responsibility for selecting and submitting the vehicle to the Franchisor for acceptance for the Business. Franchisor shall accept your lease or purchase agreement of a new or used vehicle that meets our specifications, as detailed in the Manual, and we have the right to reject a proposed vehicle lease or purchase agreement.

Franchisee assumes all costs, liability, expense, and responsibility for locating, obtaining, refitting (as necessary) and/or developing a vehicle for the Business to be established under the Franchise Agreement and for conforming and equipping the vehicle according to Franchisor's specifications.

Franchisee acknowledges that franchisor's acceptance of a prospective mobile food truck vehicle and the rendering of assistance in the selection and/or modification of a vehicle does not constitute a representation, promise, warranty, or guarantee by franchisor that a CSG® MBL Unit utilizing the vehicle will be profitable or otherwise successful.

AA. Pre-Opening Site Development

Before commencing the development and/or remodeling of the Business, Franchisee, at its expense, shall comply, to Franchisor's satisfaction, with all of the following requirements:

1. Franchisee shall submit a site plan to Franchisor. Franchisee, at its option, may use any architect or engineer currently used by Franchisor, or request acceptance of local architect or engineer, to prepare detailed plans and specifications for the remodeling of the Business;

2. Franchisee shall use a qualified general contractor or construction supervisor to oversee the remodeling of the Business and completion of all improvements, and Franchisee shall submit to Franchisor a statement identifying the general contractor or construction supervisor; and

3. Franchisee shall obtain all licenses, permits and certifications required for lawful remodeling and operation of the Business including, without limitation, building, zoning, access, parking, driveway access, sign permits and licenses, and shall certify in writing to Franchisor that all such permits, licenses and certifications have been obtained. Franchisee shall obtain all health, life safety, and other permits and licenses required for operation of the Business and shall certify that all such permits and licenses have been obtained prior to the Opening Date.

4. Franchisee shall cause such remodeling to be performed only in accordance with the site plan, and plans and specifications, approved by Franchisor, and no changes will be made to said approved plans and specifications, or the design thereof, or any of the materials used therein, or to interior and exterior colors thereof, without the express written consent of Franchisor.

BB. Training

Prior to Franchisee's opening of the Business to the public, Franchisee and/or up to two (2) management personnel of Franchisee (or, if Franchisee is a corporation or limited liability company or partnership, a principal of Franchisee) shall complete, to Franchisor's satisfaction, approximately 23 hours of Administrative training, which may be virtual, in-person, and/or a combination of the two; and approximately 27 hours of Hands-On training. Any required certification(s) must be completed prior to attending training and these certifications must be from an accredited certifying state agency.



At Franchisor's option, key personnel subsequently employed by Franchisee shall also complete to Franchisor's satisfaction, the 2-day management training program, in addition to any locally required food management certifications, Food Protection Manager Certification, Allergen Certification and Choke Saver Certification, as required by Us. Franchisor may, at its discretion, make available additional training programs or seminars, as well as refresher courses to Franchisee and/or Franchisee's designated individual(s), from time to time. Franchisor may, at any time, discontinue management training and decline to certify Franchisee and/or Franchisee's designated individual(s), who fail to demonstrate an understanding of the management training acceptable to Franchisor. If Franchisee or Franchisee's designated individual's management training is discontinued Franchisor, Franchisee shall have thirty (30) days to present an alternative acceptable candidate for management training to Franchisor. If Franchisee's new candidate does not adequately complete the management training, then Franchisor shall have the option of terminating this Agreement. Franchisor shall provide instructors and training materials for all required training programs; and Franchisee or its employees shall be responsible for all other expenses incurred by Franchisee or its employees in connection with any training programs, including, without limitation, the cost of transportation, lodging, meals, and wages.

Franchisor offers training resources, as described below, to assist franchisees at their business location, fees apply. All Franchisor starters shall not be deemed employees of the Franchisee during the period(s) of service to the Franchisee, as herein provided.

Franchisee shall give Franchisor not less than thirty (30) days' notice of when training should begin. In order for training to begin, Franchisee shall have received a Certificate of Occupancy and Health Department approval for the building, and all refrigeration, kitchen and cooking equipment shall be functioning.

When the Restaurant is ready to open, Franchisor will send, at our expense, one of our representatives to the Restaurant for three (3) days to assist with the opening.

CC. Fire or Casualty

In the event the leased Business premises and/or building shall be damaged or destroyed by fire or other casualty, or be required to be repaired or reconstructed by any governmental authority, Franchisee shall either a) commence the required repair or reconstruction of the leased Business premises within thirty (30) days from the date of such casualty or notice of such governmental requirement (or such lesser period as shall be designated by such governmental requirement) and shall complete all required repair or reconstruction as soon as possible thereafter, in continuity, but in no event later than sixty (60) days from the date of such casualty or requirement of such governmental notice; or b) relocate to an accepted location within ninety (90) days from the date of such casualty or requirement of such governmental notice. The minimum acceptable appearance for the restored or relocated leased Business premises will be that which existed just prior to the casualty; however, every effort should be made to have the restored or relocated leased Business premises include the then-current image, design and specifications of Franchisor.

If the building is substantially destroyed by fire or other casualty during the last two years of the Franchise Agreement/Term, Franchisee may, with Franchisor's agreement and upon payment of an amount equal to twenty-five percent (25%) of all insurance proceeds as a consequence of such casualty to the Franchisor as a royalty, terminate this Agreement in lieu of Franchisee's reconstructing the leased business premises.



DD. Miscellaneous

Franchisee shall give Franchisor advance written notice of Franchisee's intent to institute legal action against Franchisor, specifying the basis for such proposed action, and shall grant Franchisor thirty (30) days from receipt of said notice to cure the alleged act upon which such legal action is to be based.

XIII. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO INSURANCE

A. Overall Coverage Required

Franchisee shall procure, prior to opening the Business, and shall maintain in full force and effect during the term of this Agreement at Franchisee's expense, an insurance policy or policies protecting Franchisor, and the officers, directors, partners, and employees of both Franchisor and Franchisee against any loss, liability, personal injury, death, property damage, or expense whatsoever arising or occurring upon or in connection with operating the Business. Franchisor and its affiliate(s) shall be named as additional insured parties on all such policies.

Prior to the opening of the Business and thereafter at least thirty (30) days prior to the expiration of any such policy or policies, Franchisee shall deliver to Franchisor certificates of insurance evidencing the proper coverage with limits not less than those required hereunder. All certificates shall expressly provide that not less than thirty (30) days prior written notice shall be given to Franchisor in the event of material alteration to termination, non-renewal, or cancellation of, the coverage's evidenced by such certificates.

B. Insurance Carrier Must be Approved by Franchisor

Such policy or policies shall be written by an insurance company rated A-minus or better, in Class 10 or higher, by Best Insurance Ratings Service and satisfactory to Franchisor in accordance with standards and specifications set forth in the Manuals or otherwise in writing, from time to time, and shall include, at a minimum (except as additional coverage and higher policy limits may be specified by Franchisor from time to time), the following initial minimum coverage:

CORE COVERAGES:

Type:	Minimum Coverage Amount	How Rated:
General Liability (includes Food Contamination, F&B Spoilage, Sewer/Water Backup)	\$ 1,000,000	Per Occurrence
	\$ 2,000,000	In the Aggregate
	\$ 2,000,000 (Products and Completed Operations)	In the Aggregate
	\$ 1,000,000 (Personal/ Advertising Injury Limit)	Per Occurrence
	\$ 1,000,000 (Optional Liquor/Dram Shop)	Per Occurrence
	\$ 500,000 (Damage to Rented Premises)	Per Occurrence
	\$ 5,000 (Medical – each person)	Per Occurrence
	\$ 25,000 (Personal Effects)	Per Occurrence
	\$ 15,000 (Property Off- Premises)	Per Occurrence



Type:	Minimum Coverage Amount	How Rated:
Business Property Insurance	\$ 150,000	Per Occurrence
Unemployment and Disability Insurance	As required by law	Per Employee
Workers' Compensation	\$ 1,000,000	Each Accident
	\$ 1,000,000	Disease – Each Employee
	\$ 1,000,000	Disease – Policy Limit
Business Interruption Insurance	\$ 50,000	Not less than Per Month
Vehicle Liability Insurance (If vehicle is owned, non-owned, rented, scheduled or hired by the business)	\$ 1,000,000	Per Person
	\$ 3,000,000	Per Accident
	\$ 500,000	Per Occurrence
	\$ 1,000,000	General Liability per Occurrence

OPTIONAL COVERAGES:

Type:	Minimum Coverage Amount	How Rated:
Optional: Fire Damage	To Cover Building and Property	Not Less Than Per Occurrence
Optional: Comprehensive Crime & Employee Dishonesty Insurance	\$ 25,000	Per Occurrence
Business Income Extension for Off-Premises Utility Services	\$ 25,000	Not less than per Occurrence
Business Income Extension for Websites	\$ 10,000	Not less than per Occurrence
Business Income from Dependent Properties	\$ 50,000	Not less than per Occurrence
Commercial Umbrella	\$ 1,000,000	Per Occurrence
	\$ 1,000,000	In the Aggregate
	\$0 / TBD if higher limits elected	Self-Insured Retention
Optional: Employment Practices Liability	\$ 1,000,000	In the Aggregate

1. Commercial General Liability Insurance, including coverage for products-completed operations, contractual liability, personal and advertising injury, fire damage, medical expenses, having a combined single limit for bodily injury and property damage as defined in the chart above. All such coverage shall be on an occurrence basis and shall provide for waivers of subrogation.

2. All-risk property insurance, including theft and flood coverage (when applicable), written at replacement cost value covering the building, improvements, furniture, fixtures, equipment and inventory. Coverage shall be written in a value which will cover not less than eighty percent (80%) of the replacement cost of the building and one hundred percent (100%) of the replacement cost of the contents of the building.

3. Employer's Liability and Worker's Compensation Insurance, as required by state law.

4. Business interruption insurance of not less than fifty thousand dollars



(\$50,000) per month for loss of income and other expenses with a limit of not less than six (6) months of coverage.

Franchisee's obligation to obtain and maintain, or cause to be obtained and maintained, the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Article XVII. of this Agreement.

C. Future Increases

Franchisor has the right to reasonably increase the minimum liability protection requirement annually and require different or additional insurance coverage(s) to reflect inflation, changes in standards of liability, future damage awards or other relevant changes in circumstances.

D. No Limitations on Coverage

Franchisee's obligations to obtain and maintain the foregoing insurance policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in this Agreement. Franchisee may maintain such additional insurance as it may consider advisable.

E. Franchisee Must Provide Evidence of Coverage to Franchisor

Upon obtaining the insurance required by this Agreement and on each policy renewal date thereafter, Franchisee shall promptly submit evidence of satisfactory insurance and proof of payment to Franchisor, together with, upon request, copies of all policies and policy amendments and endorsements. The evidence of insurance shall include a statement by the insurer that the policy or policies will not be cancelled or materially altered without giving at least thirty (30) days' prior written notice to Franchisor.

F. Franchisor May Procure Insurance Coverage

Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as described from time to time by the Manual or otherwise in writing, Franchisor shall have the right and authority (but no obligation) to procure such insurance and to charge same to Franchisee, which charges, together with a reasonable fee for Franchisor's expenses in so acting, shall be payable by Franchisee immediately upon notice from Franchisor.

XIV. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO ACCOUNTING AND RECORDS

A. Bookkeeping, Accounting and Records

Franchisee shall maintain during the term of this Agreement and shall preserve for a minimum of three (3) years, full, complete accurate records of sales, closeout sheets, payroll, and accounts payable in accordance with the standard accounting system described by Franchisor in the Manual or otherwise specified in writing.



B. Franchisor's Right to Audit

Franchisor or its designated agents shall have the right, at all reasonable times, to examine and copy, at Franchisor expense, the books, records, and tax returns of Franchisee and the Business. Franchisor shall also have the right, at any time, to have an independent audit made of the books of the Business. If an inspection should reveal that any payments to Franchisor have been understated in any report to Franchisor, then Franchisee shall immediately pay to Franchisor the amount understated upon demand, in addition to interest on such amount from the date such amount was due until paid, at the Default Rate, calculated on a daily basis. If an inspection discloses an understatement in any payment to Franchisor of two percent (2%) or more, Franchisee shall, in addition, reimburse Franchisor for any and all costs and expenses relating to the inspection (including, without limitation, travel, lodging and wage expenses and reasonable accounting and legal costs), and, at Franchisor's discretion, submit audited financial statements prepared, at Franchisee's expense, by an independent certified public accountant satisfactory to Franchisor. If an inspection discloses an understatement in any payment to Franchisor of four percent (4%) or more, such act or omission shall constitute grounds for immediate termination of this Agreement, as set forth in Article XXII. hereof. The foregoing remedies shall be in addition to any other remedies Franchisor may have pursuant to this Agreement and as provided at law and in equity.

C. Reporting of Gross Sales

Franchisee shall submit to Franchisor during the term of this Agreement, after the opening of the Business, (a) a royalty report, on a one (1) week accounting period (the "**Accounting Period**") basis in the form prescribed by Franchisor from time to time, accurately reflecting all Gross Sales during each preceding Accounting Period, and such other data or information as Franchisor may require, from time to time, said report to be received by Franchisor within three (3) days from the end (Sunday) of each such Accounting Period; and (b) profit and loss statements, balance sheets and trial balances prepared in accordance with generally accepted accounting principles, consistently applied, for each accounting period, to be received by Franchisor within fifteen (15) days after the date of expiration of each period covered by the report, (c) copies of all tax returns relating to sales at the Business to be received by Franchisor within ten (10) days of the end of the state sales tax reporting period, and (d) such other data or information as Franchisor may require, from time to time.

D. Submission of Financial Statements

Franchisee shall, at its expense, submit to Franchisor, within thirty (30) days of the end of each calendar quarter during the term of this Agreement, on forms prescribed by Franchisor, a financial statement, which may be unaudited, for the preceding quarter, including both an income statement and balance sheet. Each financial statement shall be signed by Franchisee or by Franchisee's Treasurer or Chief Financial Officer, attesting that the statement is true and correct. Franchisee shall also, at its expense, submit to Franchisor within sixty (60) days of the end of each fiscal year of Franchisee during the terms of this Agreement, a complete financial statement for said fiscal year, including, without limitation, both an income statement and balance sheet, which may be unaudited, together with such other information in such form as Franchisor may require. Franchisee shall also submit to Franchisor the current financial statement and other forms, records, reports, information, and data as Franchisor may designate, in the form, and at the times and the places required by Franchisor, upon request, and as specified from time to time in the Manual or otherwise in writing.

E. Disclosure of Financial Statements

Franchisee hereby grants permission to Franchisor to release to Franchisee's landlord,



lenders or prospective landlords or lenders, any financial and operational information relating to Franchisee and/or the Business; however, Franchisor has no obligation to do so.

F. Release of Records

At Franchisor's request, Franchisee shall authorize and direct any third parties, including accounting and legal professionals, to release to Franchisor (or its designee) all accounting and financial records arising from or relating to the operation of the Franchised Business including, but not limited to, records evidencing Gross Sales, profits, losses, income, tax liabilities, tax payments, revenues, expenses, and any correspondence, notes, memoranda, audits, business records, or internal accounts within said third parties' possession, custody or control, and to continue to release such records to Franchisor (or its designee) on a monthly basis for the length of the unexpired term of this Agreement or until such time as Franchisor withdraws its request. Franchisee shall execute all documents necessary to facilitate the release of records referenced herein to Franchisor (or its designee).

G. Customer Data Files

Franchisee shall follow Franchisor's instructions with respect to the collection, disposition, treatment, transmission and handling of customer data and similar information ("Customer Data"). Franchisee agrees that Customer Data is Franchisor's sole and exclusive property. Franchisee's use of Customer Data (even if Franchisee initially collected such data) shall be by virtue of this limited license from Franchisor only. Franchisee's license to use the Customer Data is limited to his/her use of the Customer Data solely in connection with Franchisee's CSG® business during the term of this Agreement. Upon expiration or termination of this Agreement, Franchisee shall destroy or, at Franchisor's instruction, transmit to Franchisor, all Customer Data and copies thereof. Franchisor may regularly capture data from Franchisee's system for the purpose of preserving Customer Data files. Customer Data is included in "Confidential Information" as defined in Article XVI.A below.

H. Computer System and Telecommunication Requirements

Franchisee shall follow and adhere to the daily accounting and reporting procedures as required by Franchisor, from time to time, and shall purchase accounting and reporting equipment including, but not limited to, the Computer System/point of sale equipment as required by Franchisor. The Computer System/point of sale equipment to be used in the Business shall possess several important features in order to facilitate the operation and internal accounting control of the Business.

The principal components of the current Computer system are as follows:

Required Computer Hardware:

- One desktop or laptop PC or MAC computer system
- POS System (includes iPad® terminal (MBL Unit must be a cellular iPad® terminal with unlimited data plan), monitor, receipt printer, cash drawer)

Required Office Software:

- Online Bookkeeping System (latest version)
- MS Home & Business (latest version)
 - Word
 - Excel



- PowerPoint
- Outlook

Required POS Software

Paid Security and Backup Software

Supporting Office System Equipment Requirements:

- 3-in-1 Printer/Copier/Scanner
- Monitor (optional)
- Multi-port wireless router
- Surge protector(s)/battery backup (as needed)
- Mouse (optional for laptop)
- Cables, wires & adapters—as required for system

Minimum System Requirements for the Business PC

Operating System	Windows (latest version in English)
Processor	Intel Core (latest generation)
Processor Speed	Minimum 3.40 GHz
Standard Memory	16 GB
Drive Capacity	1 TB
Solid State Drive	32 GB
Video Memory	Up to 2 GB
Cache Memory	8 MB
Recordable DVD Drive Speeds	Maximum write (DVD±R), rewrite (DVD±RW) and read (DVD-ROM) speeds of the DVD±RW drive.
Additionally:	Natively installed
Operating System Bit Version	Recommend 64-bit Processing

Minimum System Requirements for the Business Mac

Operating System	Mac OS (latest version)
Processor	Intel® (latest generation)
Processor Speed	2.7 GHz
Standard Memory	8 GB
Drive Capacity	1 TB
Solid State Drive	32 GB
Video Memory	Up to 2 GB
Cache Memory	8 MB
Recordable DVD Drive Speeds	Optional
Additionally:	Natively installed
Operating System Bit Version	Recommend 64-bit Processing

Minimum System Requirements for the Business iPad:

Operating System	Apple iOS (latest version)
Drive Capacity	16 GB
Display	7.9" LED-backlist display (minimum)



Camera	5.0MP iSight camera with 1080p HD video recording
Camera	FaceTime HD camera
Wireless Capability	Wi-Fi with service contract with a carrier

Additionally, the management software of the Computer System shall contain the following, without limitation:

1. Security key and password identification for each employee, allowing the point of sale system to provide detailed sales information for each employee;
2. Detailed sales tracking ability including, but not limited to, hourly sales, department sales, customer counts, sales for the individual employees and accounting period to date sales information; and
3. Communication or polling ability for all sales information to be retrieved by Franchisee or Franchisor.

The auxiliary industry software system and support vendor, along with the accounting, bookkeeping and payroll service vendor and/or personnel, and the payments system vendor are available by phone (may require subscription) to help resolve operating problems you may encounter.

Data Security:

You are required to comply with Payment Card Industry Data Security Standards (“**PCIDSS**”). As part of your compliance, you must install and use a managed firewall between the Internet Service Provider (“**ISP**”) equipment and the Computer System in the cafe (including POS System, BOH computer, camera equipment, etc.) and utilize our designated managed firewall provider.

Telecommunications:

Restaurant: You will need one (1) hardline phone with two (2) numbers ported in, with voicemail service. You must have high-speed Internet/Email with password protected Wi-Fi.

MBL Unit: You will need one (1) designated smartphone with a minimum of one (1) designated business number, with voicemail service. You will need a designated iPad® (part of POS system) with cellular service. You must have high-speed Internet/Email with password protected Wi-Fi.

I. Micro-Site and Database Set-Up

We provide you with a micro-site and the initial set-up of your database during the initial training program. You pay Us a \$1,500 fee for these items at least thirty (30) days before you begin training.

XV. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO USES OF NAMES AND MARKS

A. Names and Marks are Owned by Affiliate

Franchisor warrants with respect to the proprietary Names and Marks that:

1. Pursuant to a license agreement originally dated August 18, 2017



(“**License Agreement A**”) between Cheesy Street Grill, LLC DBA Cheesy Street Grill, the owner of the Federal Mark CSG® and Cheesy Street Grill Franchising, LLC, a Massachusetts Limited Liability Company, Franchisor has the right to use the Names and Marks to establish CSG® in the United States and Canada.

2. Pursuant to a license agreement originally dated September 14, 2018 (“**License Agreement B**”) between Cheesy Street Grill, LLC DBA Cheesy Street Grill, the owner of the Federal Mark Cheesy Street Grill Cheese Wheelin’ and Sandwich Dealin’ Gourmet CSG Sandwich® and Cheesy Street Grill Franchising, LLC, a Massachusetts Limited Liability Company, Franchisor has the right to use the Names and Marks to establish CSG® in the United States and Canada.

3. Pursuant to a license agreement originally dated May 23, 2019 (“**License Agreement C**”) between Cheesy Street Grill, LLC DBA Cheesy Street Grill, the owner of the Federal Mark Cheesy Street Grill® and Cheesy Street Grill Franchising, LLC, a Massachusetts Limited Liability Company, Franchisor has the right to use the Names and Marks to establish CSG® in the United States and Canada.

4. Franchisor or its affiliate is taking and will take such steps as are reasonably necessary to preserve and protect the ownership and validity of such Names and Marks; and

5. Franchisor will use and permit Franchisee and other franchisees to use the Names and Marks with the System and standards attendant thereto, which underlie the goodwill associated with and symbolized by the Names and Marks.

B. Franchisee is Licensed to Use Names and Marks

With respect to Franchisee’s franchised use of the Names and Marks pursuant to this Agreement, Franchisee agrees that:

1. Franchisee shall use only the Names and Marks as are approved in writing by Franchisor for Franchisee’s use, and shall use them only in the manner authorized and permitted by Franchisor and that in any use whatsoever of the Names and Marks of Franchisor that the Names and Marks are identified as being registered to or owned by Franchisor;

2. Franchisee shall use the Names and Marks only in connection with the operation of the Business and in advertising for the Business conducted at or from the Accepted Location and within the Territory;

3. Franchisee shall use and display, as Franchisor may require in the operation of the Business, a notice in the form approved by Franchisor indicating that Franchisee is a “**Franchised Operator**” under the System and that the Names and Marks are used by Franchisee under such Franchise;

4. Unless otherwise authorized or required by Franchisor, Franchisee shall operate and advertise the Business under the Name and Marks “**CSG®**”, “**Cheesy Street Grill®**”, “**Cheesy Street Grill Cheese Wheelin’ and Sandwich Dealin’ Gourmet CSG Sandwich®**.”

5. Franchisee’s right to use the Names and Marks is limited to such usages as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of Franchisor’s rights;



6. Franchisee shall not use the Names and Marks to incur any obligations or indebtedness on behalf of Franchisor;

7. Franchisee shall not use the Names and Marks or any part thereof as part of its corporate or other legal name;

8. Franchisee shall comply with Franchisor's instructions in filing and maintaining the requisite trade name or fictitious name registration, and shall execute any documents deemed necessary by Franchisor or its counsel to obtain protection for the Names and Marks or to maintain their continued validity and enforceability; and

9. In the event any litigation involving the Names and Marks is instituted or threatened against Franchisee, Franchisee shall promptly notify Franchisor and shall cooperate fully with Franchisor in defending such litigation.

10. During the term of this Agreement and any renewal hereof, Franchisee shall identify itself as the owner of the Business in conjunction with any use of the Names and Marks, including, but not limited to, on invoices, order forms, receipts, and contracts, as well as at such conspicuous locations on the premises of the Business as Franchisor may designate in writing. The form and content of such identification shall comply with standards set forth in the Manual.

C. Sub-franchising/Agents

Franchisee shall not sublicense the use of the System or Marks to any person or entity. Except as may be permitted pursuant to Article XXII, Franchisee shall not grant any person or entity the right to perform any part of Franchisee's rights or obligations licensed hereunder.

D. Franchisee Will Not Challenge Franchisor's Rights in Its Names and Marks

Franchisee expressly understands and acknowledges that:

1. As between the parties hereto, Franchisor is the owner of all right, title, and interest in and to the Names and Marks and the goodwill associated with and symbolized by them;

2. The Names and Marks are valid and serve to identify the System and those who are franchised under the System;

3. Franchisee shall not directly or indirectly contest the validity or Franchisor's affiliate's ownership of the Names and Marks;

4. Franchisee's use of the Names and Marks pursuant to this Agreement does not give Franchisee any ownership interest or other interest in or to the Names and Marks, except the non-exclusive Franchise granted herein;

5. Any goodwill arising from Franchisee's use of the Names and Marks in its Business under the System shall inure solely and exclusively to Franchisor's benefit, and upon expiration or termination of this Agreement and the Franchise herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the System or the Names and Marks;



6. Franchisor reserves the right to substitute different Names and Marks for use in identifying the System, the Business and other franchised businesses operating there under; and

7. Franchisee hereby agrees not to register or attempt to register the Names and Marks in Franchisee's name or that of any other firm, person or corporation.

8. The right and license of the Names and Marks granted hereunder to Franchisee is nonexclusive, and Franchisor thus has and retains the rights, among others:

a. To use the Names and itself in connection with selling products and services;

b. To grant other licenses for the Names and Marks, in addition to those licenses already granted to existing franchisees; and

c. To develop and establish other systems using similar Names and Marks, or any other proprietary marks, and to grant licenses or franchises thereto at any location(s) whatsoever without providing any rights therein to Franchisee.

9. Franchisee understands and acknowledges that Franchisor has the unrestricted right to engage, directly or indirectly, through its or their employees, representatives, licensees, assigns, agents and others, at wholesale, retail and otherwise, in the production, distribution and sale of products and/or services bearing the Names and Marks licensed hereunder or other names or Marks, including without limitation, products and/or services included as part of the System. Franchisee shall not under any circumstances engage in any wholesale trade or sale of System products and/or services for resale.

XVI. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO CONFIDENTIALITY OF PROPRIETARY INFORMATION

A. Confidentiality of Trade Secrets and Other Confidential Information

Franchisee acknowledges that Franchisor and its Affiliates shall disclose Trade Secrets and other Confidential Information to Franchisee during the training program, through the Confidential Operations Manual, and as a result of guidance furnished to Franchisee during the term of this Agreement. Franchisee shall not acquire any interest in the Trade Secrets or other Confidential Information, other than the right to use it in the development and operation of the Franchised Business and in performing its duties during the term of this Agreement. Franchisee acknowledges that the use or duplication of the Trade Secrets or other Confidential Information in any other business venture would constitute an unfair method of competition. Franchisee acknowledges that the Trade Secrets and other Confidential Information are proprietary and are disclosed to Franchisee solely on the condition that Franchisee (and all holders of a legal or beneficial interest in Franchisee and all officers, directors, executives, managers and members of the professional staff of Franchisee): (a) shall not use the Trade Secrets or other Confidential Information in any other business or capacity; (b) shall maintain the absolute confidentiality of the Trade Secrets and other Confidential Information during and after the term of this Agreement; (c) shall not make any unauthorized copies of any portion of the Trade Secrets or other Confidential Information disclosed in written or other tangible form; and (d) shall adopt and implement all reasonable procedures prescribed from time to time by Franchisor and its Affiliates to prevent unauthorized use or disclosure of the Trade Secrets and other Confidential Information. Franchisee shall enforce this Article as to its employees, agents and



representatives and shall be liable to Franchisor and its Affiliates for any unauthorized disclosure or use of Trade Secrets or other Confidential Information by any of them.

B. Franchisee Will Learn Proprietary Matters

Franchisee acknowledges that he or she will obtain knowledge of proprietary matters, techniques and business procedures or Franchisor that are necessary and essential to the operation of the Business, without which information Franchisee could not effectively and efficiently operate such business, including, without limitation, knowledge regarding the System, the layout of the Business and the Manual. Franchisee further acknowledges that such proprietary information was not known to Franchisee prior to execution of this Agreement and that the methods of Franchisor are unique and novel to the System. As used herein, **“Proprietary Information”** shall mean confidential information concerning:

1. Persons, corporations or other entities which are, have been or will become Franchisees of the System and any investors therein;

2. Persons, corporations or other entities which are, have been or will become customers of the Business;

3. The terms of and negotiations relating to past or current Franchise Agreements with respect to the System;

4. The operating procedures of the System, including without limitation: distinctive management; bookkeeping and accounting systems and procedures; advertising, promotional and marketing methods; personnel hiring and training procedures; handling, storage and preparation of menu items; the manufacturers, suppliers and uses of equipment; and lists of vendors and suppliers;

5. The economic and financial characteristics of the System and Franchisees, including without limitation: pricing policies and schedules, profitability, earnings and losses, and capital and debt structures;

6. The services and products offered to customers of Businesses, including, without limitation, the scope of services performed and services refused; and

7. All documentation of the information listed in Articles XVI.B.1. through XVI.B.7. hereof, including, without limitation, the Manual. During the term of this Agreement and for a period of five (5) years following the expiration or termination of this Agreement, Franchisee agrees not to divulge, directly or indirectly, any Proprietary Information, without the prior written consent of Franchisor. Nothing contained herein shall be construed so as to require Franchisor to divulge any secret processes, formulas, or the like.

C. Additional Developments

All ideas, concepts, techniques or materials concerning the System or developed, in whole or in part, using Trade Secrets or other Confidential Information, whether or not protectable intellectual property and whether created by or for Franchisee or its owners or employees, shall be promptly disclosed to Franchisor and shall be deemed the sole and exclusive property of Franchisor or its designated Affiliate and works made-for-hire for Franchisor or its designated Affiliate, and no compensation shall be due to Franchisee or its owners or employees, and Franchisee hereby agrees to assign to Franchisor or its designated Affiliate all right, title and interest in any intellectual property so developed. Franchisor or its



designated Affiliate has the right to incorporate such items into the System. To the extent any item does not qualify as a “work made-for-hire” for Franchisor or its designated Affiliate, Franchisee shall assign, and by this Agreement, does assign, ownership of that item, and all related rights to that item, to Franchisor or its designated Affiliate and shall sign any assignment or other document as Franchisor or its designated Affiliate requests to assist Franchisor or its designated Affiliate in obtaining or preserving intellectual property rights in the item. Franchisor shall disclose to Franchisee concepts and developments of other franchisees that are made part of the System. As Franchisor or its designated Affiliate may reasonably request, Franchisee shall take all actions to assist Franchisor’s or its designated Affiliate’s efforts to obtain or maintain intellectual property rights in any item or process related to the System, whether developed by Franchisee or not.

D. Exclusive Relationship

Franchisee acknowledges that Franchisor and its Affiliates would be unable to protect the Trade Secrets and other Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among CSG® franchisees if owners of CSG® Businesses and members of their immediate families or households were permitted to hold an interest in or perform services for any Competitive Business. Therefore, during the term of this Agreement, neither Franchisee nor any holder of a legal or beneficial interest in Franchisee (or any member of their immediate families or households), nor any officer, director, executive, manager or member of the professional staff of Franchisee, either directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, partnership, corporation, limited liability company or other business entity, shall:

1. Divert or attempt to divert any business or customer of the Franchised Business to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System; or

2. Own an interest in, manage, operate, or perform services for any Competitive Business wherever located.

E. Franchisee’s Employees Will Not Disclose Proprietary Information

Franchisee may disclose Proprietary Information only to such of its employees, agents and representatives as must have access to it in order to operate the Business. Franchisee shall obtain from each such employee, representative or agent, an agreement that such person shall not during the course of his employment, representation, or agency with Franchisee, or for a period of five (5) years thereafter, use, divulge, disclose or communicate, directly or indirectly, in any form or manner, to any person, firm or corporation, any of the Proprietary Information of Franchisor.

F. Nondisclosure and Non-Competition Agreements with Certain Individuals

Franchisor has the right to require any holder of a legal or beneficial interest in Franchisee (and any member of their immediate families or households), and any officer, director, executive, manager or member of the professional staff and all employees of Franchisee to execute a nondisclosure and non-competition agreement, in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Exhibit 6, upon execution of this Agreement or prior to each such person’s affiliation with Franchisee. Upon Franchisor’s request, Franchisee shall provide Franchisor with copies of all nondisclosure and non-competition agreements signed pursuant to this Article. Such agreements shall remain on file at the Administrative Office of Franchisee and are subject to audit or review as otherwise set



forth herein. Franchisor and its Affiliates shall be third party beneficiaries with the right to enforce covenants contained in such agreements.

G. Reasonableness of Restrictions

Franchisee acknowledges that the restrictive covenants contained in this Article are essential elements of this Agreement and that without their inclusion, Franchisor would not have entered into this Agreement. Franchisee acknowledges that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of Franchisor, its Affiliates, the System and the Marks and Franchisee waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable.

H. Injunctive Relief is Available to Franchisor

Franchisee acknowledges that any failure to comply with the requirements of this Article XVI will cause Franchisor irreparable injury, and Franchisor shall be entitled to obtain specific performance of, or an injunction against any violation of, such requirements; Franchisee waives any requirements for the posting of any bond(s) relating thereto. Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against, violation of requirements of this Article XVI. The foregoing remedies shall be in addition to any other legal or equitable remedies which Franchisor may have.

I. Franchisor's Copyrights

Franchisor intends to obtain copyright protection for the Manual and certain marketing, sales, and operations literature. Furthermore, Franchisor claims rights to certain trade secrets and confidential information as discussed above.

J. Ownership of Operations Manuals

The Manual Suite shall at all times remain the sole property of the Franchisor and shall be returned to the Franchisor immediately upon expiration or termination of this Agreement. If you fail to keep the Operations Manual at your place of business or fail to return the Suite at the end of the contract, transfer, sale and/or termination, penalties will apply.

XVII. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO TAXES, PERMITS AND LAWSUITS

A. Franchisee Must Notify Franchisor of Lawsuits

Franchisee shall notify Franchisor in writing within five (5) days of notice of the commencement of any action, suit, or proceeding against Franchisee, and of the issuance of any inquiry, subpoena, order, writ, injunction, award or decree of any court, agency, or other governmental instrumentality, which arises out of, concerns, or may affect the operation or financial condition of the Business, including, without limitation, any criminal action or proceedings brought by Franchisee against its employees, customers, or other persons.



B. Franchisee Must Comply with Laws

Franchisee shall, at Franchisee's expense, comply with all federal, state and local laws, rules, regulations and ordinances and shall timely obtain and shall keep in force as required throughout the term of this Agreement all permits, certificates and licenses necessary for the full and proper conduct of the Business, including, without limitation, any required permits, licenses to do business, fictitious name registrations, sales tax permits, and fire clearances. Copies of the above aforementioned should be sent to Franchisor upon all renewals and issuances.

C. Franchisee Must Pay Taxes Promptly

Franchisee shall promptly pay when due all taxes levied or assessed, including, without limitation, unemployment and sales taxes, and all accounts and other indebtedness of any kind incurred by Franchisee in the conduct of the Business. Franchisee shall pay Franchisor an amount equal to any sales tax, gross receipts tax or similar tax imposed on Franchisor with respect to any payments to Franchisor required under this Agreement, unless tax is credited against income tax otherwise payable by Franchisor.

D. Franchisee May Contest Tax Assessments

In the event of any bona fide dispute as to any liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law. However, in no event shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor to occur against the premises of the Business, or any improvements thereon.

XVIII. SPECIFIC OBLIGATION OF FRANCHISEE RELATING TO INDEMNIFICATION

A. Indemnification

Franchisee shall hold harmless and indemnify Franchisor, its Affiliates, all holders of a legal or beneficial interest in Franchisor and its Affiliates and all officers, directors, executives, managers, members, partners, owners, employees, agents, successors and assigns thereof (collectively "Franchisor Indemnitees") from and against all losses, damages, fines, costs, expenses or liability (including reasonable attorneys' fees and all other costs of litigation) incurred in connection with any action, suit, demand, claim, investigation or proceeding, or any settlement thereof, which arises from or is based upon Franchisee's (a) ownership or operation of the Franchised Business; (b) violation, breach or asserted violation or breach of any federal, state or local law, regulation or rule; (c) breach of any representation, warranty, covenant, or provision of this Agreement, the Membership Agreement, or any other agreement between Franchisee and Franchisor (or an Affiliate); (d) breach of the lease for the premises of the Franchised Business (if any); (e) defamation of Franchisor, any Affiliate or the System; (f) acts, errors or omissions committed or incurred in connection with the Franchised Business, including any negligent or intentional acts; or (g) infringement, violation or alleged infringement or violation of any Mark, patent or copyright or any misuse of the Trade Secrets or other Confidential Information. The obligations of this Article XVIII shall expressly survive the termination of this Agreement.

B. Right to Retain Counsel

Franchisee shall give Franchisor immediate notice of any such action, suit, demand, claim, investigation or proceeding that may give rise to a claim for indemnification by a Franchisor Indemnitee. Franchisor has the right to retain counsel of its own choosing in connection with any such action, suit,



demand, claim, investigation or proceeding. In order to protect persons, property, Franchisor's reputation or the goodwill of others, Franchisor and its Affiliates have the right to, at any time without notice, take such remedial or corrective actions as it deems expedient with respect to any action, suit, demand, claim, investigation or proceeding if, in Franchisor's sole judgment, there are grounds to believe any of the acts or circumstances listed above have occurred. If the exercise by Franchisor or its Affiliates of their rights under this Article to take remedial or corrective action, causes any of Franchisee's insurers to refuse to pay a third party claim, all causes of action and legal remedies Franchisee might have against such insurer shall automatically be assigned to Franchisor or its Affiliates (as applicable) without the need for any further action on either party's part. Under no circumstances shall Franchisor or any Affiliate be required or obligated to seek coverage from third parties or otherwise mitigate losses in order to maintain a claim against Franchisee. The failure to pursue such remedy or mitigate such loss shall in no way reduce the amounts recoverable by Franchisor or its Affiliates from Franchisee.

XIX. MISCELLANEOUS COVENANTS OF FRANCHISEE

A. Covenants are Independent

The parties agree that each covenant herein shall be construed to be independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Agreement is held to be unenforceable or unreasonable by a court or agency having competent jurisdiction in any final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resultant covenant were separately stated in and made a part of this Agreement.

B. Franchisee Will Not Compete Against Franchisor

Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and confidential information, including, without limitation, information regarding the operational, sales, promotional and marketing methods and techniques of CSG® and the System. Franchisee covenants that, during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with, any person, persons, or legal entity, employ or seek to employ any person who is at that time employed by Franchisor or by any other franchisee or affiliate of Franchisor, or otherwise directly or indirectly induce such person to leave his or her employment.

Franchisee further covenants that, except as otherwise approved in writing by Franchisor, Franchisee shall not, during the term of this Agreement and for a continuous uninterrupted period commencing upon the expiration or termination of this Agreement, regardless of the cause for termination, and continuing for two (2) years thereafter, either directly or indirectly for itself, or through, on behalf of, or in conjunction with, any person, persons, or legal entity, own, maintain, operate, engage in, be employed by, or have any interest in any business similar to the Business or that is engaged in the same business as the Business within a twenty-five (25) mile radius of the business location designated hereunder, or any other CSG® Restaurant and/or MBL Unit in existence or planned as of the time of termination or expiration of this Agreement. For purposes of this provision, a "Competitive Business" provides cheese-related prepared food where those items constitute 20% or more of the gross revenue of that business.

C. Exception to Covenant Not to Compete

Article XIX.B hereof shall not apply to ownership by Franchisee of less than a five percent (5%) beneficial interest in the outstanding equity securities of any Publicly Held Corporation.



D. Franchisee Will Not Divert Business

During the term of this Agreement and for a period of two (2) years following the expiration or termination of this Agreement, Franchisee covenants that it will not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, or legal entity:

1. Divert or attempt to divert business or customers or prospective customers of the Business with which or whom Franchisee has had contact during the term of this Agreement to any business or competitor by direct or indirect inducement or otherwise; or

2. Do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Names and Marks or the System or both; or

3. Induce, directly or indirectly, any person who is at that time employed by Franchisor, affiliate, or by any other Franchisee of Franchisor, to leave his or her employment. The provisions of this Article XIX.D shall apply only in the geographical area lying within the defined territory of the Business.

E. Post-Termination Covenant Not to Compete

1. Franchisee acknowledges that the restrictive covenants contained in this Article and in Article XVI are fair and reasonable and are justifiably required for purposes including, but not limited to, the following:

a. To protect the Trade Secrets and other Confidential Information and goodwill of Franchisor and its Affiliates;

b. To induce Franchisor to grant a Franchise to Franchisee; and

c. To protect Franchisor and its Affiliates against their costs in training Franchisee and its officers, directors, executives, professional staff and Designated Managers.

2. Except as otherwise approved in writing by Franchisor, neither Franchisee, nor any holder of a legal or beneficial interest in Franchisee, nor any officer, director, executive, manager or member of the professional staff of Franchisee, shall, for a period of two (2) years after the expiration or termination of this Agreement, regardless of the cause of termination, either directly or indirectly, for themselves or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity:

a. Own an interest in, manage, operate or provide services to any Competitive Business located or operating (a) within a twenty-five (25) mile radius of their Accepted Location or within the Protected Territory (whichever is greater), or (b) within a twenty-five (25) mile radius of the location of any other CSG® Business in existence at the time of termination or expiration.

b. Solicit or otherwise attempt to induce or influence any customer, employee or other business associate of Franchisor or any Affiliate to terminate or modify his, her or its business relationship with Franchisor or any Affiliate or to compete against Franchisor or any Affiliate.



c. In furtherance of this Article, Franchisor has the right to require certain individuals to execute standard form nondisclosure or non-competition agreements in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Exhibit 6.

F. Unfair Competition

If Franchisee operates any other business, Franchisee shall not use any reproduction, counterfeit, copy or colorable imitation of the Confidential Operations Manuals or Marks, either in connection with such other business or the promotion thereof, that is likely to cause confusion, mistake or deception, or that is likely to dilute Franchisor's rights in the Marks. Franchisee shall not utilize any designation of origin, description or representation that suggests or represents a current association or connection with Franchisor. This Article is not intended as an approval of Franchisee's right to operate other businesses and in no way is it intended to contradict Article XVI or XXIV.

If Franchisor elects not to receive an assignment or sublease of the Accepted Location, Franchisee shall make such modifications or alterations to the Accepted Location (including changing telephone and facsimile numbers) immediately upon termination or expiration of this Agreement as may be necessary to prevent any association between Franchisor or the System and any business subsequently operated by Franchisee or others at the Accepted Location. Franchisee shall make such specific additional changes to the Accepted Location as Franchisor may reasonably request for that purpose including, without limitation, removal of all physical and structural features identifying or distinctive to the System. If Franchisee fails or refuses to comply with the requirements of this Article, Franchisor has the right to enter upon the Accepted Location for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee shall pay upon demand.

G. Franchisor Is Entitled to Injunctive Relief

Franchisee acknowledges that any failure to comply with the requirements of this Article XIX will cause Franchisor irreparable injury for which no adequate remedy at law may be available, and Franchisee hereby accordingly consents to the issuance by a court of competent jurisdiction of an injunction prohibiting any conduct by Franchisee in violation of the terms of this Article XIX and waives any requirement for the posting of any bond(s) relating thereto. Franchisor may further avail itself of any legal or equitable rights and remedies which it may have under the Agreement or otherwise.

H. Covenants Are Enforceable Independent of Claims

Franchisee expressly agrees that the existence of any claim it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants of this Article XIX. Franchisee further agrees that Franchisor shall be entitled to set off any amounts owed by Franchisor to Franchisee against any loss or damage to Franchisor resulting from Franchisee's breach of this Article XIX.

I. No Right of Set-Off

Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Article XIX. Franchisee agrees to pay all damages, costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Article XIX.



J. Survival of Certain Provisions

All obligations of Franchisor and Franchisee, which expressly or by their nature survive the expiration or termination of this Agreement, shall continue in full force and effect subsequent to and notwithstanding their expiration or termination and until satisfied or by their nature expire.

XX. OBLIGATIONS OF FRANCHISOR: SUPERVISION, ASSISTANCE OR SERVICES

Franchisor shall provide Franchisee with the following assistance and services:

A. Initial Training Program

1. **CSG® Restaurant or MBL Unit:** for the first Unit, Franchisor will provide an initial training program concerning the operation of the Business consisting of approximately 23 hours of Administrative training, which may be virtual, in-person, and/or a combination of the two; and approximately 27 hours of Hands-On training at a location to be designated by Franchisor. The training session will begin approximately thirty (30) days or more before the opening of the Business. The exact days will be mutually selected by Franchisor and Franchisee. Franchisee and/or his, her or its designated representative shall attend such training program at no charge to Franchisee. Franchisee shall be responsible for any travel, lodging, meal or other costs for the attendee(s) of the training program at Franchisor's Home Office. Any required certification(s) must be completed prior to attending training and these certifications must be from an accredited certifying state agency. Franchisee must have at least one fully trained, full-time Manager operating the Business during the entire term of the Agreement. Either the Franchisee or Franchisee's Manager must attend the training sessions. Any person subsequently employed as a full-time manager of the Business may be required by Franchisor to complete the 2-day management training program. Satisfactory completion of all mandatory training sessions is required. Failure to do so shall constitute a material breach of this Agreement.

2. Franchisor shall also offer additional training resources, at a cost to Franchisee to be determined by Franchisor, to assist franchisee at their business location for hourly employees.

3. Franchisor shall provide such continuing advisory assistance to Franchisee in the operation, advertising and promotion of the Business as Franchisor deems advisable. Franchisor shall also provide refresher training programs for Franchisee and to Franchisee's employees as Franchisor deems appropriate.

4. Franchisor may, from time to time, provide to Franchisee, at Franchisee's expense, such advertising and promotional plans and materials for local advertising as described in Article IX.C of this Agreement and may direct the discontinuance of such plans and materials, from time to time. All other advertising and promotional materials which Franchisee proposes to use must be reviewed and approved by Franchisor, pursuant to Article IX.C hereof.

5. Franchisor may conduct additional virtual or hands-on seminars, or other training programs for the benefit of Franchisee, and Franchisee (and/or Franchisee's employees) may attend any such seminar or program. Franchisor may charge a reasonable fee for such seminar or program if it is deemed appropriate. Any and all traveling, living and other expenses incurred by anyone attending training shall be paid by Franchisee.



6. Franchisee may make reasonable requests for training in addition to that specified above, and Franchisor shall provide such training, at Franchisee's expense, including without limitation, any travel, lodging, meals, reasonable daily charges for Franchisor employees' time, and other related costs.

7. Franchisee shall complete and/or shall cause its employees to complete, to Franchisor's satisfaction, such other additional training as Franchisor may reasonably require from time to time.

8. Franchisor may provide Franchisee, from time to time, as Franchisor deems appropriate, such merchandising, marketing and other data and advice as may from time to time be developed by Franchisor and deemed by Franchisor to be helpful in the managing and operation of the Business.

9. Franchisor may provide such periodic individual or group advice, consultation and assistance, rendered by a personal visit, virtual communication, telephone, or by newsletter or bulletins made available from time to time to all CSG® franchisees, as Franchisor may deem necessary or appropriate.

10. Franchisor may provide such bulletins, brochures, manuals and reports, if any, as may from time to time be published by or on behalf of CSG® regarding its plans, policies, developments and activities. In addition, Franchisor may provide such communication concerning new developments, techniques and improvements management which Franchisor feels are relevant to the operation of the Business.

11. Franchisor shall provide the requirements for a standardized system for accounting, cost control and inventory control.

12. Franchisor shall seek to maintain the high standards of quality, appearance, and service of the System, and to that end shall conduct, as it deems advisable, inspections of the Business franchised hereunder, and evaluations of the products sold, and services rendered therein.

13. Franchisor is obligated to take any appropriate action to preserve the Names and Marks against unauthorized operations which infringe on such Names and Marks.

14. All obligations of Franchisor under this Agreement shall benefit only Franchisee, and no other party is entitled to rely on, enforce, benefit from or obtain relief for breach of such obligations, either directly or by subrogation.

B. Site Selection and Acceptance

1. Franchisee has the responsibility for selecting a site for the Restaurant. Franchisor shall then review and accept or reject Franchisee's site selection within 15 days, and accept or reject Franchisee's lease agreement, based on an analysis of local competing businesses, population density and other demographics, visibility and accessibility, traffic patterns, the neighborhood, suitability of the premises to be leased and other factors more fully described in Franchisor's Manual. The suitability of a site is determined on a case-by-case basis. Franchisor's acceptance of a site does not constitute a guarantee by Franchisor that the Business will be profitable at that site.



2. Franchisee has the responsibility for selecting a site for the Commissary/Kitchen. Franchisor shall then review and accept or reject Franchisee's site selection within 15 days, and accept or reject Franchisee's lease agreement, based on an analysis of local competing businesses, population density and other demographics, visibility and accessibility, traffic patterns, the neighborhood, suitability of the premises to be leased and other factors more fully described in Franchisor's Manual. The suitability of a site is determined on a case-by-case basis. Franchisor's acceptance of a site does not constitute a guarantee by Franchisor that the Business will be profitable at that site.

C. Vehicle Selection and Acceptance

Franchisee has the responsibility for selecting the MBL Unit for the Business. Franchisor shall accept your lease or purchase agreement of a new or used truck or trailer, or other type of mobile or temporary location (i.e. pop-up, tent, etc.) that meets our specifications, as detailed in the Manual, and we have the right to reject a proposed vehicle lease or purchase agreement.

D. Business-Layout and Design

If Franchisee leases an existing space in an existing building, Franchisor will assist the Franchisee with the layout and design of the Restaurant including location of walls, counters and the location of equipment and fixtures within two weeks following the lease of the premises and delivery of the floor plan to Franchisor. The costs of leasehold improvements, signs, furniture and fixtures for finishing out a Business are the responsibility of Franchisee.

Franchisor will provide mandatory and suggested specifications and interior layouts for MBL Units, including but not limited to: mobile food truck and/or trailer, or temporary location (i.e. pop-up, tent, etc.); and MBL Unit wrap and/or exterior signage.

E. Opening Assistance

In conjunction with the beginning of operation of the Franchised Business, Franchisor shall make available to Franchisee, at Franchisor's expense, one (1) of Franchisor's representatives, experienced in the System, for three (3) days, for the purpose of familiarizing Franchisee's staff with the CSG® Business techniques and for the purpose of providing general assistance and guidance in connection with the opening of the Franchised Business.

F. Electronic Mail (Email) Address of Franchisee

Franchisor shall create a custom electronic mail ("email") address for Franchisee consistent with the electronic mail addresses it creates for all CSG® franchisees. Franchisor will maintain, store, and update Franchisee's electronic mail information as needed in conjunction with the Franchised Business. Franchisor reserves the right to monitor Franchisee's electronic mail under such address for the purpose of evaluating its use with the Franchised Business. Franchisee agrees to use the e-mail address solely in connection with the Franchised Business and to ensure Franchisor has unlimited access to the electronic mail address and communication and information distributed and disclosed among users of the electronic mail address.

G. Post-Training Assistance

In addition to the assistance rendered to Franchisee prior to opening, Franchisor will provide continuing consultation and advice regarding business, financial, operational, technical, pricing,



legal, sales and advertising matters, products, management of supplies, styles and type of service, operation of the Business, and development of personnel policies. Franchisor will provide such assistance by virtual communication, telephone or, if the situation warrants, through on-site assistance of appropriate Franchisor personnel.

H. Operations Manual

In order to protect the reputation and goodwill of CSG® and to maintain high standards of operation under CSG® Proprietary Marks, Franchisee shall conduct its business in accordance with this Agreement and Training Manuals which may include printed materials, portable storage devices, PowerPoint® presentations, flash presentations, video, webinars, computer software, online/virtual means, and/or other electronic media, or as described herein as the “**Manuals**” (one copy of which Franchisee shall acknowledge in writing upon receipt has been received on loan from Franchisor for the term of this Agreement), other written directives which Franchisor may issue to Franchisee from time to time whether or not such directives are made part of the Manuals, and any other materials created or approved for use in the operation of the Business by Franchisor, from time to time.

Franchisee shall at all times treat the Manuals, any written directives of Franchisor, any business plans and specifications, and any other manuals created for or approved for use in the operation of the Business, and any supplements thereto, and the information contained therein, in trust and as confidential information, and shall use all reasonable efforts to maintain such information as secret and confidential. Franchisee shall not at any time copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person.

The Manuals, written directives, other manuals and materials, and any other confidential communications provided or approved by Franchisor, shall at all times remain the sole property of Franchisor and shall at all times be kept and maintained in a secure place on the Business premises. Failure to keep the Manual at the Place of Business will incur a \$10,000 Manual Handling Fee per incident.

Franchisor may from time to time revise the contents of the Manuals and the contents of any other manuals and materials created or approved for use in the operation of the Business, and Franchisee expressly agrees that each new or changed standard shall be deemed effective upon receipt by Franchisee or as specified in such standard.

Franchisee shall at all times insure that its copy of the Manuals is kept current and up-to-date; and, in the event of any dispute as to the contents of the Manuals, the master copy of the Manuals maintained by Franchisor at Cheesy Street Grill Franchising, LLC headquarters shall be controlling.

Any suggestions Franchisee may have concerning the improvement of products, equipment, uniforms, business facilities, service format and advertising are encouraged and shall be considered by Franchisor when adopting or modifying the standards, specifications and procedures for the System.

I. Suppliers

Franchisor shall provide Franchisee a list of designated and approved suppliers of necessary products, services and supplies.



J. Recommended Price Schedules

Franchisor shall advise Franchisee from time to time, concerning such suggested retail prices.

K. Advertising and Promotion

Franchisor shall develop and provide creative materials for local and regional advertising and make such advertising materials available to its Franchisees for publication or distribution in the Franchisee's market area at Franchisee's own expense. Franchisor may be reimbursed for the creative and production costs for such items as billboard/signage design, radio, television and electronic media production, public relations campaigns, copy for newspaper, magazine advertisements, flyers and other promotional material. Franchisor shall provide specific guidelines for advertising initiated by individual Franchisees and shall reserve the right to disapprove any advertising which, in Franchisor's opinion, is not in accordance with these guidelines. However, no approval shall be unreasonably withheld or denied. Immediately upon notification to do so, Franchisee shall discontinue any advertising that would, in Franchisor's opinion, be detrimental.

L. Split Processing

We may require payment other than by automatic debit or check, i.e. credit card split processing, and you must comply with our payment instructions. If the amounts debited by credit card split processing are less than the amounts you actually owe us, we will debit the balance due on the day we specify. If the amount(s) debited by credit card split processing are more than the amount(s) you actually owe us, we will make a monthly adjustment and credit any balance due on the day we specify.

M. Welcome Package

Franchisor will provide you with a Welcome Package, after you sign the Franchise Agreement and are accepted as a Franchisee. There is one (1) Welcome Package per managing staff member/staff member, up to a maximum of two (2). This Welcome Package includes at minimum: logo-emblazoned t-shirts, starter business pack, and miscellaneous marketing/promotional items.

XXI. FRANCHISE SYSTEM / VARYING STANDARDS

A. Uniformity

Franchisee shall strictly comply, and shall cause the Franchised Business and its employees to strictly comply, with all requirements, specifications, standards, operating procedures and rules set forth in this Agreement, the Confidential Operations Manual or other communications supplied to Franchisee by Franchisor and its Affiliates.

B. Modification of the System

1. Franchisee understands and agrees that the System must not remain static if it is to meet (without limitation) presently unforeseen changes in technology, competitive circumstances, demographics, populations, consumer trends, societal trends and other market place variables, and if it is to best serve the interests of Franchisor, Franchisee, and the network of all other franchisees. Accordingly, Franchisee expressly understands and agrees that Franchisor may from time to time change the components of the System, including, but not limited to, altering the products, programs, services, methods, standards,



forms, policies and procedures of that System, abandoning the System altogether in favor of another system in connection with a merger, acquisition, other business combination or for other reasons, adding to, deleting from or modifying those products, programs and services which Franchisee's Franchised Business is authorized and required to offer, modifying or substituting equipment, signage, trade dress, decor, color schemes and uniform specifications and operation attributes which Franchisee is required to observe hereunder, and changing, improving, modifying or substituting the Proprietary Properties. Franchisee expressly agrees to comply with any such modifications, changes, additions, deletions, substitutions and alterations, provided, however, that such changes shall not materially and unreasonably increase Franchisee's obligations hereunder. Franchisee shall accept, use and effectuate any such changes or modifications to, or substitution of, the System as if they were part of the System at the time that this Agreement was executed.

2. Except as provided herein, Franchisor shall not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any of the modifications contemplated hereby. Franchisee hereby covenants not to commence or join in any litigation or other proceeding against Franchisor or any third party complaining of any such modifications or seeking expenses, losses or damages caused thereby. Finally, Franchisee expressly waives any claims, demands or damages arising from or related to the foregoing activities including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

C. Variance

Because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at its sole and absolute discretion and as it may deem in the best interests of all concerned in any specific instance, to vary standards for any franchisee based upon the peculiarities of a particular site or circumstance, density of population, business potential, population or trade area, existing business practices, or any other condition which Franchisor deems to be of importance to the successful operation of such Franchisee's business. Franchisee shall not have any right to complain about a variation from standard specifications and practices granted to any other Franchisee and shall not be entitled to require Franchisor to grant to Franchisee a like or similar variation.

XXII. SALE OF FRANCHISE

A. Assignment by Franchisee

This Agreement restricts Franchisee's right to assign the Agreement to a third party. Neither this Agreement, nor any of Franchisee's rights or privileges, shall be assigned, transferred, shared, redeemed or divided by operation of law or otherwise, in any manner, without the prior written consent of Franchisor, which consent will not be withheld or delayed unreasonably. In granting any such consent, Franchisor may impose reasonable conditions, including, without limitation, the following:

1. Franchisee must be in full compliance with the terms of this Franchise Agreement, including being paid in full on all fees due and payable to us or our affiliate;

2. The proposed assignee (or its partners, managers, directors, officers, or controlling shareholders, if it is a corporation or partnership) must meet the then-applicable standards of Franchisor;



3. The proposed assignee must not operate a franchise, license or other business offering services similar to those offered by the Business;

4. The assignee must execute and agree to be bound by the then current Franchise Agreement offered by Franchisor, which may contain terms and provisions that are materially different from the terms and provision from this Agreement or which materially alter the rights or obligations of Franchisee under this Agreement;

5. Franchisor shall not charge such assignee an Initial Franchise Fee for the Franchise but will charge a transfer fee of thirty-five percent (35%) of the then-current initial franchise fee charged by Franchisor for a traditional restaurant, or five thousand (\$5,000) dollars for an MBL Unit, unless the transfer is to an entity you control. If Franchisor determines that training is required, assignee will attend training at Franchisor's Corporate Location or other designated Location as required under the then current Franchise Agreement. Franchisor shall have the right to require Franchisee and its owners to execute a general release of Franchisor in a form satisfactory to Franchisor's counsel as a condition to its approval of assignment or other transfer of the Franchise;

6. Franchisee shall have substantially complied with all of the terms and provisions of this Agreement, any amendment hereof or successor hereto, or any other agreements between the Franchisee and Franchisor, its subsidiaries or affiliates and, at the time of transfer, shall not be in default thereof;

7. The transferor shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, shareholders, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances;

8. The transferee (and, if the transferee is other than an individual, such principals and/or owners of a beneficial interest in the transferee as Franchisor may request) shall enter into a written assumption agreement, in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement and/or any new franchise agreement, as hereinafter provided;

9. The transferee shall demonstrate to Franchisor's satisfaction that the transferee meets Franchisor's educational, managerial, and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the Business (as may be evidenced by prior related business experience or otherwise); and has adequate financial resources and capital to operate the Business.

10. The transferee (and, if the transferee is other than an individual, such principals and/or owners of a beneficial interest in the transferee as Franchisor may request) shall execute, for a term ending on the expiration date of this Agreement and with such renewal term, if any, as may be provided by this Agreement, the standard form franchise agreement then being offered to new System franchisees and such other ancillary agreements as Franchisor may require for the Business, which agreements shall supersede this Agreement in all respects and the terms of which agreements may differ from the terms of this Agreement, including, without limitation, a higher percentage royalty rate, advertising contribution, and service charge for goods; provided; however, that the transferee shall not be required to pay an initial franchise fee;

11. The transferee, at its expense, shall upgrade the Business to conform to the



then-current standards and specifications of the new entry System and shall complete the upgrading and other requirements within the time specified by Franchisor;

12. Franchisee shall remain liable for all of the obligations to Franchisor in connection with the Business prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability;

13. Franchisee shall agree to remain obligated under the covenants against competition of this Agreement as if this Agreement had been terminated on the date of the transfer;

14. At the transferee's expense, the transferee and, if applicable, the transferee's designated individual manager shall complete any training programs then in effect for franchisees upon such terms and conditions as Franchisor may reasonably require; and franchisee will pay for all travel expenses, including, but not limited to: airfare, lodging, meals and entertainment.

15. The transferee shall agree to a sublease or to a transfer and assignment, and assumption of the lease of the Business site from the original franchisee and shall obtain the landlord's approval if required prior to any transfer or sublease, if applicable.

B. Assignment by Franchisor

Franchisor has an unrestricted right to transfer or assign all or part of its rights or obligations under this Agreement to any assignee or other legal successor to the interests of Franchisor.

C. Transfer to a Controlled Entity

1. If Franchisee wishes to transfer this Agreement or any interest herein to a corporation, limited liability company or other legal entity which shall be entirely owned by Franchisee ("Controlled Entity"), which Controlled Entity is being formed for the financial planning, tax or other convenience of Franchisee, Franchisor's consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

a. The Controlled Entity is newly organized, and its charter or articles of formation provides that its activities are confined exclusively to the operation of the Franchised Business;

b. Franchisee or all holders of a legal or beneficial interest in Franchisee own all of the equity and voting power of the outstanding stock or other capital interest in the Controlled Entity;

c. All obligations of Franchisee to Franchisor and its Affiliates are fully paid and satisfied; provided, however, that neither Franchisee nor the Controlled Entity shall be required to pay a transfer fee as required pursuant to Article XXII.A.5;

d. The Controlled Entity has entered into a written agreement with Franchisor expressly assuming the obligations of this Agreement and all other agreements relating to the operation of the Franchised Business. If the consent of any other party to any such other agreement is required, Franchisee has obtained such written consent and provided the same to Franchisor prior to consent by Franchisor;



e. All holders of a legal or beneficial interest in the Controlled Entity have entered into an agreement with Franchisor jointly and severally guarantying the full payment of the Controlled Entity's obligations to Franchisor and the performance by the Controlled Entity of all the obligations of this Agreement;

f. Each stock certificate or other ownership interest certificate of the Controlled Entity has conspicuously endorsed upon the face thereof a statement in a form satisfactory to Franchisor that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement; and

g. Copies of the Controlled Entity's articles of incorporation or organization, bylaws, operating agreement, federal tax identification number and other governing regulations or documents, including resolutions of the board of directors authorizing entry into this Agreement, have been promptly furnished to Franchisor. Any amendment to any such documents shall also be furnished to Franchisor immediately upon adoption.

2. The term of the transferred franchise shall be the unexpired term of this Agreement, including all renewal rights, subject to any and all conditions applicable to such renewal rights.

3. Franchisor's consent to a transfer of any interest in this Agreement, or of any ownership interest in the Franchised Business, shall not constitute a waiver of any claims Franchisor or its Affiliates may have against the transferor or the transferee, nor shall it be deemed a waiver of Franchisor's or any Affiliate's right to demand compliance with the terms of this Agreement.

D. Transfer Upon Mental or Physical Incapacity or Death

Upon the death or mental incapacity of any person with an interest in the Business, the executor, administrator, or personal representative of that person must transfer his interest to a third party accepted by Franchisor within six (6) months after mental or physical incapacity; or within nine (9) months of death. These transfers, including, without limitation, transfers by devise or inheritance, will be subject to the same restrictions and conditions as any *inter vivos* transfer. However, in the case of a transfer by devise or inheritance, if the heirs or beneficiaries of any deceased person are unable to meet the conditions of this Agreement, the personal representative of the deceased Franchisee shall have a reasonable time to dispose of the deceased's interest in the Business, which disposition will be subject to all the terms and conditions for transfer contained in this Agreement. If the interest is not disposed of within a reasonable time, Franchisor may terminate this Agreement.

Pending assignment, upon the death of the Principal, or in the event of any temporary or permanent mental or physical disability of the Principal, a manager shall be employed for the operation of the Business who has successfully completed Franchisor's training courses to operate the Business for the account of Franchisee. If after the death or disability of the Principal, the Business is not being managed by such trained manager, Franchisor is authorized to appoint a manager to maintain the operation of the Business until an accepted assignee will be able to assume the management and operation of the Business, but in no event for a period exceeding one (1) year without the approval of the personal representative of the Principal; such manager shall be deemed an employee of Franchisee. All funds from the operation of the Business during the period of management by such appointed or accepted manager shall be kept in a separate fund and all expenses of the Business, including compensation of such manager, other costs and travel and living expenses of such appointed or accepted manager (the "**Management Expenses**"), shall be charged to such fund. As compensation for the management services provided, in addition to the Fees due hereunder, Franchisor shall charge such fund the full amount of the direct expenses incurred by Franchisor



during such period of management for and on behalf of Franchisee, provided that Franchisor shall only have a duty to utilize reasonable efforts and shall not be liable to Franchisee, the Principal or personal representative of the Principal, the Entity or any person or entity having an interest therein for any debts, losses or obligations incurred by the Business, or to any creditor of Franchisee or the Principal during any period in which it is managed by a Franchisor-appointed or accepted manager.

E. Sale of Franchised Business

If Franchisee (or its owners) desires to sell the Business, or part or all of the ownership of the Business, then Franchisor will reasonably assist Franchisee (or its owners) in connection therewith. If Franchisee (or its owners) shall obtain a bona fide written offer to purchase the Business, or such ownership, such offer shall be submitted promptly to Franchisor. For a period of thirty (30) days from the date of Franchisor's receipt of such offer, Franchisor shall have the right, exercisable by written notice to Franchisee (or its owners), to purchase the Business, or such ownership, for the price and on the same terms and conditions contained in such offer, provided that Franchisor may substitute cash for any form of payment proposed in such offer. If Franchisor does not exercise its right of first refusal, the bona fide written offer may be accepted by Franchisee or its owners, subject to the prior written approval of Franchisor. To enable Franchisor to determine whether it will exercise its option, Franchisee and the seller shall provide such information and documentation, including financial statements, as Franchisor may require. In the event that Franchisor elects to purchase said interest, closing on such purchase must occur within ninety (90) days from the date of notice to the seller of the election to purchase said Interest by Franchisor. Failure of Franchisor to exercise the option afforded by this Article XXII.E shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Article XXII, with respect to a proposed transfer of any Interest. Any subsequent change in the terms of any offer prior to closing shall constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of an initial offer.

F. Sales or Transfers to Family Excepted

If Franchisee, or any of its owners, proposes to sell or otherwise transfer the Franchised Business (or any of its assets outside of the normal course of business), any ownership interest in Franchisee or any ownership interest in the Franchise granted hereunder to a member of Franchisee's (or its owners') family, then the terms and conditions of this Article XXII shall be inapplicable. Nothing in this Article XXII.F shall be construed to relieve Franchisee from full compliance with the terms and conditions of Article XXII.A prior to a sale or transfer to family pursuant to this Article.

XXIII. TERMINATION OF FRANCHISE

A. Impact of Statutes Upon Franchise Agreement

Nothing contained in this Agreement is intended to, nor shall it have the impact of negating any rights relating to franchise termination under the law of your state.

Termination or modification of a lease or contract upon the bankruptcy of one of the parties may be unenforceable under the Bankruptcy Abuse Prevention and Consumer Protection Act (BAPCPA) of 2005, Title 11, U.S. Code, as amended.



B. By Franchisor with Right to Cure

Franchisee acknowledges that the strict performance of all the terms of this Agreement is necessary not only for protection of Franchisor, but also the protection of Franchisee and other franchisees of Franchisor. As a result, Franchisee therefore acknowledges and agrees that strict and exact performance by Franchisee of each of the covenants and conditions contained herein is a condition precedent to the continuation of this Agreement. If Franchisee shall breach any material provision of this Agreement, then Franchisor shall notify Franchisee in writing of such breach, specifying its nature and giving Franchisee five (5) days, or such longer period as applicable law may require, in which to remedy same. Notwithstanding the foregoing, Franchisee shall cure violations of health, safety or sanitation laws; or state, local, and/or federal telecommunications violations within 72 hours' notice. If Franchisee shall fail to remedy such breach, then Franchisor can terminate this Agreement and the Franchise effective five (5) days, or such longer period as applicable law may require, after delivery of notice of termination to Franchisee. NOTE: Local law supersedes these deadlines if there is a conflict.

C. Termination by Franchisor Without Right to Cure

Notwithstanding the foregoing, Franchisee shall be deemed to be in breach and Franchisor, at its option, may terminate this Agreement and all rights granted under it, without affording Franchisee any opportunity to cure the breach, effective immediately upon Franchisor notifying Franchisee in writing of such breach, if Franchisee does any of the following:

1. Abandons, surrenders, or transfers control of the operation of the Business or fails to continuously and actively operate the Business, unless precluded from doing so by damage to the premises of the Business due to war, act of God, civil disturbance, natural disaster, labor dispute or other events beyond Franchisee's reasonable control;
2. Fails to secure the Business site within 60 days after Franchise Agreement's effective date; however, Franchisor may grant two thirty (30) day extensions within which to sign a lease, upon written documentation of the status of the application(s) ten (10) days prior to the date of the thirty (30) day extension request;
3. Consistently fails or refuses to submit when due any financial statement, tax return or schedule, or to pay when due the Base Royalty Fees, or any other payments due Franchisor or its affiliate;
4. Operates the Business in a manner that violates any federal, state, or local law, rule, regulation or ordinance;
5. Has made a material misrepresentation or omission on the application for the Franchise;
6. Transfers, assigns, or sub-franchises this Agreement without having the prior written consent of Franchisor, as set forth herein;
7. Discloses or divulges the contents of the Manual or any other Proprietary Information provided to Franchisee by Franchisor;
8. Repeatedly fails to substantially comply with any of the requirements imposed by this Agreement, whether or not cured after notice;



9. Engages in any activity or commits a breach of this Agreement which has a material adverse effect on Franchisor or the Names and Marks;

10. Fails or refuses to comply with any provision of this Agreement or any other agreement between Franchisor and Franchisee relating to the Business or the Franchise, and does not correct such failure or refusal within thirty (30) days after written notice of such failure or refusal to comply is delivered to Franchisee;

11. Is convicted of a felony or has pleaded *nolo contendere* to a felony;

12. Engages in dishonest or unethical conduct or conduct which has a materially adverse impact on the Marks or the reputation of Franchisor or the System.;

13. Fails to promptly discharge any valid lien placed against the property of the business;

14. Makes an assignment for the benefit of creditors or an admission of Franchisee's inability to pay its obligations as they become due;

15. Files a voluntary petition in bankruptcy or any pleading seeking any reorganization, arrangement, disposition, adjustment, liquidation, dissolution or similar release under any law, or admitting or failing to contest the material allegations of any such pleading filed against him, or is adjudicated bankrupt or insolvent, or a receiver is appointed for a substantial part of the assets of Franchisee or the Business, or the claims of creditors of Franchisee or the Business are abated or subject to a moratorium under any laws;

16. Becomes insolvent or makes a general assignment for the benefit of creditors;

17. If a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee;

18. If a receiver or other custodian (permanent or temporary) of the Business, Franchisee, or Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction or by private instrument or otherwise;

19. If proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee;

20. If a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Franchisee is dissolved or is wound up;

21. If execution is levied against Franchisee's business or property or against any ownership interest in Franchisee;

22. If any real or personal property of Franchisee's Business shall be sold after levy thereupon by any sheriff, marshal, or constable;

23. If, in violation of the terms of Articles XII, XVI and/or XIX hereof,



Franchisee, its principals, representatives, agents or employees disclose or divulge the contents of the Manuals or other confidential information provided to Franchisee by Franchisor, or if Franchisee maintains false books or records, or submits any false reports to Franchisor;

24. If any inspection of Franchisee's records discloses an understatement of payments due Franchisor of four percent (4%) or more.

25. If Franchisee's alternate candidate for management training shall not adequately complete such management training program, after either Franchisee or Franchisee's designated individual previously failed to complete adequately the management training.

D. By Franchisee

If Franchisee is in compliance with this Agreement and Franchisor breaches this Agreement and fails to cure such breach within thirty (30) days after written notice thereof is delivered to Franchisor, then Franchisee may terminate this Agreement and the franchise effective thirty (30) days after delivery to Franchisor of notice thereof. Any termination of this Agreement and the franchise by Franchisee, without complying with the foregoing requirements, or for any reason other than breach of this Agreement by Franchisor and Franchisor's failure to cure such breach within thirty (30) days after receipt of written notice thereof, shall be deemed a termination by Franchisee without cause.

XXIV. FRANCHISEE'S OBLIGATIONS UPON TERMINATION OR EXPIRATION

A. Franchisee Shall Cease Operating Business

Franchisee shall immediately cease to operate the Business under this Agreement, and shall not thereafter, directly or indirectly, represent itself to the public or hold itself out as a present or former Franchisee of Franchisor. In the event that Franchisor elects to exercise its right to assume the lease for the Accepted Location, Franchisee shall tender possession of the premises to Franchisor upon demand.

B. Franchisee Shall Cease Using Names and Marks

Franchisee further agrees that, upon termination or expiration of this Agreement, Franchisee shall immediately and permanently cease to use, by advertising, or any manner whatsoever, any confidential methods, procedures, descriptions of products, and techniques associated with Franchisor and the Names and Marks and any proprietary marks and distinctive forms, slogans, symbols, signs, logos or devices associated with the System. In particular, Franchisee shall cease to use, without limitation, all signs, advertising materials, stationery, forms, and any other articles which display the Names and Marks. MBL Unit must be completely de-identified upon termination. Franchisee shall comply with the covenant not to compete and the agreement to maintain the confidentiality of proprietary information.

C. Franchisee Shall Cease Using Confidential Information

Cease to use the Trade Secrets, Confidential Information, the System and the Marks including, without limitation, all signs, slogans, symbols, logos, advertising materials, stationery, forms and any other items which display or are associated with the Marks;



D. Franchisee May Not Adopt Confusingly Similar Names and Marks

Franchisee agrees, in the event it continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the Names and Marks, either in connection with such other business, in your corporate or legal business name, or in the promotion thereof, which is likely to cause confusion, mistake or deception, or which is likely to dilute Franchisor's exclusive rights in and to the Names and Marks, and further agrees not to utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with Franchisor or a former association or connection with Franchisor.

E. Franchisee Shall Cancel Assumed Names and Transfer Phone Numbers

Franchisee further agrees that upon termination or expiration of this Agreement, it will take such action that may be required to cancel all assumed names or equivalent registrations relating to its use of any Names or Marks and to notify the telephone company and listing agencies of the termination or expiration of Franchisee's right to use any telephone number in any classified ad and any other telephone directory listings associated with the Names and Marks or with the Business and to authorize transfer of same to Franchisor. Franchisee acknowledges that as between Franchisor and Franchisee, Franchisor has the sole rights to and interest in all telephone number and directory listings associated with any Names or Marks of the Business. Franchisee further authorizes Franchisor, and hereby appoints Franchisor as its attorney in fact, to direct the telephone company and all listing agencies to transfer same to Franchisor, should Franchisee fail or refuse to do so, and the telephone company and all listing agencies may accept such direction in this Agreement as conclusive evidence of the exclusive rights of Franchisor in such telephone numbers and directory listings and its authority to direct their transfer.

F. Franchisee Must Return Manual Suite and Other Materials

Franchisee further agrees that upon termination or expiration of this Agreement, it will immediately return to Franchisor all copies of the Manual Suite, training aids and any other materials which have been loaned to it by Franchisor. Franchisee further agrees to turn over to Franchisor any other manuals, computer programs, software, customer lists, records, files, instructions, correspondence and brochures, and any and all other confidential and proprietary materials relating to the operation of the Business in Franchisee's possession, custody, or control, and all copies thereof (all of which are acknowledged to be Franchisor's property), and only Franchisee's copy of this Agreement and any correspondence between the parties, and any other document copies which Franchisee reasonably needs for compliance with any provision of law may be retained by Franchisee. The failure to comply within the stated time period will result in the imposition of an Unreturned Materials Fee per person per incident and/or Unreturned Manuals Fee, plus interest if applicable.

G. Franchisor May Purchase Franchisee's Assets and/or Equipment

Franchisor shall have the right (but not the obligation), to be exercised by notice of intent within thirty (30) days after termination or expiration, to purchase any or all of the Franchisee's equipment, supplies, signs, advertising materials and/or items bearing Franchisor's Names and Marks, and/or used in connection with the operation of the Business, at fair market value (less the amount of any outstanding liens or encumbrances). If the parties cannot agree on a fair market value within a reasonable time, an independent appraiser shall be designated by Franchisor, and determination of such appraiser shall be binding. If Franchisor elects to exercise any option to purchase as herein provided, it shall have the right to set off all amounts due from Franchisee, and the cost for the appraisal, if any, against any payment therefore.



H. Franchisee Must Pay Monies Owed to Franchisor

Franchisee shall pay to Franchisor, within fifteen (15) days after the effective date of termination or expiration of this Agreement, such Base Royalty Fees, National Fund contributions, payments for inventory, equipment or merchandise, or any other sums owed to Franchisor by Franchisee, which are then unpaid. Thereafter, Franchisee shall continue to pay Franchisor a Base Royalty Fee for any and all Gross Sales earned during the term of this Agreement and received by Franchisee after the effective date of termination or expiration of this Agreement within fifteen (15) days after receipt. Franchisee shall pay to Franchisor all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor in obtaining injunctive or other relief for the enforcement of any provisions of Article XIX.

I. Liquidated Damages

Upon termination of this Agreement according to its terms and conditions, and as a result of a material breach of this Agreement by Franchisee, Franchisee agrees to pay to Franchisor within fifteen (15) days after the effective date of this Agreement's termination, in addition to the amounts owed hereunder, liquidated damages equal to the average value of the Royalties Franchisee paid during the twelve (12) months of operation preceding the effective date of termination multiplied by (a) twenty-four (24), being the numbers of months in two (2) full years, or (b) the numbers of months remaining in the Agreement had it not been terminated, whichever is less.

The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages Franchisor would incur from this Agreement's termination and the loss of cash flow from Royalties due to, among other things, the complications of determining what costs, if any, Franchisor might have saved and how much the Royalties would have grown over what would have been this Agreement's remaining term. The parties hereto consider the liquidated damages provision to be a reasonable, good faith pre-estimate of those damages.

The liquidated damages provision only covers Franchisor's damages from the loss of cash flow from the Royalties. It does not cover any other damages, including damages to its reputation with the public and landlords and damages arising from a violation of any provision of this Agreement other than the Royalty section. Franchisee and each of its owners agree that the liquidated damages provision does not give Franchisor an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Royalty section.

J. Comply with All Other Applicable Provisions

Franchisee shall comply with all other applicable provisions of this Agreement.

XXV. ENFORCEMENT

A. Franchisee May Not Withhold Payments Due Franchisor

Franchisee agrees that he, she or it will not withhold payments of any Base Royalty Fees or any other amounts of money owed to Franchisor for any reason, on grounds of alleged nonperformance by Franchisor of any obligation hereunder. All such claims by Franchisee shall, if not otherwise resolved by Franchisor and Franchisee, be submitted to arbitration as provided in this Agreement.



B. Severability and Substitution of Valid Provisions

All provisions of this Agreement are severable, and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and any partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. If any applicable law or rule requires a greater prior notice of the termination of this Agreement than is required hereunder or requires the taking of some other action not required hereunder, the prior notice or other action required by such law or rule shall be substituted for the notice or other requirements hereof.

Notwithstanding the above, each of the covenants contained within this Agreement shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of any such covenant is held to be unenforceable, unreasonable or invalid, then it shall be amended to provide for limitations on disclosure of Trade Secrets or other Confidential Information or on competition to the maximum extent provided or permitted by law.

C. Applicable Law

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), the Federal Arbitration Act, or other federal law, this Agreement will be interpreted under the laws of the State of Massachusetts (the “**State**”), and any dispute between the parties will be governed by and determined in accordance with the substantive internal laws of the State, which laws shall prevail in the event of any conflict of law.

D. Dispute Resolution

1. Except for actions that are related to or based on the Names or Marks, which, at Franchisor’s sole discretion, may be submitted to binding arbitration or to a court of competent jurisdiction in the State, all disputes, claims or controversies (collectively “**Claims**”) between Franchisor, its subsidiaries and affiliated companies or their shareholders, officers, directors, limited liability company members or managers, partners, agents and employees, as applicable (collectively “**Franchisor Parties**”), and Franchisee or its employees, officers, directors, limited liability company members or managers, partners, guarantors, or Principal Operators, as applicable (collectively “**Franchisee Parties**”) arising out of or related to this Agreement or the System, will be submitted for arbitration to the Boston, Massachusetts office of the American Arbitration Association (“**AAA**”), on demand of either party. The term “**Claim**” shall have the broadest reasonable meaning, including initial claims, counterclaims, crossclaims and third-party claims. The term “**Claim**” shall include any dispute about the validity, enforceability, arbitrability or scope of this arbitration provision. However, any dispute that concerns the validity or enforceability of the Agreement as a whole is for the arbitrator, not a court, to decide. Notwithstanding the language above, if the action is based on a separate agreement or instrument between Franchisor and Franchisee (such as a promissory note or lease), the dispute resolution provision in that agreement or instrument will control rather than this Article. Arbitration proceedings will be conducted in Boston, Massachusetts and will be heard by a single arbitrator in accordance with the then-current Commercial Arbitration Rules of the AAA. The Arbitrator must have a minimum of five (5) years of experience in franchise and distribution law, and the arbitration must be conducted in English. The parties agree that, in connection with any arbitration proceeding, each will file any compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within 30 days after the date of the filing of the claim to which it relates. This Article D.1 will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.



2. Arbitration will be conducted on an individual basis only. Neither party shall commence any arbitration with a third party against the other or join with any third party in any arbitration involving Franchisor and Franchisee. Further, neither Franchisor nor Franchisee shall attempt to consolidate or otherwise combine in any manner an arbitration proceeding involving any Franchisor Party and any Franchisee Party with another arbitration of any kind, nor shall Franchisor or Franchisee attempt to certify a class or participate as a party in a class action against the other. Notwithstanding the foregoing, if Franchisee controls, is controlled by, or is in active concert with another franchisee of Franchisor, or if there is a guarantor of some or all of the Franchisee's obligations to Franchisor, then the joinder of those parties to any arbitration between Franchisor and Franchisee shall be permitted; and in all events, the joinder of an owner, director, officer, limited liability company member or manager, partner or other representative or agent of Franchisor or Franchisee shall be permitted.

3. As any breach by Franchisee of any of the restrictions contained herein would result in irreparable injury to Franchisor and its Affiliates, and as the damages arising out of any such breach would be difficult to ascertain, in addition to all other remedies provided by law or in equity, notwithstanding anything to the contrary contained in this Agreement Franchisor and Franchisee will each have the right in a proper case to obtain injunctive relief (whether a restraining order, preliminary injunction or a permanent injunction) from a court of competent jurisdiction. Each party agrees that the other party may have such temporary or preliminary injunctive relief, without bond, but upon due notice, and with the sole remedy in the event of the entry of such injunctive relief being the dissolution of such injunctive relief, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of such injunction being expressly waived by each party). Franchisor's and its Affiliates' rights herein shall include pursuing injunctive relief through arbitration or in state or federal court.

4. The arbitrator will have the right to award or include in the award any relief which he/she deems proper in the circumstances, including without limitation, monetary damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, in accordance with this provision; provided that the arbitrator will not award exemplary or punitive damages. The award and decision of the arbitrator will be conclusive and binding upon all parties hereto and judgment upon the award may be entered in any court of competent jurisdiction. Each party waives any right to contest the validity or enforceability of such award.

5. Any party may apply to the arbitrator for reasonable discovery from the other. The arbitrator shall have the right to impose sanctions against a party that fails or refuses to respond to discovery allowed by the arbitrator, including but not limited to an award in favor of the party requesting the discovery.

E. Consent to Jurisdiction

If a claim is asserted in any legal proceeding involving any Franchisee Party and any Franchisor Party which is not subject to mandatory arbitration, as specified in Article D.1 above, the parties agree that the exclusive venue for disputes between them will be in the state and federal courts having jurisdiction in Middlesex County, Massachusetts, and each waives any objection either may have to the personal jurisdiction of or venue in the state and federal courts in and for Massachusetts. Each of the Franchisor Parties and the Franchisee Parties waives its right to a trial by jury.

F. Dispute Resolution Expenses

The prevailing party in any action arising out of or related to this Agreement (including an action to compel arbitration) is entitled to recover from the other party all costs and expenses, including



reasonable attorneys' fees and costs of collecting monies owed, in addition to all amounts and damages awarded. If both parties are awarded a judgment in any dollar amount, the court or arbitrator, as applicable, shall determine the prevailing party taking into consideration the merits of the claims asserted by each party, the amount of the judgment received by each party and the relative equities between the parties.

G. Limitation of Claims

Any claim concerning the Franchised Business or this Agreement or any related agreement will be barred unless an action for a claim is commenced within one (1) year from the date on which Franchisee or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to the claim.

H. Interest on Default

Upon a default concerning money owed by Franchisee to Franchisor, Franchisor is entitled to recover interest on the past due amount at the rate of the lesser of 18% per annum or the highest rated permitted by applicable law, accruing from the date of default until fully paid.

I. Modifications by an Arbitrator or Court

Franchisee expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that results from a court or arbitrator of competent jurisdiction striking from any of the provisions hereof any portion or portions held to be unreasonable and unenforceable in a final decision to which Franchisor is a party, or from a court or arbitrator of competent jurisdiction reducing the scope of any promise or covenant. If any court or arbitrator of competent jurisdiction declares any provision(s) or covenant(s) (including but not limited to, any covenant not to compete) of this Agreement unenforceable because of unreasonableness or being overly broad or any other reason, the Franchisee agrees to be bound to Franchisor under the terms and conditions of such provision or covenant to the maximum extent allowed by law. The remaining provisions of this Agreement shall not be affected by such modification.

J. Rights of Parties Are Cumulative

The rights of Franchisor and Franchisee are cumulative, and the exercise or enforcement by Franchisor or Franchisee of any right or remedy shall not preclude the exercise or enforcement by Franchisor or Franchisee of any other right or remedy hereunder which Franchisor or Franchisee is entitled by law to enforce by the provisions of this Agreement or of the Manual.

K. Judicial Enforcement, Injunction and Specific Performance

Franchisor shall have the right to enforce by judicial process its right to terminate this Agreement for the causes enumerated in Article XXIII of this Agreement, to collect any amounts owed to Franchisor for any unpaid Base Royalty Fees, or other unpaid charges due hereunder, arising out of the business conducted by Franchisee pursuant hereto, and to pursue any rights it may have under any leases, subleases, sales, purchases, or security agreements or other agreements with Franchisee. Franchisor shall be entitled, without bond, to the entry of temporary or permanent injunctions and orders of specific performance enforcing any of the provisions of this Agreement. If Franchisor secures any such injunction or orders of specific performance, Franchisee agrees to pay to Franchisor an amount equal to the aggregate costs of obtaining such relief, including, without limitation, reasonable attorneys' fees, costs of



investigation, court costs, and other litigation expenses, travel and living expenses, and any damages incurred by Franchisor as a result of the breach of any provision of this Agreement.

L. Construction

Any other agreements or instruments referred to herein or which relate to the purchase or lease by Franchisee from Franchisor of any fixtures, signs, equipment, merchandise, or the like, constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between Franchisor or Franchisee relating to the subject matter of this Agreement. The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit, or construe the contents of those sections or paragraphs. The term "**Franchisee**" as used herein is applicable to one or more persons, a corporation or partnership, as the case may be, the singular usage includes the plural, and the masculine and neuter usages include the other and the feminine. References to "**Franchisee**" applicable to an individual or individuals shall mean the principal owner or owners of the equity or operating control of Franchisee if Franchisee is a corporation or partnership.

M. Binding Effect

This Agreement is binding upon the parties hereto and their respective permitted assigns and successors in interest.

N. There Are No Unwritten Agreements; Operations Manual is Subject to Change

This instrument contains the entire Agreement between the parties relating to the rights herein granted and the obligations herein assumed. Any oral representations or modifications concerning this Agreement shall be of no force or effect unless a subsequent modification in writing is signed by the parties hereto. The manual may be amended at any time by Franchisor, however, and Franchisee shall adapt its methods or procedures to comply with the requirements thereof. Nothing contained herein shall disclaim any disclosure made in the Federal Disclosure Document.

O. Entire Agreement

This Agreement, the documents referred to herein, and the attachments hereto, if any, constitute the entire, full, and complete Agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede all prior agreements. Except for those acts permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Regardless of anything contained herein to the contrary, nothing contained in this Agreement or any related agreement is intended to disclaim the representation made by Franchisor in the Franchise Disclosure Document.

P. Further Assurances

Each party to this Agreement will execute and deliver such further instruments, contracts, forms or other documents, and will perform such further acts, as may be necessary or desirable to perform or complete any term, covenant or obligation contained in this Agreement. Franchisor's Affiliates are hereby named as third-party beneficiaries as to any rights conferred upon them in this Agreement, whether they be expressly stated or implied.



Q. Third-Party Beneficiaries

Except as otherwise indicated in this Agreement, with regard to Franchisor's Affiliates, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisor or Franchisee, and their respective successors and assigns as may be contemplated by this Agreement, any rights or remedies under this Agreement.

R. Force Majeure

Except for monetary obligations hereunder, or as otherwise specifically provided in this Franchise Agreement, if either party to this Agreement shall be delayed or hindered in or prevented from the performance of any act required under this Agreement by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, or other causes beyond the reasonable control of the party required to perform such work or act under the terms of this Agreement not the fault of such party, then performance of such act shall be excused for the period of the delay, but in no event to exceed ninety (90) days from the stated time periods as set forth in Article I of this Franchise Agreement.

XXVI. APPROVALS AND WAIVERS

Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefore, and such approval or consent shall be obtained in writing.

Franchisor makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee, by providing any waiver, approval, consent, or suggestion to Franchisee or in connection with any consent, or by reason of any neglect, delay, or denial of any request therefore.

No failure of Franchisor to exercise any power reserved to it by this Agreement or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with any of the terms herein. Waiver by Franchisor of any particular default or breach by Franchisee shall not affect or impair Franchisor's rights with respect to any subsequent default or breach of the same, similar or different nature, nor shall any delay, forbearance, or omission, breach or default by Franchisor to exercise any power or right arising out of any breach or default by Franchisee of any of the terms, provisions, or covenants hereof, affect or impair Franchisor's right to exercise the same, nor shall such constitute a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

XXVII. AUTHORITY

Franchisee or, if Franchisee is a corporation, partnership, or limited liability company, the individuals executing this Agreement on behalf of such corporation, partnership, or limited liability company warrant to Franchisor, both individually and in their capacities as partners, members or officers, that all the partners in the partnership, members of the limited liability company, or all of the shareholders of the corporation, as the case may be, have read and approved this Agreement, including the restrictions which this Agreement places upon their right to transfer their respective interests in the partnership or corporation, as set forth in Article XXII. herein.



XXVIII. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by certified, registered or express mail, return receipt requested, or by overnight delivery service, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party.

Notices to:
Cheesy Street Grill Franchising, LLC
1257 Worcester Road #276
Framingham, MA 01701

Notices to Franchisee:

Name of Franchisee

Address of Franchisee

Any notice by certified, registered or express mail, or overnight delivery service, shall be deemed to have been given at the earlier of the date and time of receipt or refusal of receipt or, if by mail, three (3) business days after being deposited in the United States mail, or in the case of overnight delivery service, one day after delivery by the sender to such service.

Cheesy Street Grill Franchising, LLC

By: _____
Name, Title

Name of Franchisee Corporation Or LLC

By: _____
Individually and as President

This agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all counterparts together shall constitute a single agreement.



EXHIBIT 1

FRANCHISE PROCESSING FEE AGREEMENT

This Agreement shall be attached to and made a part of this Franchise Agreement between _____ and Cheesy Street Grill Franchising, LLC.

The parties to this Agreement are parties to an FDD dated _____, 2024. After negotiations, the parties have agreed to modify the Initial Franchise Fee as follows:

- The Franchise Candidate has chosen the option to pay Franchisor a non-refundable Franchise Processing Fee; and
- The Franchise Processing Fee applies to the area of _____; and
- The Franchise Processing Fee is \$5,000; and
- The Franchise Processing Fee will be applied to your Initial Franchise Fee; and
- The time limit for signing the Franchise Agreement and payment of the remainder of the Initial Franchise Fee is 60 days from the execution date of this Agreement; and
- Franchisor agrees not to sell a CSG® Restaurant and/or locate the CenterPoint of a MBL Unit in the above-referenced area for 60 days beginning with the execution date of this Agreement; however, Franchisor retains the right to continue to market the above-referenced area until the Franchise has been awarded.

By _____, Franchise Candidate

Dated: _____

By _____, Franchise Candidate

Dated: _____

By _____, Franchise Candidate

Dated: _____

CHEESY STREET GRILL FRANCHISING, LLC

By: Lisa Dowd, CEO

Dated: _____

This Agreement may not be applicable in some registration states; at this time, we are registered in Indiana and New York.



EXHIBIT 2

PERSONAL GUARANTY

THIS PERSONAL GUARANTY is given this _____ day of _____, 202____, by each person (and his or her spouse) who, directly or indirectly, owns an equity interest in _____ Franchisee name, d/b/a dba name or its parent/affiliate company(ies) (“*Franchisee*”).

In consideration of, and as an inducement to, the execution of the Franchise Agreement of even date (“*Franchise Agreement*”) by Cheesy Street Grill Franchising, LLC (the “*Company*”), each of the undersigned hereby personally and unconditionally (1) guarantees to the Company and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant included in the Agreement; and (2) shall be personally bound by, and personally liable for the breach of each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities.

Each of the undersigned waives: acceptance and notice of acceptance by the Company of the foregoing undertakings; notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; any right if may have to require that an action be brought against Franchisee or any other person as a condition of liability; and any and all other notices and legal or equitable defenses to which it may be entitled.

Each of the undersigned consents and agrees that: (1) its direct and immediate liability hereunder shall be joint and several; (2) he or she shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) such liability shall not be contingent or conditioned upon pursuit by the Company of any remedies against Franchisee or any other person; and (4) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence, which the Company may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Certificate and Guaranty, which shall be continuing and irrevocable during the term of the Agreement.

The undersigned agrees to pay all expenses paid or incurred by the Company in enforcing the Agreement and this Certificate and Guaranty against Franchisee and against the undersigned and in collecting or attempting to collect any amounts due thereunder and hereunder, including reasonable attorneys’ fees if such enforcement or collection is by or through an attorney-at-law. Any waiver, extension of time or other indulgence granted from time to time by the Company, its agents, its successors or assigns, with respect to the Agreement, shall in no way modify or amend this Certificate and Guaranty, which shall be continuing, absolute, unconditional and irrevocable.

This Guaranty is personal to each of the undersigned and the obligations and duties imposed herein may not be delegated or assigned; provided, however, that this Guaranty shall be binding upon the successors, assigns, and personal representatives of each of the undersigned. This Guaranty shall inure to the benefit of the Company, its affiliates, successors and assigns.

If any one or more provisions contained herein shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other



provision hereof, and this Guaranty shall be construed to bind the undersigned to the maximum extent permitted by law that is subsumed within the terms of such provision as though it were separately articulated herein.

This Guaranty shall be interpreted and construed under the laws of the State of Massachusetts, which laws shall prevail in the event of any conflict of law. The undersigned agree that any action, suit or proceeding to enforce this Guaranty or arising hereunder of concerning the interpretation of this Guaranty shall be subject to arbitration to the same extent as provided in Article XXV of the Agreement.

Each of the undersigned hereby acknowledges that (i) it is a condition to the granting of the Agreement to Franchisee that each of the undersigned shall execute and deliver this Guaranty to the Company, (ii) that the Company has entered into the Agreement in reliance upon the agreement of the undersigned to do so, and (iii) that, as owners of Franchisee, the undersigned have received adequate consideration to support their execution of this Guaranty. This Guaranty does not grant or create in the undersigned any interests, rights or privileges in the Franchise or the Agreement.

This Personal Guaranty remains in full force and effect until all obligations arising out of and pursuant to the Franchise Agreement and any other agreement between Franchisor and Company (including, but not limited to monetary obligations), including all renewals and extensions thereof, are fully paid and satisfied, notwithstanding the termination or expiration of the relationship set forth in the Franchise Agreement or any other agreement between Franchisor and the Company.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his or her signature as of the same day and year as the Agreement was executed.

GUARANTOR(S)
(INCLUDING ALL SPOUSES)

Print Name: _____

PERCENTAGE OF OWNERSHIP
IN FRANCHISEE

%

Print Name: _____

_____ %

This agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all counterparts together shall constitute a single agreement.



EXHIBIT 3

DEFINED TERRITORY

The description of the Defined Territory may be finalized up to securing a lease for the location (within the timeframe as stated in the Franchise Agreement).

Defined Territory: _____

The exact address of the CenterPoint and/or Location is: _____



EXHIBIT MAP

DEFINED TERRITORY

The map of the Defined Territory may be finalized up to securing a lease for the location (within the timeframe as stated in the Franchise Agreement).



EXHIBIT 4

YOUR ESTIMATED INITIAL INVESTMENT
OPTIONAL: RE-SALE BEER, RTD WINE & RTD COCKTAILS

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Individual Alcohol Service Certifications	\$18 - \$615	Lump Sum	As Incurred (prior to opening)	Third Party Organizations. Rates will vary by state and municipality
Optional Alcohol Manager Certification	\$0 - \$195	Lump Sum	As Incurred (prior to opening)	Third Party Organizations. Rates will vary by state and municipality
Beer, RTD Wine & RTD Cocktails Consumption on Premises Permits &/or Licenses ¹	\$0 - \$15,000 Varies by state and municipality	Lump Sum	As Incurred	Outside governing organization(s)
Estimated Initial Beer, Wine & RTD Cocktail Costs ²	\$16,500 - \$23,000	As Agreed	As Incurred	Designated and Approved Suppliers
Liquor / Dram Shop Insurance ³	\$2,500 Varies by State and municipality	As Agreed	As Agreed	Insurance Company
Large Equipment ⁴	\$3,900 - \$6,500	Lump Sum	As Agreed	Outside Supplier
Paper and Single-Use Goods Opening Inventory	\$750 - 1,250	As Agreed	As Incurred (prior to opening)	Designated or Approved Suppliers
Additional Funds ⁵	\$3,300 - 6,600	As Incurred	As Incurred	Employees, Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT	\$26,968 - \$55,660			As specified above



The Estimated Initial Investment amounts listed above are in addition to the Estimated Initial Investment for a CSG® Restaurant and/or MBL Unit. The pre-requisite to the Beer & Wine Option is a CSG® Business in good standing.

Explanatory Notes

1. Prior to Opening. These amounts include the Beer & Wine permits or licenses required before opening, and the rules and regulation may vary by state, local and municipal law. Actual costs vary by state and/or municipality and may not be refundable. These expenses may depend on the prevailing costs for obtaining beer & wine certifications, licenses and/or permits. You should investigate these requirements. If a host facility has an umbrella or blanket liquor license, this may reduce your costs.

Specifically, some states, counties and/or municipalities may generally require you to obtain a beer & wine and/or alcohol certification, license and/or permit, or their equivalent(s). You may be required to carry additional alcohol and/or dram shop insurance coverage. You must also comply with laws and regulations that apply generally to the beer & wine and/or liquor licensing, where your CSG® Restaurant or MBL Unit is operated, and you should investigate these laws and regulations. All licenses and insurance must always be up-to-date and in good standing.

2. Prior to Beginning RTD retail sales. These amounts include estimated re-sale beer, RTD wine & RTD cocktail costs initial order through the first three (3) months' usage for the unit. Your actual costs may vary depending on your location and time of year you choose to exercise this option.
3. Dram Shop: If you choose to serve beer & wine, this is required insurance. You must obtain and maintain certain types and amounts of liquor liability insurance. The estimated cost is for the first three (3) months following the exercise of this option. (See item 8) Insurance costs depends on your state and municipal regulations, policy limits, types of policies, nature and value of physical assets, gross revenue, number of employees, square footage, location, business contents, and other factors bearing on risk exposure.
4. These amounts include additional beverage coolers necessary for operation with Beer & Wine Option.
5. This item estimates your possible additional expenses during the initial period of operation of your Business (other than the items identified separately in the table). These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business. Your costs depend on how much you follow our methods and procedures; local economic conditions; the local market for your products and services; competition; and the sales level reached during the initial period of operation of your Business.

I am choosing to exercise the Re-Sale Beer, RTD Wine, & RDT Cocktails Option:

Signature #1

Date

Printed Name #1

Signature #2

Date

Printed Name #2



EXHIBIT 5

UNIT DESIGNATION(S)

Check to indicate which option(s) is/are being purchased:

Check All that apply	CSG®	Initial Franchise Fee
	Traditional Restaurant	
	Non-Traditional (Year-Around Food Court)	
	Kiosk	
	Mobile (MBL) Unit	
	Beer & Wine Option	
	Other:	
	Other:	
	Other:	
TOTAL Initial Franchise Fee		\$

If **MOBILE (MBL) UNIT** Check to indicate which TYPE(s) is/are being purchased:

Check All that apply	CSG® MOBILE (MBL) UNIT TYPES	Initial Franchise Fee
	Mobile Food Truck/Trailer	
	Container	
	Temporary: Pop-Up or Tent	
	Special Event Concession Stand	
	Beer & Wine Option	
	Other:	
	Other:	
TOTAL Initial Franchise Fee		\$

IN WITNESS WHEREOF, the parties have caused this Selection to be signed by their duly authorized representatives.

CHEESY STREET GRILL FRANCHISING, LLC FRANCHISEE

By: _____
 Name: _____
 Title: _____
 Date: _____

By: _____
 Name: _____
 Title: _____
 Date: _____



EXHIBIT 6

NONDISCLOSURE AND CONFIDENTIALITY AGREEMENT

BETWEEN FRANCHISEE AND INDIVIDUAL (I.E. EMPLOYEES)

This “**Agreement**” made as of the ____ day of _____, 20____, (the “**Effective Date**”) is by and between Cheesy Street Grill Franchising, LLC (“**Franchisor**”) and _____ (“**Individual**”).

W I T N E S S E T H:

WHEREAS, Franchisee is a party to that certain **CSG®** Business Franchise Agreement (“**Franchise Agreement**”) by and between Franchisee and Franchisor; and

WHEREAS, Franchisee desires Individual to have access to or to review certain Trade Secrets and other Confidential Information of the Franchisor, which are more particularly described below; and

WHEREAS, Franchisee is required by the Franchise Agreement to have Individual execute this Agreement prior to providing Individual access to Franchisor’s Trade Secrets and other Confidential Information; and

WHEREAS, Individual understands the necessity of not disclosing any such information to any other party or using such Trade Secrets or other Confidential Information to compete against Franchisor, Franchisee or any other franchisee of Franchisor now or in the future.

NOW, THEREFORE, in consideration of the mutual promises and undertakings set forth herein, and intending to be legally bound hereby, the parties hereby mutually agree as follows:

1. Recitals

The above preamble and recitals are true and correct and incorporated into this Agreement.

2. Trade Secrets

Individual understands Franchisee possesses and will possess the Franchisor’s Trade Secrets, which is important to its business. For purposes of this Agreement, “**Trade Secrets**” is information, without regard to form including, but not limited to, technical or non-technical data, recipes, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, pro-formas, strategic plans, product plans, lists of actual or potential customers or suppliers which are not commonly known by or available to the public and which information: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Individual understands Franchisee’s providing of access to the Trade Secrets creates a relationship of confidence and trust between Individual and Franchisee with respect to the Trade Secrets.



3. Confidential Information

For purposes of this Agreement, “**Confidential Information**” means technical and non-technical information used in or related to the CSG® Franchised business and not commonly known by or available to the public, including, without limitation, Trade Secrets and any other information identified as confidential when delivered by the Franchisor. Confidential Information shall not include, however, any information established by documentary evidence that: (a) is now or subsequently becomes generally available to the public through no fault of the Individual; (b) the Individual can demonstrate was rightfully in its possession, without obligation of nondisclosure, prior to disclosure pursuant to this Agreement; (c) is independently developed without the use of any Confidential Information; or (d) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information;

4. Confidentiality/Non-Disclosure

a) Individual shall not communicate or divulge to (or use for the benefit of) any other person, firm, association, or corporation, with the sole exception of Franchisee, now or at any time in the future, any of the Franchisor’s Trade Secrets or other Confidential Information.

b) Individual’s obligations under paragraph 2(a) of this Agreement shall continue in effect after termination of Individual’s relationship with Franchisee as an officer, director, executive or manager of Franchisee or a holder of a legal or beneficial interest in Franchisee, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary, and Individual shall (and Franchisee is entitled to) communicate Individual’s obligations under this Agreement to any future customer or employer of Individual to the extent deemed necessary by Franchisee for protection of Franchisee’s rights and obligations herein.

5. Miscellaneous

a) This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof. This Agreement supersedes any prior agreements, negotiations and discussions between Individual and Franchisee. This Agreement cannot be altered or amended except by an agreement in writing signed by the duly authorized representatives of the parties.

b) The Franchisor reserves the right to reduce the scope of the obligations under the covenants contained in Articles XVI.B and XVI.E of the Franchise Agreement unilaterally and without the consent of any other person or entities effective upon giving notice thereof.

c) If one or more provisions of this Agreement are held to be illegal or unenforceable under applicable law, such illegal or unenforceable portion(s) shall be limited or excluded from this Agreement to the minimum extent required so that this Agreement shall otherwise remain in full force and effect and enforceable in accordance with its terms.

d) This Agreement shall be effective as of the Effective Date and shall be binding upon the successors and assigns of Individual and shall inure to the benefit of Franchisee, its subsidiaries, successors and assigns.

e) Individual shall reimburse Franchisee for any and all costs and attorney fees incurred by Franchisee in the enforcement of the terms of this Agreement.



f) The failure of either party to insist in any one or more instances upon performance of any terms and conditions of this Agreement shall not be construed as a waiver of future performance of any such term, covenant or condition of this Agreement and the obligations of either party with respect thereto shall continue in full force and effect.

g) The paragraph headings in this Agreement are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Agreement.

h) The Franchisor shall be a third-party beneficiary of this Agreement.

INDIVIDUAL CERTIFIES THAT HE OR SHE HAS READ THIS AGREEMENT CAREFULLY AND UNDERSTANDS AND ACCEPTS THE OBLIGATIONS THAT IT IMPOSES WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO SUCH PERSON TO INDUCE THE SIGNING OF THIS AGREEMENT.

IN WITNESS WHEREOF, Franchisee has caused this Agreement to be executed by its duly authorized officer and Individual has executed this Agreement, as of the Effective Date.

WITNESS:

Printed Name

INDIVIDUAL:

Printed Name

WITNESS:

Printed Name

FRANCHISEE:

By: _____

Its: _____

This agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all counterparts together shall constitute a single agreement.



EXHIBIT C
FINANCIAL STATEMENTS

ATTACHED AS EXHIBIT C ARE OUR AUDITED FINANCIAL STATEMENTS FOR THE PERIODS ENDED DECEMBER 31, 20212022, DECEMBER 31, 2023, AND DECEMBER 31, 2024.



Daryle W. Yergler CPA, LLC



1395 S. Marietta Parkway • Bldg 100, Suite 112 • Marietta, GA 30067 • T (770) 422-6000 • F (770) 971-7939

Form F – Consent of Accountant

CONSENT

Daryle W Yergler CPA, LLC hereby consents to the use in the Franchise Disclosure Document issued by Cheesy Street Grill Franchising, LLC ("Franchisor") on January 28, 2025, as it may be amended, of our report dated January 28, 2025 relating to the financial statements of the Franchisor as of December 31, 2024 and 2023 and for the two years then ended.

Daryle W Yergler CPA, LLC



"Helping Small Businesses Achieve Big Plans"
www.dwycpa.com



CHEESY STREET GRILL FRANCHISING, LLC

FINANCIAL STATEMENTS

**YEARS ENDED
DECEMBER 31, 2024 AND 2023**



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INDEPENDENT AUDITORS' REPORT

To the Members of
Cheesy Street Grill Franchising, LLC
Bristol, Connecticut

Opinion

We have audited the financial statements of Cheesy Street Grill Franchising, LLC (a Massachusetts limited liability company), which comprise the balance sheets as of December 31, 2024 and 2023 and the related statements of operations, changes in members' deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Cheesy Street Grill Franchising, LLC as of December 31, 2024 and 2023 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Cheesy Street Grill Franchising, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Cheesy Street Grill Franchising, LLC's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may



involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Cheesy Street Grill Franchising, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Cheesy Street Grill Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Daryle W Yergler CPA, LLC

January 28, 2025



CHEESY STREET GRILL FRANCHISING, LLC
BALANCE SHEETS

	<u>As of</u> <u>Dec 31, 2024</u>	<u>As of</u> <u>Dec 31, 2023</u>
ASSETS		
Current Assets:		
Cash	\$ 12,304	\$ 11,532
Royalties Receivable	1,226	1,006
Prepaid Expenses	-	7,750
Total Current Assets	<u>13,530</u>	<u>20,288</u>
Property & Equipment:		
Computer Equipment	4,335	4,335
Less: Accumulated Amortization	(4,335)	(3,766)
Total Property & Equipment, net	<u>-</u>	<u>569</u>
Total Assets	<u>\$ 13,530</u>	<u>\$ 20,857</u>
LIABILITIES AND MEMBERS' DEFICIT		
Current Liabilities:		
Accounts Payable	\$ -	\$ -
Total Current Liabilities	<u>-</u>	<u>-</u>
Long-Term Liabilities:		
Accrued Management Fees	257,800	215,700
Due to Member	3,500	3,500
Total Long-Term Liabilities	<u>261,300</u>	<u>219,200</u>
Members' Deficit:	<u>(247,770)</u>	<u>(198,343)</u>
Total Liabilities and Members' Deficit	<u>\$ 13,530</u>	<u>\$ 20,857</u>

The accompanying notes are integral to these financial statements

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CHEESY STREET GRILL FRANCHISING, LLC
STATEMENTS OF OPERATIONS

	For the Year Ended Dec. 31, 2024	For the Year Ended Dec. 31, 2023
Revenues		
Royalties	\$ 32,284	\$ 35,063
Transfer Fee	-	12,250
Total Revenues	<u>32,284</u>	<u>47,313</u>
Operating Expenses		
Management Fees	54,600	54,600
Professional Fees	23,218	22,010
Bank Fees	2,359	1,846
Advertising	-	1,425
Filing Fees	965	1,141
Depreciation	569	619
Commissions	-	390
Total Operating Expenses	<u>81,711</u>	<u>82,031</u>
Net Income (Loss)	<u><u>\$ (49,427)</u></u>	<u><u>\$ (34,718)</u></u>

The accompanying notes are integral to these financial statements

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CHEESY STREET GRILL FRANCHISING, LLC
STATEMENTS OF CHANGES IN MEMBERS' DEFICIT

	Members' Capital	Accumulated Deficit	Total Members' Deficit
Beginning Balance, January 1 2023	\$ 127,000	\$ (290,625)	\$ (163,625)
Net Income (Loss)	-	(34,718)	(34,718)
Ending Balance, December 31, 2023	127,000	(325,343)	(198,343)
Net Income (Loss)	-	(49,427)	(49,427)
Ending Balance, December 31, 2024	<u>\$ 127,000</u>	<u>\$ (374,770)</u>	<u>\$ (247,770)</u>

The accompanying notes are integral to these financial statements

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CHEESY STREET GRILL FRANCHISING, LLC
STATEMENTS OF CASH FLOWS

	For the Year Ended Dec. 31, 2024	For the Year Ended Dec. 31, 2023
Operating Activities:		
Net Income (Loss)	\$ (49,427)	\$ (34,718)
Adjustments to reconcile Net Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	569	619
(A) Decrease in Operating Assets		
Royalties Receivable	(220)	(212)
Prepaid Expenses	7,750	(2,250)
(B) Decrease in Operating Liabilities		
Accrued Management Fees	42,100	32,600
Net Cash Used in Operating Activities	<u>772</u>	<u>(3,961)</u>
Net Change in Cash	772	(3,961)
Cash, beginning	11,532	15,493
Cash, ending	<u>\$ 12,304</u>	<u>\$ 11,532</u>

The accompanying notes are integral to these financial statements

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CHEESY STREET GRILL FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS AND BASIS FOR PRESENTATION

Operations

Cheesy Street Grill Franchising, LLC (the "Company") is a limited liability company that franchises Cheesy Street Grill restaurants. The franchise includes gourmet comfort foods such as grilled cheese, macaroni and cheese and soups.

Basis of Accounting

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. The estimates are based on management's best knowledge of current events, historical experience, and reasonable and supportable forecasts. Therefore, actual results may differ from those estimates.

Royalties and Franchise Fee Receivable

Royalties receivable consist of royalties due to the Company from its franchisees. Franchise fee receivable consist of initial franchise fees that are due but not yet paid by franchisees.

Credit Losses

On January 1, 2023, the Company adopted ASU 2016-13 Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASC 326). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including royalties and franchise fee receivables. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses. The Company adopted ASC 326 on a modified retrospective basis which did not have a material impact on the financial statements.

The estimate of expected credit losses under the CECL methodology is based on relevant information about past events, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amounts. Historical loss experience is generally the starting point for estimating expected credit losses. Management then considers whether the historical loss experience should be adjusted for current conditions at the reporting date that did not exist over the period as well as forecasts about future economic conditions that are reasonable and supportable.

As of December 31, 2024 and 2023, the Company does not consider an allowance for credit losses for royalties and franchise fee receivables necessary.



CHEESY STREET GRILL FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Initial Franchise Fees

Initial franchise fees are due upon signing of the franchise agreement or in some circumstances the Company grants extended payment terms. Franchise arrangements between the Company and the franchisee require the Company to perform various activities to support the brand that do not directly transfer goods and services to the franchisee, but instead represent a single performance obligation, which is the transfer of the franchise license. The intellectual property subject to the franchise license is symbolic intellectual property as it does not have significant standalone functionality, and substantially all the utility is derived from its association with the Company's past or ongoing activities.

The Company has made an accounting policy election to recognize the pre-opening services as a separate performance obligation distinct from the franchise license. Pre-opening services is defined as the following: assistance in the selection of a site; assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease modification; training of the franchisee's personnel or the franchisee; preparation and distribution of manuals and similar material concerning operations, administration, and record keeping; bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes or about regulations affecting the franchisee's business; inspection, testing, and other quality control programs.

Once the Company has identified all performance obligations within the agreement, the Company determines the stand-alone selling price of each and then allocates the transaction price as outlined in the agreement to each performance obligation. Revenue from pre-opening services is recognized at a point in time when these services have been satisfied while any revenue allocated to the license is recognized over-time using the straight-line method over the term of the contract.

Royalty Revenue

The Company is entitled to royalties based on a percentage of the franchisee's gross sales. Royalty revenues are recognized when the franchisee's reported sales occur at a point in time. Payment is due one week after the sale.

Transfer Fee Revenue

The Company is entitled to a transfer fee if a franchisee transfers ownership of his or her franchise. Transfer fee revenue is recognized when the transfer occurs at a point in time. Payment is due before the transfer is completed.

Contract Costs

If a broker is used, the Company pays a commission for compensation upon the sale of a franchise. The percentage of commission is based on a written agreement between the broker and the Company. The expense is recognized upon the sale of a franchise.

Contract Balances

When revenue is recognized prior to amounts being billed and collected a contract asset is recorded. When revenue is recognized before cash is collected a receivable is recognized. Amounts billed and collected before services are performed are included in contract liabilities.

Advertising

Advertising is expensed as incurred.



CHEESY STREET GRILL FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

All property and equipment are recorded at cost. Major additions and improvements are capitalized while replacements, maintenance and repairs, which do not improve or extend the lives of the respective assets, are expensed in the year incurred. Depreciation is computed using straight-line methods over the estimated useful lives of the property and equipment. The estimated useful life of computer equipment is 7 years.

Income Taxes

The Company is a limited liability company that has elected to be taxed as a partnership for federal and state income tax purposes. This election provides for the net income or loss of the Company to be reported on the personal federal and state income tax returns of the individual members. The Company pays no federal income tax on its profits and receives no benefit from its losses. The Company is taxed at the entity level for state income tax purposes, in accordance with current state tax laws. Accordingly, no provision or liability for income taxes has been recorded in accompanying financial statements.

Management periodically reviews and evaluates the status of uncertain tax positions and makes estimates of amounts ultimately due or owed.

The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

3. MEMBERS' EQUITY

The Company's operating agreement stipulates that the Company has an indefinite life. There is one class type of member's units issued by the Company.

4. RELATED PARTY TRANSACTIONS

The Company pays management fees to the managing member for services provided to the Company. The amount of accrued management fees due to the managing member was \$257,800 and \$215,700, respectively, as of December 31, 2024 and 2023. The amount has no fixed repayment terms and is unsecured. During 2024 and 2023, the Company paid management fees of \$12,500 and \$22,000 respectively.

As of December 31, 2024 and 2023, the amount due to member was \$3,500. The amount has no fixed repayment terms and is unsecured.

The Company has entered into an exclusive franchising and intellectual property license agreement with a related party for the use of the Cheesy Street Grill trademark. Royalties are payable to the related party in the amount equal to the lesser of \$25,000 or 6% of net revenues less operating expenses. There were no royalties paid by the Company during the years ended December 31, 2024 and 2023.

5. CUSTOMER CONCENTRATION

The Company's revenues are derived from two franchisees.



**Auditor's Consent
(Consent of Accountant)**

Newburg & Company, LLP hereby consents to the use in the Franchise Disclosure Document
(Name of Accountant)

issued by Cheesy Street Grill Franchising, LLC ("Franchisor") on
(Name of Franchisor)

1/29/24 as it may be amended, of our report dated
(issuance date of Franchise Disclosure Document)

1/29/24 relating to the financial statements of
(date of accountant's report)

Franchisor for the period ending December 31, 2023
(Financial Period End Date)



Manual or Digital Signature of Accountant



CHEESY STREET GRILL FRANCHISING, LLC

FINANCIAL STATEMENTS

**YEARS ENDED
DECEMBER 31, 2023 AND 2022**



CONTENTS

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INDEPENDENT AUDITORS' REPORT

To the Members of
Cheesy Street Grill Franchising, LLC
Bristol, Connecticut

Opinion

We have audited the financial statements of Cheesy Street Grill Franchising, LLC (Massachusetts Limited Liability Company), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations, changes in members' deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Cheesy Street Grill Franchising, LLC as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Cheesy Street Grill Franchising, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Cheesy Street Grill Franchising, LLC's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud

-1-

NEWBURG & COMPANY, LLP

95 SAWYER ROAD ■ SUITE 120 ■ WALTHAM, MA 02453 ■ WWW.NEWBURG.COM ■ P: 781-884-4100 ■ F: 781-884-4150



may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Cheesy Street Grill Franchising, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Cheesy Street Grill Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Certified Public Accountants
Waltham, Massachusetts
January 29, 2024



**CHEESY STREET GRILL FRANCHISING, LLC
BALANCE SHEETS**

DECEMBER 31,	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	\$ 11,532	\$ 15,493
Royalties receivables	1,006	794
Prepaid expenses	7,750	5,500
 Total current assets	 20,288	 21,787
PROPERTY AND EQUIPMENT		
Computer equipment	4,335	4,335
Accumulated depreciation	(3,766)	(3,147)
 Total property and equipment, net	 569	 1,188
 TOTAL ASSETS	 \$ 20,857	 \$ 22,975
 LIABILITIES AND MEMBERS' DEFICIT		
LONG-TERM LIABILITIES		
Accrued management fees	\$ 215,700	\$ 183,100
Due to member	3,500	3,500
 Total long-term liabilities	 219,200	 186,600
 MEMBERS' DEFICIT	 (198,343)	 (163,625)
 TOTAL LIABILITIES AND MEMBERS' DEFICIT	 \$ 20,857	 \$ 22,975

The accompanying notes are integral to these financial statements.



CHEESY STREET GRILL FRANCHISING, LLC
STATEMENTS OF OPERATIONS

YEARS ENDED DECEMBER 31,	2023	2022
REVENUES FROM CONTRACTS WITH CUSTOMERS		
Royalties	\$ 35,063	\$ 30,357
Transfer fee	12,250	-
	47,313	30,357
OPERATING EXPENSES		
Management fees	54,600	54,600
Professional fees	22,010	13,995
Bank fees	1,846	1,650
Advertising	1,425	3,800
Filing fees	1,141	1,904
Depreciation	619	619
Commissions	390	-
	82,031	76,568
NET LOSS	\$ (34,718)	\$ (46,211)

The accompanying notes are integral to these financial statements.



CHEESY STREET GRILL FRANCHISING, LLC
STATEMENTS OF CHANGES IN MEMBERS' DEFICIT
YEARS ENDED DECEMBER 31, 2023 AND 2022

	Members' Capital	Accumulated Deficit	Total Members' Deficit
Beginning balance, January 1, 2022	\$ 127,000	\$ (244,414)	\$ (117,414)
Net loss	-	(46,211)	(46,211)
Ending balance, December 31, 2022	127,000	(290,625)	(163,625)
Net Loss	-	(34,718)	(34,718)
Ending balance, December 31, 2023	\$ 127,000	\$ (325,343)	\$ (198,343)

The accompanying notes are integral to these financial statements.

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**CHEESY STREET GRILL FRANCHISING, LLC
STATEMENTS OF CASH FLOWS**

YEARS ENDED DECEMBER 31,	2023	2022
OPERATING ACTIVITIES		
Net loss	\$ (34,718)	\$ (46,211)
Adjustments to reconcile net loss to net cash provided by (used for) operating activities:		
Depreciation	619	619
(Accrease) decrease in operating assets		
Royalties receivable	(212)	(213)
Franchise fee receivable	-	9,000
Prepaid expenses	(2,250)	(2,500)
Increase (decrease) in operating liabilities		
Commission fees payable	-	(4,500)
Accrued management fees	32,600	44,600
Net cash provided by (used for) operating activities	(3,961)	795
NET CHANGE IN CASH	(3,961)	795
CASH, beginning	15,493	14,698
CASH, ending	\$ 11,532	\$ 15,493

The accompanying notes are integral to these financial statements.



CHEESY STREET GRILL FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS AND BASIS FOR PRESENTATION

Operations

Cheesy Street Grill Franchising, LLC (the "Company") is a limited liability company that franchises Cheesy Street Grill restaurants. The franchise includes gourmet comfort foods such as grilled cheese, macaroni and cheese and soups.

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The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP").

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The estimate of expected credit losses under the CECL methodology is based on relevant information about past events, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amounts. Historical loss experience is generally the starting point for estimating expected credit losses. Management then considers whether the historical loss experience should be adjusted for current conditions at the reporting date that did not exist over the period as well as forecasts about future economic conditions that are reasonable and supportable.

As of December 31, 2023 and 2022, the Company does not consider an allowance for credit losses for royalties and franchise fee receivables necessary.



CHEESY STREET GRILL FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Initial Franchise Fees

Initial franchise fees are due upon signing of the franchise agreement or in some circumstances the Company grants extended payment terms. Franchise arrangements between the Company and the franchisee require the Company to perform various activities to support the brand that do not directly transfer goods and services to the franchisee, but instead represent a single performance obligation, which is the transfer of the franchise license. The intellectual property subject to the franchise license is symbolic intellectual property as it does not have significant standalone functionality, and substantially all the utility is derived from its association with the Company's past or ongoing activities.

The Company has made an accounting policy election to recognize the pre-opening services as a separate performance obligation distinct from the franchise license. Pre-opening services is defined as the following: assistance in the selection of a site; assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease modification; training of the franchisee's personnel or the franchisee; preparation and distribution of manuals and similar material concerning operations, administration, and record keeping; bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes or about regulations affecting the franchisee's business; inspection, testing, and other quality control programs.

Once the Company has identified all performance obligations within the agreement, the Company determines the stand-alone selling price of each and then allocates the transaction price as outlined in the agreement to each performance obligation. Revenue from pre-opening services is recognized at a point in time when these services have been satisfied while any revenue allocated to the license is recognized over-time using the straight-line method over the term of the contract.

Royalty Revenue

The Company is entitled to royalties based on a percentage of the franchisee's gross sales. Royalty revenues are recognized when the franchisee's reported sales occur at a point in time. Payment is due one week after the sale.

Transfer Fee Revenue

The Company is entitled to a transfer fee if a franchisee transfers ownership of his or her franchise. Transfer fee revenue is recognized when the transfer occurs at a point in time. Payment is due before the transfer is completed.

Contract Costs

If a broker is used, the Company pays a commission for compensation upon the sale of a franchise. The percentage of commission is based on a written agreement between the broker and the Company. The expense is recognized upon the sale of a franchise.

Contract Balances

When revenue is recognized prior to amounts being billed and collected a contract asset is recorded. When revenue is recognized before cash is collected a receivable is recognized. Amounts billed and collected before services are performed are included in contract liabilities.

Advertising

Advertising is expensed as incurred.



CHEESY STREET GRILL FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

All property and equipment are recorded at cost. Major additions and improvements are capitalized while replacements, maintenance and repairs, which do not improve or extend the lives of the respective assets, are expensed in the year incurred. Depreciation is computed using straight-line methods over the estimated useful lives of the property and equipment. The estimated useful life of computer equipment is 7 years.

Income Taxes

The Company is a limited liability company that has elected to be taxed as a partnership for federal and state income tax purposes. This election provides for the net income or loss of the Company to be reported on the personal federal and state income tax returns of the individual members. The Company pays no federal income tax on its profits and receives no benefit from its losses. The Company is taxed at the entity level for state income tax purposes, in accordance with current state tax laws. Accordingly, no provision or liability for income taxes has been recorded in accompanying financial statements.

Management periodically reviews and evaluates the status of uncertain tax positions and makes estimates of amounts ultimately due or owed.

The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

3. MEMBERS' EQUITY

The Company's operating agreement stipulates that the Company has an indefinite life. There is one class type of member's units issued by the Company.

4. RELATED PARTY TRANSACTIONS

The Company pays management fees to the managing member for services provided to the Company. The amount of accrued management fees due to the managing member was \$215,700 and \$183,100, respectively, as of December 31, 2023 and 2022. The amount has no fixed repayment terms and is unsecured. During 2023 and 2022, the Company paid management fees of \$22,000 and \$10,000 respectively.

As of December 31, 2023 and 2022, the amount due to member was \$3,500. The amount has no fixed repayment terms and is unsecured.

The Company has entered into an exclusive franchising and intellectual property license agreement with a related party for the use of the Cheesy Street Grill trademark. Royalties are payable to the related party in the amount equal to the lesser of \$25,000 or 6% of net revenues less operating expenses. There were no royalties paid by the Company during the years ended December 31, 2023 and 2022.

5. CUSTOMER CONCENTRATION

The Company's revenues are derived from two franchisees.



**CHEESY STREET GRILL FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS**

6. SUBSEQUENT EVENTS

Transactions subsequent to December 31, 2023 have been evaluated through January 29, 2024, which is the date the financial statements were available to be issued. No events were noted that could have a material impact on the financial statements.

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EXHIBIT D
OPERATIONS MANUAL TABLE OF CONTENTS

CONFIDENTIAL

CSG®

Table of Contents for CSG®

Total Pages = 1215*

Article # Article Heading

Pre-Opening Manual Total Pages—195*

Article I	Welcome to CSG®	6
Article II	Franchisor Management Listings	5
Article III	Franchisee Obligations	18
Article IV	Set-Up Timeline	3
Article V	Business Set-Up Guidelines	67
Article VI	Getting Started	31
Article VII	Vendors, Equipment & Inventory	12
Article VIII	Advertising	44
Article IX	Miscellaneous Information	3
Article X	Remodeling & Improvement Reference	1

Human Resource Guide Total Pages—252*

Article I	Introduction to the Human Resource Guide	6
Article II	Suggested New Hire Process	24
Article III	Suggested Interview Follow-Up	9
Article IV	Suggested Post Hiring Procedures	21
Article V	Suggested Employee Agreements	6
Article VI	Engaging an Independent Contractor	8
Article VII	Suggested Payroll Practices	24
Article VIII	Suggestions to Avoid Employee Lawsuits	7
Article IX	Suggested Employee Policies	22
Article X	Suggested Discipline Practices	10
Article XI	Suggested General Human Resource Policies	27
Article XII	Job Descriptions—All Positions	18
Article XIII	Orientation, Training & Development—All Positions	24
Article XIV	Federal Employment Rules and Regulations	41
Article XV	Updates	1

General Operations Manual — ADMIN Total Pages—250

Article I	Welcome to CSG®	7
Article II	Franchisor Management Listings	6



Article III	Our Basic Principals	7
Article IV	Our Gold Standard Customer Service	7
Article V	Office/Administration	23
Article VI	Administrative—Franchisee	7
Article VII	Legal and Safety Requirements	52
Article VIII	Enforcement, Financial & Administrative Requirements	27
Article IX	Franchisee Obligations	19
Article X	Advertising & Marketing	58
Article XI	Forms	33

General Operations Manual Total Pages—257

Article I	Welcome to CSG®	7
Article II	Menu of Services & Customer Service Standards	6
Article III	Front of the House	40
Article IV	Back of the House	57
Article V	Management	27
Article VI	Sanitation	44
Article VII	Food Safety Laws & Regulations	72

Business Reference Manual Total Pages—261

Article I	Introduction—Business Reference Book	3
Article II	Business Information References	43
Article III	Department of Labor References	94
Article IV	FLSA References	40
Article V	Glossaries	78

*Includes title pages and the following pages to be signed by the Franchisee: Confidentiality, Disclaimer and Acknowledgement of Receipt.



EXHIBIT E-1

FRANCHISEES
AS OF 12/31/2024

Julia Dowd
J N Dowd, LLC
900 Worcester Street
Wellesley, MA 02482
781-489-3187

Jon Oligino
Oligino Development, Inc.
367 Russell Street
Hadley, MA 01035
413-387-0134

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EXHIBIT E-2

BUSINESSES NOT YET OPEN
AS OF 12/31/2024

NONE

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EXHIBIT E-3

FORMER FRANCHISEES

Geoffrey Moorhead
ALL CAPS, LLC
900 Worcester Street
Wellesley, MA 02482
703-965-8936

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EXHIBIT F

STATE SPECIFIC DISCLOSURE SUPPLEMENTS AND FRANCHISE AGREEMENT ADDENDA

STATE ADDENDA

Following this page are Disclosure Supplements and/or Addenda to the Franchise Agreement for the following states:

1. New York

You must sign the signature page for this exhibit if:

- (1) you are an individual resident of any of these states; or
- (2) you are an entity formed in any of these states; or
- (3) you are an entity with your principal place of business in any of these states; or
- (4) your Territory will be in any of these states.

If none of these conditions applies, then this exhibit is not applicable to you.



NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer**":



However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled **“Termination by franchisee”**:

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled **“Choice of forum”**, and Item 17(w), titled **“Choice of law”**:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

6. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, PDF file, facsimile, or other electronic format have the same force and effect as originals.

IN WITNESS WHEREOF, the parties hereto have duly signed this document as of the Effective Date of the Franchise Agreement between the parties.

Franchise Applicant:

Date:



EXHIBIT G

ELECTRONIC DEPOSITORY TRANSFER ACCOUNT AGREEMENT

**AUTHORIZATION AGREEMENT FOR DIRECT WITHDRAWALS
(ACH DEBITS)**

I (we) hereby authorize Cheesy Street Grill Franchising, LLC, hereinafter called **COMPANY**, to initiate debit entries and to initiate, if necessary, credit entries and adjustments for any credit entries in error to my (our) Checking account at the depository financial institution, hereinafter called **DEPOSITORY**, and to credit the same to such account. I (we) understand that we will receive notification of such debits to our account if we provide a direct fax number or email address below, or otherwise it shall be by ordinary mail. I (we) agree to reimburse the COMPANY for all costs or expenses it may incur if we do not have sufficient funds in the account on the date of the scheduled debit or on any future attempted debit of that amount. I (we) understand that our failure to have such necessary funds in the account on the scheduled due date is evidence of non-payment, and that the COMPANY may proceed to take any action it deems necessary to collect a debt due to our failure to pay or to have such sufficient funds on account for payment of the debt.

DEPOSITORY NAME _____

CITY _____ STATE _____

ROUTING NO. _____ ACCOUNT NO. _____

- Withdraw total first week of month
- Withdraw weekly on Wednesday
- Withdraw on 5th and 25th of month
- Withdraw on 15th of month
- Other – please specify: _____

**Attach a voided check for verification.

I understand that this is a continuing authorization for the COMPANY to initiate debit transactions to my account listed above upon my written or verbal authorization. This authorization is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such time and in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it.

Franchise Company Name _____

Authorized Signer(s)

Signer 1

or

Signer 2

Printed Name

Printed Name

E-mail Address



EXHIBIT H
SCHEDULE A
ONGOING FEES PAID TO THIRD PARTIES

Type of Fee	Amount	Due Date	Remarks
Transfer involving a broker	Actual broker's fee	Before transfer	If a broker is involved in a transfer, you and/or the buyer must pay the broker's fee.
Regional Advertising Program ¹	2% of monthly Gross Sales	Monthly, or as Regional Program directs	If a Regional Advertising Program is established for your area, your contributions to a Regional Advertising Program will count toward the minimum monthly amount that you are required to spend on local advertising; but is capped at \$250 per month. See Item 11 for a detailed discussion about Regional Advertising Programs.
Local Advertising ²	Minimum of \$1,000 ↓ \$500 per month	As agreed with third party suppliers.	Local advertising has a descending scale based on longevity as a Franchisee. An advertising expenditure report must be submitted to Us by the 25th day of the month, based on the Gross Sales of the previous month.
Optional Annual/Anniversary Local Advertising	\$1,000	As agreed with third party suppliers.	You may opt to do more advertising for the system's anniversary, in addition to the monthly required advertising.
Rent ³	As agreed	As Incurred	Payable to landlord.
Utilities and/or Dining Area Maintenance	As agreed	As Agreed with Third Party Sources	You must pay utility costs of electric, water and gas, and/or Dining Area Maintenance. Costs will vary depending on location and type of service needed.
Optional: Common Area Maintenance (CAM) (Triple Net)	\$0 - \$1.80/square foot per year	As Agreed with Lessor	You may be required to pay a pro-rata share of CAM with a triple net lease. Costs will vary depending on location and type of services needed.
Optional: Property Taxes (Triple Net)	\$0 - \$4.80/square foot per year	As Agreed with Lessor	You may be required to pay a pro-rata share of property taxes with a triple net lease.
Optional: Property Insurance (Triple Net)	\$0 - \$1.20/square foot per year	As Agreed with Lessor	You may be required to pay a pro-rata share of building insurance with a triple net lease.



Type of Fee	Amount	Due Date	Remarks
Inventory and Service Purchases	The price of the products and services that you must purchase and utilize.	As incurred	You must buy certain proprietary products and services from Us, our Affiliates, and designated or approved vendors whose items meet our standards and specifications, which are detailed in our Manual. We may also permit you to buy from other suppliers to the industry upon review and approval.
Retail Inventory	Maintaining an adequate inventory as determined by Franchisor	As Incurred	You must provide and replenish the inventory plastic cards for Gift Card Program and Loyalty Card Program, as determined by Franchisor and based on sales reports.
Alarm / Security Surveillance System Monitoring	Minimum of \$50 per month	As Agreed with Third Party Source	You must subscribe to a security surveillance system from a designated or approved vendor whose services meet our standards and specifications, as detailed in our Manual.
Telecommunications Service	Cost of Service	As incurred	Accepted vendor whose services meet our standards and specifications, as detailed in the Manual.
Computer Software, Maintenance, and Support	Cost of Service	As incurred	A third party may charge you a fee for any proprietary software or technology that an approved third party has provided by license to you and for other maintenance and support services that an approved third party might provide in the future.
Internet Antivirus, Internet Security, Virtual Data and File Backup Storage Services	\$127 - \$558 per year (cost may increase)	As Incurred	If you choose a PC based system, you must subscribe to an Internet antivirus and security service system, and a virtual data and file back-up storage service from a designated or approved vendor whose services meet our standards and specifications, as detailed in the Manual.
Managed Firewall Fee	\$0 - \$103 per month	As Agreed	You must use a designated service provider for the required managed firewall for PCI compliance; may be included in POS.
POS Subscriptions	\$175 - \$275 per month	As Agreed	May increase with annual software enhancements.



Type of Fee	Amount	Due Date	Remarks
Optional Gift Card Program and Loyalty Card Program ⁴	\$0 - \$100 per month	As Incurred	Gift Card Program and Loyalty Card Program.
Online Bookkeeping System	\$65 per month, minimum	As incurred	You must subscribe to an online bookkeeping system from a designated and approved vendor whose services meet our standards and specifications.
Payment Card Processing Service Fee, plus Monthly Fees	\$20 per month minimum, plus percentage and/or fee for each transaction processed	As Agreed with Third Party Source	You must use a secure payment card processing service from a designated or approved vendor whose services meet our standards and specifications, as detailed in the Manual. Processing costs will vary by provider and by number of transactions processed, and other variables.
Payroll Service	Minimum of \$80 per month, plus per person per month fees	As Agreed with Third Party Source	You must subscribe to a professional payroll service from a designated or approved vendor whose services meet our standards and specifications, as detailed in the Manual. Costs will vary depending on number of staff and optional services.
Background Investigation of Employees	\$85 - \$200 per person per year (may vary by location)	Prior to Initial Employment and Annually Thereafter	You are required by Us to have and remain current on background investigations per employee. Cost depends on types of checks; access fees may apply.
Equipment Repairs (parts & labor)	Cost of Service	As incurred	You are responsible for paying for equipment repairs (parts & labor) once warranty period has ended.
MBL Unit: Fuel	Actual Cost	As Incurred	Cost of fuel will vary monthly depending upon distance traveled, location of your business, and other variables.
MBL Unit: Maintenance	Actual Cost	As Incurred	You must keep your MBL Unit clean and serviced/maintained monthly and/or yearly as necessary with basic routine maintenance services to maintain the standards and specifications of Franchisor, as detailed in the Manual.
Optional: Storage Unit	150minimum per month	As Agreed with Third Party Source	Depending on your restaurant location, it may be necessary for you to secure a storage rental unit, as determined by Franchisor.



Type of Fee	Amount	Due Date	Remarks
Sanitation/Recycling Service; Grease Trap; Pest Control; HVAC Vents & Flooring Maintenance; and Laundry/Sanitization Service ⁵	As contracted	As Agreed	You must utilize approved service providers for all sanitation/sanitization-related services, whose services meet our standards and specifications. Costs may vary depending on location and type of service needed.
Optional: Professional Janitorial Service ⁵	As contracted	As Agreed with Third Party Source	You may utilize an approved professional janitorial service provider for cleaning of the restaurant, whose services meet our standards and specifications. Costs will vary depending on location and type of service needed.
Renewals of: Industry-Specific Licenses and/or Certifications	Varies by state and municipality	As Incurred	Provided by an outside governing organization(s). You must be current with this license and display at all times.
Renewals of Food Manager, Food Handler, Alcohol certifications; if applicable, Allergen & Choking Certifications	Varies by state and municipality	As Incurred	Provided by an outside governing organization(s). You must be current with this license and display at all times.
Optional: Beer & Wine License Renewal	Varies by state and municipality	As Incurred	Provided by an outside governing organization(s). You must be current with this license and display at all times.
Industry Organizations Membership Cost	Minimum of \$485 Annual Membership (rates may increase without prior notice)	Upon Joining and Annual Renewal (as required)	You are required by Us to join the Chamber of Commerce, as detailed in the Manual, and remain current with your membership.
Optional: Membership Costs for Local, Regional, State and/or National Business and Industry Associations	Cost of Annual Membership will vary by area (rates may increase without prior notice)	Upon Joining and Annual Renewal (as required)	It is recommended that you join various business and industry associations, as detailed in the Manual.

Explanatory Notes

1. The CSG® businesses that contribute to a Regional Advertising Program will include any CSG® businesses operated in the Advertising Coverage Area by a franchisee, us, and/or our Affiliate. Each



CSG® business operating in the Advertising Coverage Area and contributing to the program will have one vote, including our businesses and those owned by our affiliate.

2. Local Advertising is based on a descending scale as follows:

Minimum Monthly Amount	Time Period
\$1,000	Months 4 – 12
\$750	Months 13 -24
\$500	Months 25 - conclusion

3. Rent and other costs may vary by geographic location, size, local market rates, businesses in the area, site profile, and other factors, and may be considerably higher in large metropolitan areas than in more suburban or small-town areas.
4. These amounts do not include the cost of the plastic cards you must purchase for the optional Gift Card program and/or the optional Loyalty Card program; or the set-up fee, if applicable.
5. This includes but is not limited to Trash/Recycling; Grease Trap; Pest Control; HVAC Vents & Flooring Maintenance; Laundry/Sanitization; and optional Professional Janitorial Services by service providers whose services meet our standards and specifications. Some of these services may be included in your rent.

[Remainder of this page intentionally left blank]



EXHIBIT I

COLLATERAL ASSIGNMENT OF LEASE

THIS COLLATERAL ASSIGNMENT OF LEASE is made, as of the last date below written, by and between _____ (the “**Assignor**”) and Cheesy Street Grill Franchising, LLC (the “**Assignee**”).

WHEREAS, the Assignor and the Assignee have entered into that certain Franchise Agreement, dated _____, 202_____ (the “**Franchise Agreement**”), wherein Assignee granted Assignor a franchise to operate a CSG® Restaurant at _____; and

WHEREAS, the Assignor is a party to that certain Lease Agreement, dated _____, 202_____ (the “**Lease**”), between the Assignor, as lessee, and _____, as lessor (the “**Lessor**”), wherein the Assignor agreed to lease from the Lessor, and the Lessor agreed to lease to the Assignor, the premises more fully described therein, pursuant to the terms and provisions of the Lease; and

WHEREAS, in order to induce the Assignee to enter into the Franchise Agreement, the Assignor has agreed to assign to the Assignee all of the Assignor's right, title and interest in, to and under the Lease, with the right to reassign, pursuant to this instrument, as security for the Assignor's obligations and the Assignee's rights under the Franchise Agreement.

NOW THEREFORE, in consideration for the foregoing premises and the mutual promises contained in the Franchise Agreement, as well as for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Assignor and conclusively established, and in order to further secure the Assignor's obligations and the Assignee's rights under the Franchise Agreement, the Assignor does hereby assign, transfer and set over unto the Assignee, with the right to reassign, all of the Assignor's right, title and interest in, to and under the Lease; it being nevertheless expressly understood and agreed that this assignment is made upon the following terms, covenants, limitations and conditions:

(i) The Assignor shall retain all of its rights under the Lease, in accordance with the terms and conditions thereof, until the termination of the Franchise Agreement by either Assignee or Assignor.

(ii) In the event of the termination of the Franchise Agreement by either Assignee or Assignor, the Assignee may, at its option, upon written notice to the Assignor and the Lessor, assume the Lease and all of the Assignor's rights and obligations thereunder. Upon exercise of this option, the Assignee shall be deemed to be substituted as a party to the Lease, in the place and stead of the Assignor, and shall be deemed to have assumed expressly all of the terms, covenants and obligations of the Lease theretofore applicable to the Assignor and shall likewise be entitled to enjoy all of the rights and privileges granted to the Assignor under the terms and conditions of the Lease. Notwithstanding the foregoing, Assignor shall in all events remain fully obligated for all of its obligations under the Lease with respect to the period through and including the date that Assignee exercises its rights under this Paragraph 2 (the “**Exercise Date**”). Following exercise of this option, Assignee may further assign this lease to a qualified franchisee of Assignee, subject to Landlord's determination that the franchisee meets Landlord's credit standards for tenancy,

(iii) So long as the Assignee shall not have exercised its option to assume Assignor's rights and obligations under the Lease under the foregoing provisions, the Assignee shall not be liable for any of the Assignor's obligations under the Lease, and the Assignor shall remain solely liable for all such obligations. Assignor shall reimburse Assignee, upon demand, for any payments made by Assignee under the Lease with respect to the period through and including the Exercise Date.



AND FURTHER, the Lessor unites in this assignment for the purpose of indicating its consent to the aforesaid assignment to the Assignee, with the right to reassign, and hereby agrees with the Assignor and the Assignee that, in the event of any default by the Assignor under the Lease, the Lessor will provide to Assignee the same notice and opportunity to cure with respect to such default as is currently provided to the Assignor under the Lease; and that, so long as the Assignee has not assumed the Lease, the Assignee shall not be liable for any other obligations of the Assignor thereunder, and the Assignor shall remain solely liable for all such obligations.

IN WITNESS WHEREOF, the parties hereto have executed this Collateral Assignment of Lease this ____ day of _____, 202____.

Assignee:

Cheesy Street Grill Franchising, LLC

By: _____

Name:
Title:

Assignor:

By: _____

Name:
Title:

Attest: _____

Name:
Title:

Lessor:

By: _____

Name:
Title:

STATE OF :
: SS
COUNTY OF :

Personally appeared before me, a Notary Public in and for the jurisdiction aforesaid, _____ and _____, known or satisfactorily proven to me to be the and _____ and _____, respectively, of the Assignor and who acknowledged the foregoing as the true act and deed of the said company this ____ day of _____, 202____.

NOTARY PUBLIC

My Commission expires:



EXHIBIT J

COLLATERAL ASSIGNMENT OF EQUIPMENT LEASE

This Collateral Assignment of Equipment Lease (the “Assignment”) is made as of the last date below written, by and between _____ (“Assignor”) and Cheesy Street Grill Franchising, LLC (“Assignee”).

WHEREAS, the Assignor and the Assignee have entered into that certain Franchise Agreement, dated _____, 202____ (the “**Franchise Agreement**”), wherein Assignee granted Assignor a franchise to operate a CSG® franchised business at _____; and

WHEREAS, the Assignor is a party to that certain Equipment Lease Agreement, dated _____, 202____ (the “**Lease**”), between the Assignor, as lessee, and _____, as lessor (the “**Lessor**”), wherein the Assignor agreed to lease from the Lessor, and the Lessor agreed to lease to the Assignor, the equipment more fully described therein, pursuant to the terms and provisions of the Lease;.

The Parties agree as follows:

1. EQUIPMENT: Lessor hereby leases to Lessee the following equipment:

(the “Equipment”).

2. ASSIGNMENT: In the event of the termination of the Franchise Agreement by either Assignee or Assignor, the Assignee may, at its option, upon written notice to the Assignor and the Lessor, assume the Lease and all of the Assignor's rights and obligations thereunder. Upon exercise of this option, the Assignee shall be deemed to be substituted as a party to this Equipment Lease, in the place and stead of the Assignor, and shall be deemed to have assumed expressly all of the terms, covenants and obligations of the Lease theretofore applicable to the Assignor and shall likewise be entitled to enjoy all of the rights and privileges granted to the Assignor under the terms and conditions of the Lease. Notwithstanding the foregoing, Assignor shall in all events remain fully obligated for all of its obligations under the Lease with respect to the period through and including the date that Assignee exercises its rights under this Paragraph 2 (the “**Exercise Date**”). Following exercise of this option, Assignee may further assign this lease to a qualified franchisee of Assignee, subject to Lessor's determination that the franchisee meets Landlord's credit standards.

[Signatures contained on following page]



IN WITNESS WHEREOF, the parties hereto have executed this Collateral Assignment of Lease this _____ day of _____, 202__.

Assignee:

CHEESY STREET GRILL FRANCHISING, LLC

By: _____
Name: Lisa Dowd
Title: CEO

Assignor:

By: _____
Printed Name: _____
Title: _____

Witness:

Printed Name

Witness:

Printed Name

Lessor:

By: _____
Printed Name _____
Title: _____



EXHIBIT K

CONFIDENTIALITY AGREEMENT

BETWEEN FRANCHISOR AND FRANCHISEE

This agreement is entered into this ____ day of _____, 20__ by _____ (hereinafter "**Applicant**") of _____ and Cheesy Street Grill Franchising, LLC (hereinafter "**Franchisor**") of Framingham, MA whereby the parties hereto agree to disclose information to each other for the purpose of enabling Applicant to obtain information to make a decision to purchase a CSG® franchise; and, Franchisor to determine Applicant's capabilities to purchase a CSG® franchise operation. Applicant agrees to keep "**Confidential**" (as provided herein) all information about the CSG® System of operations, site analysis and business administrative documentation learned while evaluating the CSG® franchise business opportunity. Franchisor agrees to keep "**Confidential**" any information about Applicant it learns while evaluating Applicant's capabilities to operate a CSG® franchise, except as provided herein below.

Parties hereto agree that all such information about the other party is proprietary and valuable to each other, and that severe harm to the other party may be done by unauthorized disclosure of such information. The remedy for such unauthorized disclosure may be established by law or a court of competent jurisdiction.

The time period for maintaining confidential all such information about the other party is forever and one day "**Confidential**" shall mean non-disclosure of any information to any other person or entity, except, that:

1. Applicant may provide any licensed attorney at law copies of any legal documents that Applicant may be asked to sign by Franchisor, provided the attorney agrees to keep such documents confidential as professional standards dictate;
2. Applicant may provide any accountant or other financial advisor (including unlicensed financial advisors) any financial information Applicant obtains or develops relating to the proposed CSG® franchise opportunity or location, provided the accountant or financial advisor agrees to keep such information confidential, as ordinary standards of confidentiality dictate;
3. Applicant may provide any other business advisor any information about the CSG® franchise business opportunity, except relating to any CSG® product or operation specifications, provided the business advisor agrees not to divulge such information to others without the prior written permission of Franchisor;
4. Upon Applicant's written approval, Franchisor may provide any financial information it obtains from Applicant to credit reporting agencies, banks, other lenders and/or other financial institutions, in order to obtain information to make a decision on Applicant's financial ability to purchase and operate a franchised CSG® operation. Franchisor may also provide such financial information to said financial institutions for purposes of obtaining credit on behalf of said Applicant.



In consideration of Franchisor allowing Applicant to undergo any operation orientation or training program as part of Applicant's analysis process to purchase a CSG® franchise, Applicant agrees to hold Franchisor harmless from any injury Applicant may incur in said orientation or training program.

Franchisor _____

Applicant _____

By _____
Authorized Officer

By _____
Authorized Officer



EXHIBIT L

RELEASE

This **RELEASE** (“Release”) is made as of the latest date set forth on the signature page hereof between Cheesy Street Grill Franchising, LLC (“Franchisor”), and the undersigned person or entity (“Franchisee”).

Background

A. Franchisor and Franchisee have entered into a Franchise Agreement dated _____ for a franchised business located at _____ (the “Agreement”).

B. Franchisee desires to [transfer] [renew] its franchise rights and Franchisor agrees to consent to such [transfer] [renewal], subject to the conditions contained herein.

NOW THEREFORE, incorporating the foregoing Background herein by reference and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Termination of Agreement. Franchisor and Franchisee agree and acknowledge that the Agreement is hereby immediately terminated and shall be of no further force or effect.

2. Conditions. This Release is expressly contingent upon the execution [by the transferee][by Franchisee], concurrently with the execution of this Release, of Franchisor’s current form of franchise agreement for the operation of a franchised business at _____ [and such other documents as the Franchisee and transferee have agreed upon and Franchisor has approved in connection with such transfer]. The franchise agreement described in this paragraph includes any ancillary agreements contained in Franchisor’s current Franchise Disclosure Document.

3. Release.

(a) Franchisee, to the fullest extent permitted by law, hereby forever releases and discharges Franchisor and waives any and all rights or Claims it has, may have, had, or may have had against Franchisor, its affiliates and each of their officers, directors or employees from the beginning of time until the date of this Release, of any kind, whether known or unknown, including but not limited to any Claims arising under or related to the Agreement.

(b) As used in this paragraph 3, “Claims” means any and all manner of actions, causes of action, suits, debts, dues, sums of money, account reckonings, bonds, bills, specialties, covenants, contracts, controversies, sanctions, costs, attorneys’ fees, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims and demands whatsoever, of whatever kind or nature, whether absolute or contingent, known or unknown, matured or unmatured, at law, in equity, or in any other proceeding.

(c) Nothing contained in this paragraph 3 is intended to affect the rights and responsibilities of the parties under any of the agreements described in paragraph 2 or any agreements between the parties which may be executed concurrently herewith.



4. Representations and Warranties. Franchisee represents and warrants to the Franchisor as follows:

(a) The execution and delivery of this Release does not violate any law applicable to Franchisee, Franchisee's organizational documents, or any other agreement binding upon Franchisee.

(b) Franchisee has the power and authority to execute and deliver this Release and has taken all necessary action (corporate or otherwise) to authorize the execution and delivery of this Release.

5. Miscellaneous.

(a) This Release shall be construed in accordance with and governed by the laws of the State of Massachusetts, without regard to its conflict of laws rules.

(b) This Release constitutes the sole agreement of the parties with respect to the subject matter hereof and thereof and supersedes all oral negotiations and prior writings with respect to the subject matter hereof and thereof. No amendment of this Release, and no waiver of any one or more of the provisions hereof shall be effective unless set forth in writing and signed by the parties hereto.

(c) This Release shall be binding upon the parties hereto and, where applicable, their respective heirs, executors, administrators, successors and permitted assigns, and shall inure to the benefit of the parties hereto and, where applicable, their respective heirs, executors, administrators, successors and permitted assigns.

IN WITNESS WHEREOF, the parties have caused this Release to be signed by their duly authorized representatives.

Cheesy Street Grill Franchising, LLC

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____



STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
Indiana	Pending
New York	Pending

The effective dates of exemption of this Disclosure Document or exemption in the states listed below are:

Exemption States	Effective Date
Connecticut (one-time)	March 11, 2020
Florida (exemption)	June 27, 2024
Kentucky (one-time)	April 26, 2021
North Carolina (one-time)	December 20, 2021
South Carolina	Pending
Texas (one-time)	June 11, 2018



EXHIBIT M

RECEIPT (Your Copy)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Cheesy Street Grill Franchising, LLC offers you a franchise, it must provide this disclosure document to you fourteen (14) calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Under New York law, we must provide this disclosure document to you at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Under Rhode Island law, we must provide this disclosure document to you at your first (1st) personal meeting to discuss the franchise.

If Cheesy Street Grill Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

Franchise seller(s) offering the franchise: **Cheesy Street Grill Franchising, LLC, 1257 Worcester Road #276, Framingham, MA 01701, 860-930-2472 or info@cheesystreetgrillfranchising.com**. In addition, please identify the individual franchise seller who offered you a CSG® franchise in the space provided below:

<input type="checkbox"/> Lisa Dowd Cheesy Street Grill Franchising, LLC 1257 Worcester Road #276 Framingham, MA 01701 860-930-2472	<input type="checkbox"/> _____ _____ _____ _____ _____	<input type="checkbox"/> _____ _____ _____ _____ _____
---	--	--

Issuance Date: January 29, 2025

See Exhibit A for our registered agents authorized to receive service or process.

I have received a disclosure document dated January 29, 2025 that includes the following Exhibits:

- A. State Agencies/Agents for Service of Process
- B. Franchise Agreement
- C. Financial Statements
- D. Operations Manual Table of Contents
- E-1 Franchisees [as of December 31, 2024]
- E-2 Businesses Not Yet Open [as of December 31, 2024]
- E-3 Former Franchisees
- F. State Specific Disclosure Supplements and Franchise Agreement Addenda
- G. Electronic Depository Transfer Account (EDTA) Document
- H. Schedule A – Ongoing Fees Paid to Third Parties



- I. Collateral Assignment of Lease
- J. Collateral Assignment of Equipment Lease
- K. Confidentiality Agreement
- L. Release
- M. Receipts

PROSPECTIVE FRANCHISEE:

If a business entity:

Name of Business Entity _____
By: _____
Its: _____
(Print Name): _____
Dated: _____
(Do not leave blank)

If an individual:

(Print Name) _____
Dated: _____
(Do not leave blank)

Please sign this copy of the receipt, print the date on which you received this Disclosure Document, and return it, by mail or email, to **Lisa Dowd, Cheesy Street Grill Franchising, LLC**, email: info@cheesystreetgrillfranchising.com.



RECEIPT

(Our Copy)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Cheesy Street Grill Franchising, LLC offers you a franchise, it must provide this disclosure document to you fourteen (14) calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Under New York law, we must provide this disclosure document to you at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Under Rhode Island law, we must provide this disclosure document to you at your first (1st) personal meeting to discuss the franchise.

If Cheesy Street Grill Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

Franchise seller(s) offering the franchise: **Cheesy Street Grill Franchising, LLC, 1257 Worcester Road #276, Framingham, MA 01701, 860-930-2472 or info@cheesystreetgrillfranchising.com**. In addition, please identify the individual franchise seller who offered you a CSG® franchise in the space provided below:

<input type="checkbox"/> Lisa Dowd Cheesy Street Grill Franchising, LLC 1257 Worcester Road #276 Framingham, MA 01701 860-930-2472	<input type="checkbox"/> _____ _____ _____ _____ _____	<input type="checkbox"/> _____ _____ _____ _____ _____
---	--	--

Issuance Date: January 29, 2025

See Exhibit A for our registered agents authorized to receive service or process.

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- E. State Agencies/Agents for Service of Process
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- J. Collateral Assignment of Equipment Lease
- K. Confidentiality Agreement
- L. Release
- M. Receipts

PROSPECTIVE FRANCHISEE:

If a business entity:

Name of Business Entity _____
By: _____
Its: _____
(Print Name): _____
Dated: _____
(Do not leave blank)

If an individual:

(Print Name) _____
Dated: _____
(Do not leave blank)

Please sign this copy of the receipt, print the date on which you received this Disclosure Document, and return it, by mail or email, to **Lisa Dowd, Cheesy Street Grill Franchising, LLC**, email: info@cheesystreetgrillfranchising.com.

