

FLAME BROILER™

FRANCHISE DISCLOSURE DOCUMENT

THE FLAME BROILER, INC.

A California Corporation
1538 E. Warner Avenue, Suite E
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The franchise offered is for the operation of a “Flame Broiler” restaurant which will feature quick counter service display cooking of family-style Korean food and other food items and beverages.

The total investment necessary to begin operation of a Flame Broiler restaurant is from \$411,278 to \$714,774 and includes the initial franchisee fee of \$35,000 which must be paid to us.

If you sign an Area Development Agreement, you pay a lump sum non-refundable Development Fee equal to one-half of the Initial Fee for each Restaurant to be opened under the Area Development Agreement.

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 Young Lee at 1538 E. Warner Avenue, Suite E, Santa Ana, CA 92705; telephone (714) 424-0223.

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, us or an affiliate in connection with the proposed franchise sale. **Note, however that no government agency has verified the information contained in this document.**

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 accountant.

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.

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

Issuance Date: April 16, 2024

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 K
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 D 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 Franchisor-owned and franchised outlets.
Will my business be the only FLAME BROILER 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 FLAME BROILER franchisee?	Item 20 or Exhibit K 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 mediation, arbitration and/or litigation only in California. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the Franchisor in California than in your own state.
2. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
3. **Turnover Rate.** In the last year, a high percentage of franchised outlets (approximately 10%) were terminated, not renewed, re-acquired, or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

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.

**NOTICE REQUIRED
BY
STATE OF 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.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on 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 that 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 such 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 that have no value to the Franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise 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 that 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 qualifications 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 (c).

(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.

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 the Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48913, telephone (517) 373-7117.

**THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN
OR LOCATE THEIR FRANCHISES IN MICHIGAN.**

THE FLAME BROILER, INC.
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**THE FLAME BROILER, INC.
FRANCHISE DISCLOSURE DOCUMENT**

ITEM 1.

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor and Affiliates

To simplify the language in this Disclosure Document, “we” or “us” means The Flame Broiler, Inc., the Franchisor of this business. “You” refers to the franchisee, who buys the franchise and includes an individual or a corporation, partnership, limited liability company or other legal entity. If a corporation, partnership or limited liability company buys the franchise, “you” includes each general partner in a partnership, the shareholders, officers or directors of a corporation or members, officers or managing agents of a limited liability company. We were incorporated in the State of California on June 27, 1996. Our principal business address is 1538 E. Warner Avenue, Suite E, Santa Ana, CA 92705. We do business under the name “THE FLAME BROILER, INC.” and “FLAME BROILER.” A list of our agents for service of process in various states is contained in Exhibit A to this Disclosure Document.

We do not do business under any other name. We have no parents or predecessors. We have one affiliate through common ownership that must be disclosed in this Disclosure Document because they may provide products or services to our franchisees. The affiliate is the Young R. Lee and Sarah J. Lee Family Trust (“Lee Family Trust”), which was formed in the state of California in October 2008, with its principal place of business at 2321 Setting Sun Drive, Corona Del Mar, CA 92625. In limited instances, the Lee Family Trust will acquire a location and then lease the premises to a franchisee for the operation of a FLAME BROILER restaurant. The Lee Family Trust has not offered franchises in any line of business.

Our Business Activities

We franchise the right to operate a restaurant providing quick counter service featuring family-style Korean food and other food and beverage products, with all products prepared in accordance with specified recipes and procedures (“Menu Items”) for carry-out and on-premises dining. We and our owners Mr. and Mrs. Lee (as noted in Item 2) have developed and will continue to develop proprietary products such as our teriyaki sauce (“Trade Secret Food Products”) and certain presentation, packaging and marketing standards and techniques for all Menu Items and Trade Secret Food Products, all of which may be modified for use in your FLAME BROILER restaurant (“Franchised Restaurant”).

You will be granted a license to operate a single Franchised Restaurant. We provide start-up and ongoing operational assistance to you as described in Item 11 of this Disclosure Document. We have offered THE FLAME BROILER THE RICE BOWL KING /FLAME BROILER franchises since June 1999. We have not offered franchises in other lines of business. We operated THE FLAME BROILER THE RICE BOWL KING/FLAME BROILER Restaurants from October 2001 through 2015 and since June 2019 began again to operate Restaurants, with a total of 12 Franchisor-operated Restaurants as of December 31, 2023.

The Franchise

Each Franchised Restaurant operates according to our distinctive system (“System”). The distinguishing characteristics of the System include distinctive exterior and interior layout, design and color scheme; exclusively designed signage, decorations, furnishings, equipment and materials; special recipes, formulae, menus and food and

beverage designations; FLAME BROILER Confidential Operations Manual (“Manual”); food and beverage storage, preparation, service and delivery procedures and techniques; operating procedures; and methods and techniques for inventory and cost controls, record keeping and reporting, management, purchasing, sales promotion and advertising. We may change the System periodically.

The Franchised Restaurant will operate under the service mark “FLAME BROILER” (although other franchised restaurants operate under the service mark “THE FLAME BROILER THE RICE BOWL KING”), together with associated logos and commercial symbols and other trade names, service marks and trademarks that we designate as part of the System (“Marks”).

We also offer to qualified entities the right to develop multiple Restaurants within a protected territory (“Development Territory”) under the terms of an Area Development Agreement. If you sign an Area Development Agreement, you will sign a separate Franchise Agreement for each Restaurant developed in the form of our then-current Franchise Agreement.

Market and Competition

The Franchised Restaurant targets its services to the general public. The Franchised Restaurant will compete with other local independent restaurants, as well as local, regional or national chains of restaurants and other food service businesses offering family-style Korean food and other non-Korean food and beverage products for on-premises consumption and carry-out. We believe the market for Korean food is developing.

Regulations

There are many laws and regulations which will affect the establishment and operation of your Franchised Restaurant. State, county and local regulations apply, governing the purchasing, handling, storage and preparation of food, and specifically “ready to eat” food and food products, the storage, cleaning and use of food containers, processors and serving items; the labeling and advertising of food/food products for sale, the maintenance and sanitation of business premises and the donation of food to food banks. The regulations require compliance and in the case of food handling, a certificate. There may be specific laws or regulations in your state or municipality regarding the operation of this business (for example, CA AB 1228 regulates certain employment matters, including minimum hourly wages for non-exempt fast-food restaurant employees in California). These may include health and safety regulations, employment regulations and food handling regulations. The laws in your state or municipality may be more or less stringent.

ITEM 2. BUSINESS EXPERIENCE

CEO and Director: Young R. Lee

Mr. Lee has been our CEO and Director since February 2024. Mr. Lee has been our CEO, President and Director from June 1996 to January 2024.

Secretary and Director: Sarah J. Lee

Mrs. Lee has been our Secretary and Director since 1996. Mrs. Lee is the spouse of Mr. Lee.

President and Chief Operating Officer: Christian Lee

Mr. Lee has been with us in various positions since June 2013 and has been our President and Chief Operating Officer since February 2024. Prior to this role, he was our Chief Operating Officer from October 2022 to January 2024 and Head of Business Operations from October 2018 to October 2022. Christian Lee is the child of Young Lee and Sarah Lee.

Chief Innovation Officer: Daniel Lee

Mr. Lee has been with us in various positions since June 2009 and has been our Chief Innovation Officer since February 2024. Prior to this role, he was our Chief Technology Officer and Chief Marketing Officer from October 2022 to January 2024 and Head of Brand and Technology from October 2018 to October 2022. Daniel Lee is the child of Young Lee and Sarah Lee.

Vice President of People: Sherry Broesamle

Ms. Broesamle has been our Vice President of People since April 2023. Prior to this role, she was Director of People and Culture since September 2021. Prior to joining us, from May 2012 to May 2021, she was Field Director of People Culture, West Coast for CRU in Orlando, Florida.

Vice President of Restaurant Operations: Gregg Rotcher

Mr. Rotcher has been our Vice President of Restaurant Operations since February 2024. Prior to this role, he was Director of Corporate Restaurant Operations since October 2021, when he joined the company. Prior to joining us, from January 2019 to February 2021, he was the Director of Operations for Jack In The Box in Lomita, California.

Director of Learning and Development: Wanda Gray

Ms. Gray has been our Director of Learning and Development since January 2022 and, prior to this role, she was the Senior Manager of Learning and Success since August 2018. Prior to joining us, from January 2015 to April 2018, she was the Senior Training Manager for Bowlero Corp. in Anaheim California.

Franchise Development Manager: Norma Romero

Ms. Romero has been our Franchise Development Manager since September 2014.

In-House Counsel: Joshua K. Park

Mr. Park has served as our In-House Counsel since May 2012.

Unless noted otherwise, each of the individuals listed in this Item 2 work out of our Santa Ana, California offices.

**ITEM 3.
LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4.
BANKRUPTCY**

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

**ITEM 5.
INITIAL FEES**

When you sign the Franchise Agreement, you must pay us a nonrefundable Initial Franchise Fee in a single, lump sum payment of \$35,000.

If you sign an Area Development Agreement, the Initial Franchise Fee is \$35,000 for the first Restaurant, \$30,000 for the second Restaurant and \$25,000 for any additional Restaurants. Upon signing the Area Development Agreement, you pay a lump sum, non-refundable Development Fee equal to one-half of the Initial Franchise Fee for each Restaurant to be opened under the Area Development Agreement. This amount is credited against the Initial Franchise Fee for each Restaurant upon the signing of the Franchise Agreement. For example, if you enter into an Area Development Agreement to develop three Franchised Restaurants, the Development Fee will be \$45,000 (\$17,500 plus \$15,000 plus \$12,500).

Except as provided above, the Initial Franchise Fee is uniform to all Franchisees. The above payments are only payments you must make to us or our affiliates for services or goods provided before your Franchised Restaurant opens.

**ITEM 6
OTHER FEES**

Type of Fee¹	Amount	Due Date	Remarks
Royalty Fees	5% of Net Sales ²	Payable weekly	Paid by electronic transfer.
Advertising Fee ³	3% of Net Sales	Payable weekly at the same time and in the same manner as the Royalty Fee	See Item 11.
Cooperative Advertising	Pro rata share, not to exceed local advertising costs	Monthly	Credited towards your local advertising requirements
Audits	Amount underpaid plus interest, cost of audit and attorneys' fees	On demand	Payable only if we perform the audit because you failed to provide required financial documents at the times and in the format specified in the Manual or audit shows that you understated Net Sales by at least 2%.
Relocation Fee	\$8,500	At time you request to relocate	We must approve new location. Nonrefundable, even if no site found.
Upgrading/Modernization	Not to exceed \$90,000 during the initial term of the franchise agreement,	At time of acquisition/incorporation of improvement	You will make these expenditures to suppliers, as Franchisor requires to

Type of Fee ¹	Amount	Due Date	Remarks
	with the maximum increased to \$100,000 during each 5 year renewal term, which amounts may be adjusted annually on January 1 st based on the most recently published Consumer Price Index (“CPI”), as published by the United States Department of Labor, Bureau of Labor		comply with modifications to the System. Not required for a period of at least one year after date of opening, with the required amount accumulating in \$10,000 per year increments and any unspent amount during a year rolling over to the next year and to the subsequent year, as we determine is appropriate. For example: 1 st year of opening- not required; 2 nd year - \$10,000; 3 rd year - \$20,000 (if previously not spent); 4 th year – \$30,000, unless you spent an amount like \$5,000 in year 3, in which case the amount in year 4 would be \$25,000.
Interest and Late Fees	1.5% per month or highest applicable legal rate for open account business/ credit, whichever is lower. In addition, there is a \$100 late fee for payments not paid on time and \$500 late fee for reports and financial statements not submitted on time.	After due date, on demand	The \$100 late fee applies to all Royalty Fees, advertising contributions and amounts due for purchases. The \$500 late fee applies to all reports and financial statements not submitted on time. Nonpayment is also grounds for termination of franchise.
Supplier/Supplies Review Fee	Reasonable cost of inspection and actual cost of test not to exceed \$5,000 total	Time of inspection/test	Payable if you want us to consider approving a new supplier or product.
Insurance Policies	\$6,262 to \$14,175	Must have the policies within 3 months after signing the Franchise Agreement and not later than time you acquire an interest in the real property on which you will operate the Franchised Restaurant	See Note 4.
Transfer Fee	50% of the then-current Initial Franchise Fee for a start-up Franchised Restaurant	Before closing of transfer	Payable when you transfer your Franchise. This transfer fee does not apply to transfers after your death.

Type of Fee¹	Amount	Due Date	Remarks
Renewal Fee	\$5,000	When the renewal Franchise Agreement is signed	
New Manager Training	Currently \$400 per day per trainer	Time of training	You pay for new manager training
Additional Assistance	Our then-current daily rates ⁵	Time of assistance	You pay only for assistance beyond that provided for in the agreement.
Continuing Education	You must pay your expenses as well as your employees' expenses in attending these programs	Time of program	Attendance will not be required more than five business days/40 hours a year, subject to change. Paid to provider of travel, lodging, food.
Cost of Enforcement or Defense	All costs including attorneys' fees	Upon settlement or conclusion of claim or action on demand	You will reimburse us for all costs in enforcing your obligations or defending any claim concerning the Franchise Agreement.
Indemnification	All costs including attorneys' fees	Upon settlement or conclusion of claim or action	You will defend suits at your own cost and hold us harmless in suits involving damages from your operation of the Franchised Restaurant.
Closing/Restoring Restaurant after Termination	Varies	On termination or expiration of agreement	Cost dependent on extent of restoration. Applies only if you intend to continue business under other affiliations.
Lost or Replacement Manual	\$1,000	When invoiced	Fee due if you lose your Manual or it needs to be replaced for any reason.
Software License and Support and Related Fees	Currently, between \$314 and \$489 per month (for Brink POS, Valutec Gift Card, Olo online ordering and delivery service and Spendgo loyalty, digital receipt and messaging services), subject to increase with additional services and features, plus monthly service fee between \$25 and \$55 for CardConnect (credit card processing vendor)	When invoiced	Paid directly to third party service provider(s). These monthly fees may increase in the event we add other features. Brink POS monthly fee does not include any per transaction fee for ParPay (a service to receive Apple Pay or Google Pay). Olo monthly fee does not include delivery platform fees which are charged per delivery. Spendgo monthly fee is for up to 3 POS terminals per store (subject to

Type of Fee ¹	Amount	Due Date	Remarks
	<p>The following services are optional as of the date of this Disclosure Document (although we may require in the future) (i) Data Central (restaurant operations management program): \$165-230/month; (ii) Sift (online ordering fraud prevention service): annual min fee approx. \$16/location then 0.07/billable event; and (iii) Sauce (dynamic pricing service): \$55 & 10% proportion of markup from Sauce Solution Pricing</p>		<p>increase for each additional POS terminal) and does not include messaging service which charges per campaign/message fees. CardConnect monthly fee does not include per transaction fees being given to each credit card company (Visa, Master, Amex).</p>
Default Fee	<p>Currently \$250 for your first default, and \$500 per additional default within 12 months, but we reserve the right to change these amounts at any time.</p>	<p>Upon demand, via electronic transfer.</p>	<p>See Note 6</p>
Daily Fee	<p>Currently \$100 per day that you are out of compliance, but we reserve the right to change this amount at any time.</p>	<p>Upon demand, via electronic transfer.</p>	<p>See Note 7</p>
Liquidated Damages	<p>The lesser of (a) 104 weeks or (b) the remaining number of weeks in the Franchise Agreement's term, multiplied by the average weekly royalty fee payments payable by you in the preceding 52 weeks (or such shorter period as the Restaurant has been in operation, or, if your Restaurant has never been opened, then the average royalties (for the past 52 weeks) of FLAME BROILER restaurants located in your state, or the average of all U.S. FLAME BROILER restaurants, if there are no other Flame</p>	<p>Upon demand</p>	<p>Payable if the Franchise Agreement is terminated due to franchisee's default.</p>

Type of Fee ¹	Amount	Due Date	Remarks
	Broiler restaurants in your state).		

The following fees and expenses apply when if you lease the Franchised Restaurant premises from the Lee Family Trust (a copy of the form lease is attached to this Disclosure Document as Exhibit O):

Type of Fee	Amount	Due Date	Remarks
Lease-related Initial Investment Contribution	If applicable, varies.	When due or upon demand	Applies if the leased premises requires development. Payable directly to the payee (e.g., 3rd party service provider; government agency). Franchisee's initial investment contribution to fund the necessary zoning, entitlement of the development, planning, permitting, and construction of the tenant improvement of the building and related aspects of the premises as required by the landlord.
Lease Base Rent	6 – 10% of Net Sales	Monthly	Payable to the Lee Family Trust
Lease-related expenses and charges (Absolute Net Lease)	Varies.	When due or upon demand	Payable directly to the payee (e.g., 3rd party service provider; government agency). Franchisee pays for any expense and charge on the ownership, leasing, operation, management, maintenance, repair, use or occupation of the premises.
Lease-related Interest on Delinquent Rent and Late Charge	Highest rate allowable by law for interest; 5% of overdue amount for late charge	On demand	Payable to the Lee Family Trust. Nonpayment is also grounds for termination of lease.
Lease-related Delayed Opening Rent	\$250 per day	On demand	Payable to the Lee Family Trust. Charged if you fail to open for business following the Lease Commencement Date. Nonpayment is also grounds for termination of lease.

Type of Fee	Amount	Due Date	Remarks
Lease-related Failure to Open and Operate Fees	\$100 per day	On demand	Payable to the Lee Family Trust. Charged if, after you open for business, your business is closed other than permitted holidays in the lease. Nonpayment is also grounds for termination of lease.

Notes:

1. You pay all fees to us, unless otherwise noted. Fees payable to third parties are refundable based on your arrangements with those third parties. All fees paid to us are nonrefundable, unless otherwise noted. All fees are uniformly imposed and non-refundable unless otherwise noted. On occasion, we may consider reducing the royalty fee or other fees on a temporary basis to fit a particular concern or circumstance, taking into account a variety of factors relevant for the situation. Cyber liability and data breach coverage which includes, at minimum, privacy breach response services, cyber extortion, first party data protection, first party business income, information security and privacy liability, regulatory defense and penalties, and PCI fines, expenses and costs.

2. Net Sales. Net Sales is the total of all revenues and income from the sale of all Menu Items and other food products, beverages and other related merchandise, products and services to your customers, or any other source, whether or not sold or performed at or from the Franchised Restaurant, and whether received in cash, in services in kind, from barter and/or exchange, on credit (whether or not payment is received) or otherwise, including all third party delivery commissions, fees or other related charges paid by customers. The amount of all sales tax receipts which are chargeable to customers that are separately stated when the customer is charged and are paid to the appropriate taxing authority are deducted from Net Sales. All documented refunds, chargebacks, credits and allowances you give in good faith to your customers are also deducted. All barter and/or exchange transactions in which you furnish services and/or products in exchange for goods or services to be provided to you by a vendor, supplier or customer will, for the purpose of determining Net Sales, be valued at the full retail value of the goods and/or services provided to you.

3. Advertising Fee. You are required to pay us a weekly Advertising Fee of 3% of your Net Sales.

4. Insurance. The required coverage with their respective minimum limits of coverage is:

a. All “Risks” coverage insurance on all furniture, fixtures, equipment, supplies, products and other property used in the operation of the Franchised Restaurant (which may include flood and/or earthquake coverage where there are known exposures to either peril and theft insurance) for full repair as well as replacement value without any applicable co-insurance clause, except that an appropriate deductible clause will be permitted not to exceed \$1,000.

b. Workers’ Compensation and Employer’s Liability insurance and any other insurance required by statute or rule of the state or county in which the Franchised Restaurant is located and operated.

c. Comprehensive General Liability insurance, including a per premises aggregate with the following coverages: broad form contractual liability; personal and advertising injury; products/completed operations; medical payments and fire damage liability; insuring Franchisor and you against all claims, suits, obligations, liabilities and damages, including attorneys’ fees for personal injuries or property damage that may result from the operation of the Franchised Restaurant, including General Aggregate coverage in the following limits:

<u>Coverage</u>	<u>Minimum Limits of Coverage</u>
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate.....	\$2,000,000
Personal and Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000
Automobile Liability Insurance.....	\$1,000,000
Fire Damage (any one fire).....	\$50,000
Medical Expense (any one person).....	\$5,000
Business Interruption Insurance	For Actual Losses Sustained

d. Business interruption insurance for actual losses sustained for a 12 month period.

e. Cyber liability and data breach coverage which includes, at minimum, privacy breach response services, cyber extortion, first party data protection, first party business income, information security and privacy liability, regulatory defense and penalties, and PCI fines, expenses and costs.

f. All insurance and types of coverage required by the terms of any lease for the Franchised Restaurant or us.

g. All policies must name us as an additional insured.

If you fail to obtain and maintain this insurance coverage, we may get this insurance coverage and charge you. You must pay us immediately for these charges with a reasonable fee for our expenses in obtaining this insurance.

5. Our current training/additional assistance rates are \$400 per day per trainer and in-house attorney's rate is \$250 per hour.

6. Default Fee. The Default Fee is currently \$250 for your first default and \$500 for any subsequent default within 12 months, whether or not such default(s) arise from or relate to the same occurrence or section of the Franchise Agreement. The Default Fee is payable via ACH immediately upon demand, if you violate any provision of the Franchise Agreement or fail to comply with a mandatory standard or procedure. The Default Fee is in addition to, and not in lieu of, any rights we have under the Franchise Agreement (including termination for defaults as set forth in the Franchise Agreement) and is subject to change at any time. For the avoidance of doubt, we reserve the right to charge you a Default Fee and a Daily Fee for any Default.

7. Daily Fee. The Daily Fee is currently \$100 per day that you remain out of compliance with the Franchise Agreement or any mandatory standard or procedure. The Daily Fee is payable via ACH immediately upon 24 hours' notice, and we reserve the right to continue charging it until you cure any applicable default. The Daily Fee is in addition to, and not in lieu of, any rights we have under the Franchise Agreement (including termination for defaults as set forth in the Franchise Agreement) and is subject to change at any time.

ITEM 7.
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method Of Payment	When Due	To Whom Payment is To Be Made
Initial Franchise Fee ¹	\$35,000	Lump Sum	Upon Signing Franchising Agreement	Us
Rent Deposit & 3 Months Rent ²	\$10,535 to \$48,000	Lump Sum Deposit	Upon Signing Lease	Landlord
Utility Security Deposits ³	\$0 to \$1,771	Lump Sum Deposit	Before Connection	Utility Companies
Leasehold Improvements ⁴	\$224,911 to \$326,722	As Arranged	Before Opening	Landlord, Approved Suppliers
Furniture, Fixtures & Equipment ⁵	\$42,605 to \$52,943	As Arranged	Before Opening	Approved Suppliers
Initial Inventory ⁶	\$4,913 to \$7,234	Lump Sum	Before Opening	Approved Suppliers
Insurance ⁷	\$6,262 to \$14,175	As Arranged	Earlier of 90 days After Signing or Acquisition of Premises	Insurance Carrier
Training Expenses ⁸	\$262 to \$26,968	As Incurred	As Incurred	Transportation Lines, Hotels and Restaurants
Grand Opening Advertising ⁹	\$2,000 to \$4,133	As Arranged	First 2 Months of Operation	Approved Suppliers
Signage ¹⁰	\$4,633 to \$11,807	Lump Sum	Before Opening	Approved Suppliers
Office Equipment/Supplies ¹¹	\$1,158 to \$2,952	As Arranged	Before Opening	Approved Suppliers or, if none, You Determine
Professional Fees, License & Permits ¹²	\$10,918 to \$46,000	As Arranged	As Arranged	Issuer/Provider
Software License and Support and Related Fees ¹³	\$1,266 to \$1,881	As Arranged	As Arranged	Approved Suppliers
Additional Funds ¹⁴ (For 3 Months)	\$66,815 to \$135,188	As Arranged	As Incurred	All Providers Above and Employees
TOTAL	\$411,278 to \$714,774			

NOTES

¹ **Initial Franchise Fee.** If you sign an Area Development Agreement, the Initial Franchise Fee is \$35,000 for the first Restaurant, \$30,000 for the Second Restaurant and \$25,000 for each additional Restaurant. The Initial Franchise Fee is non-refundable.

² **Real Estate.** You must pay a security deposit equal to 1 month's rent and advance the rent for the last month. The amounts shown include monthly base rent, CAM charge and other rent-related charges and are based on our available information. The high end number represents a lease rate of \$497.93+ per square foot for 250 square feet of space for 4 months. The low end number represents a lease rate of \$1.58 per square foot for 1,250 square feet of space for 4 months. Location in strip-mall most probable. Monthly base rent will probably be between \$1,981 and \$10,374 per month.

³ Utility Deposits. A utility deposit will be required only if you are a new customer of the utility company.

⁴ Leasehold Improvements. The low end assumes the landlord provides a partial build-out allowance. The high end reflects the cash outlay if you do not receive a build-out allowance. No extended payment terms are considered here. Improvements may include structural changes, interior plumbing/electrical reconfigurations, partition, decor, venting, relocation of walls, windows and doors.

⁵ Furniture, Fixtures and Equipment. These numbers represent typical office and restaurant furniture and fixtures. The estimate includes the POS System.

⁶ Initial Inventory. The initial inventory includes cups, napkins, bowls, sauces, gloves, chicken, beef, short ribs and other Menu Related Items.

⁷ Insurance. The insurance costs depend on the factors such as gross annual income, amount of build out, business property needed, number of employees and amount of payroll.

⁸ Training. You must pay all expenses that you incur to attend any training, including travel, food and lodging and car rental. The estimate is for two people to attend training.

⁹ Grand Opening. You must spend a minimum of \$1,000 during the first month of operation for advertising.

¹⁰ Signage. The range of costs represents the expense of acquiring all signage on the franchised location.

¹¹ Office Equipment and Supplies. There is a range of expenses that will be incurred when purchasing office equipment and related supplies. Both the low-end and the high-end numbers represent a straight purchase of all supplies and equipment.

¹² Professional Fees. These costs cover the expense to acquire the local business permits and attorney/accountant's fees, cost of banking accounts, uniforms, and similar costs.

¹³ Software License and Support and Related Fees. These numbers include all technology-related fees incurred as a part of the initial investment for the first 3 months such as online ordering, loyalty/digital receipt, gift card and credit card processing services. The POS System's equipment and license fees are excluded from here since they are included in the "Furniture, Fixtures and Equipment." Any per delivery fees or per transaction fees are excluded. These fees are subject to increase with additional services and features.

¹⁴ Additional Funds. These additional funds are needed to operate the Franchised Restaurant during the initial period (e.g., 3 months) in addition to those listed in Item 7 and represent expenses over and above opening costs. A reasonable time for the initial phase of this business is at least 3 months. The working capital estimate covers operating expenses, including utilities, insurance, inventory, supplies, advertising and salaries for 7 employees (at present minimum wage at \$12,400 per month (taking into account the \$20/hour minimum wage in California), consisting of full and part time employees) and owner at \$3,100 per month, for the first 3 months of operation. However, we cannot guarantee that this amount will be sufficient. This amount may vary based on owner's salary and the extent of the actual participation of your owners. These figures are estimates based on our 27 years of experience. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

We do not offer, either directly or indirectly, financing to you for any items.

ITEM 8.
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Approved Supplies and Suppliers

We provide you with a list of approved manufacturers, suppliers, service providers and distributors for the Franchised Restaurant (“Approved Suppliers List”) and a list of approved inventory, products, fixtures, furniture, equipment, signs, stationery, supplies and other items or services necessary to operate the Franchised Restaurant (“Approved Supplies List”). For some key products and/or services, you are required to purchase only the Approved Supplies and only from the Approved Suppliers. For other products and/or services, you may request that a new supplier be added to the Approved Supplier List. Except in those instances where we designate a single Approved Supplier like the Approved Supplier for the POS Software as described in more detail below, if you would like to purchase services or products from a supplier not on the Approved Supplier List, you must notify us and submit samples and other information to us so that we can make a decision as to whether the product or supplier meets our standards. You may be charged for the reasonable costs of inspection and our actual cost of testing of a product or supplier, not to exceed \$5,000. We will approve or disapprove submitted items within a reasonable period of receipt of the request and sample product (typically 60-120 days). We reserve the right to periodic retesting and inspection. They are modified as needed, depending on our or your improvements on industry practices and changing legal requirements.

Any item used in the Franchised Restaurant which is not specifically required for purchase according to the Approved Supplies List must conform to our established standards and specifications. (Paragraph XII.I.)

The Franchised Restaurant must at all times maintain an inventory of ingredients, food and beverage products and other products, materials and supplies that will permit operation of the Franchised Restaurant at maximum capacity.

We apply the following general criteria in approving or revoking a proposed supplier: 1) ability to provide product; 2) cost, quality of products and services; 3) production and delivery capability; 4) proximity to Franchised Restaurants in order to be able to make timely deliveries of product; 5) consumer protection and remedial measure; and 6) reputation, dependability and financial condition of the supplier.

Purchasing arrangements for products, materials and supplies are in place. We will continue to try to negotiate competitive rates for purchases of products and materials with suppliers in the future.

All Royalty Fees, advertising contributions, amounts due for your purchases from us and other amounts which you owe to us will be paid through an electronic transfer.

We reserve the right to collect rebates and similar payments from suppliers as a result of your purchases. Currently, we have an arrangement with our soft drink supplier to receive a rebate based on the number of gallons of fountain syrups our franchise system purchases and the number of new outlets opened. We also will derive revenue from leases of software and from sales of Trademarked or Trade Secret Food Products. We have licensed the manufacturers to produce Trademarked products and sauces. During the fiscal year ended December 31, 2023, we received the following rebates/referral fees: \$59,721.02 from our soft drink distributor, \$35,963.69 from various food suppliers and \$82,791.09 from technology providers for a total of \$178,475.80, which is 1.5% of our total revenue of \$11,992,040 according to our audited financial statements attached as an exhibit to this Disclosure Document. During the fiscal year ended December 31, 2023, the Lee Family Trust derived \$52,012.85 from franchisee leases or purchases according to unaudited, internally prepared records for the Trust. In addition, our former affiliate Care Foods, Inc. (which we dissolved on December 31, 2023) derived revenue of \$5,529 from franchisee purchases of the sale of proprietary bottled sauce products, according to unaudited, internally prepared records for that entity.

We reserve the right to license software and additional food products we may develop. You can expect items purchased or leased in accordance with our specifications will represent approximately 85% to 95% of total purchases you will make to begin operations of the business and approximately 30% to 40% of the ongoing costs to operate the business. None of our officers have an ownership interest in any supplier. We reserve the right to derive revenue, from the sale of goods and services to you. Any such revenues will be retained by us. As of the date of this Disclosure Document, except for the sale of bottled sauces that you purchase from us and the Lee Family Trust in limited instances where they may lease the premises for a Franchised Restaurant to a franchisee, we and our affiliates are not an approved supplier of any product or service, although we reserve the right to do so in the future. Revenues, if any, derived from the sale of products through suppliers, whether in the form of rebates, commissions, license fees, or similar payments or similar payments will also be retained by us. You must pay the then current price in effect for any items you purchase or lease from us or our affiliates

There are no purchasing cooperatives in existence as of the date of this Disclosure Document. No officer of the franchisor has any ownership interest in any approved supplier to franchisees.

Computer Software and Hardware

You must license our designated point of sale (POS) software and purchase the hardware from our sole designated supplier (currently Brink POS, a wholly owned subsidiary of Par Tech, Inc.) and pay monthly fees (software license and service) and a onetime fee (initial hardware, training and installation) to Par Tech for your usage of the POS system. You must enter into a software maintenance agreement and/or hardware agreement, if applicable, with Par Tech. You also must sign agreements with CardConnect (credit card processing supplier), Valutec (our gift card supplier), Olo (our online ordering and delivery service supplier), Spendgo (our loyalty, mobile app, digital receipt and messaging service supplier) and Opus (our online learning management supplier). We may update our System from time to time and require you to use different and/or additional proprietary and/or other software and hardware, and you may be required to purchase/enter into software and hardware agreements/licenses for such system as we (or the third-party supplier) specify and you will be required to pay to us or the third-party supplier fees for such software and hardware. As of the date of this Disclosure Document, the following services are optional although we may require franchisees to use these services in the future: Data Central (restaurant operations management program); Sift (online ordering fraud prevention service); and Sauce (dynamic pricing service).

Trademarked Products

As of the date of this Disclosure Document, we are not a supplier of any item, except for the bottled sauces for retail sale as described in this Item 8. In the future, we may develop certain Trademarked Products (“Trademarked Products”) that are specially developed or private labeled merchandise and products bearing the Marks. If we do, then you must use, sell and/or carry an adequate supply or representative inventory of these Trademarked Products. You will purchase Trademarked Products only from designated sources which manufacture the Trademarked Products to our precise specifications.

Trade Secret Food Products

We and our owners (Mr. and Mrs. Lee) have developed Trade Secret Food Products and will continue to develop and own a proprietary teriyaki sauce and other sauces for your use in the operation of the Franchised Restaurant. As of the date of this Disclosure Document, all Trade Secret Food Products are purchased from approved suppliers and we are not a supplier, except for the bottled sauces. You will use and/or sell the Trade Secret Food Products at all times in the operation of the franchise. We will manufacture, supply and sell Trade Secret Food Products to you and disclose the

formulae for and methods of preparing the Trade Secret Food Products to a limited number of suppliers who we will authorize to manufacture the Trade Secret Food Products to Franchisor’s precise specifications and to sell the Trade Secret Food Products to you.

Insurance

You must obtain, at your expense, and maintain insurance protecting you, us and our officers, directors and employees against any loss, liability, personal injury, death or property damage or expense concerning the Franchised Restaurant as we may reasonably require for its own and your protection. The insurance policy(ies) will contain certain mandated clauses and waivers. We must be named as an additional insured in each policy or policies.

The liability insurance may not be limited in any way by reason of any insurance that we may maintain. Within 90 days of signing the Franchise Agreement, but by the date on which you acquire an interest in the real property on which you will develop and operate the Franchised Restaurant, you must furnish us with an Accord Form Certificate of Insurance showing compliance with our insurance requirements. The certificate will state that the policy or policies will not be cancelled or materially altered without at least 30 days written notice to us. The certificate will reflect proof of payment of premiums. Maintenance of the insurance and your performance of the obligations under the insurance provisions of the Franchise Agreement will not relieve you of liability under the Franchise Agreement’s indemnity provisions. We may modify the minimum insurance requirements and notify you of the changes in writing.

**ITEM 9.
FRANCHISEE’S OBLIGATIONS**

This table lists your financial obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of the Disclosure Document.

Obligation	Section in the Franchise Agreement (“FA”) and Area Development Agreement (“ADA”)	Item in the Disclosure Document
a. Site selection and acquisition/lease	Paragraph III. in FA Section 2 of ADA Article 1 of Lease	Items 5, 6, 7, 11 and 12
b. Pre-opening purchases/leases	Paragraphs III.; XIII.; XIV. in FA	Items 6, 7, 8, 11 and 12
c. Site development and other pre-opening requirements	Paragraphs III., IV., XII., XIII., XIV. in FA Section 2 of ADA	Items 6, 7, 8, 11 and 12
d. Initial and ongoing training	Paragraphs IV., XII., XIII. in FA	Items 6, 7 and 11
e. Opening	Paragraphs III., IV., IX., XII. in FA Section 3 of ADA	Items 6, 7 and 11

Obligation	Section in the Franchise Agreement (“FA”) and Area Development Agreement (“ADA”)	Item in the Disclosure Document
f. Fees	Paragraphs I., III., IV., VIII., IX., X., XI., XII., XIV., XVI., XVII., XVIII., XIX., XXI., XXIV. in FA Section 2 of ADA Articles 3 and 7 of Lease	Items 5, 6, 7, 8, 11 and 12
g. Compliance with standards and policies/Operating Manual	Paragraphs III., IV., V., VI.,VII., VIII., IX., X., XI., XII., XIII., XV., XVI., XVII., XVIII., XIX., XX., XXI., XXIV., XXV., XXIX; Exhibits F, G, H in FA	Items 8, 11, 12, 13, 14, 15, 16 and 17
h. Trademarks and proprietary information	Paragraphs V., VI., VII., VIII., XII., XV., XVI., XVII., XVIII., XXIX.; Exhibits F, G, H in FA Section 6 in ADA	Items 11, 13, 14 and 16
i. Restrictions on products/services offered	Paragraphs V., VI., VII., VIII., IX., XII., XIII., XV., XVI. in FA	Items 8, 11, 12, 13, 14, 15 and 16
j. Warranty and customer service requirements	Paragraph XII. in FA	Not Applicable
k. Territorial development and sales quotas	Paragraph I. in FA Section 3 in ADA	Items 11 and 12
l. Ongoing product/service purchases	Paragraphs IV., VI., VIII., IX., X., XII., XIII., XIV., XVI. in FA	Items 6, 8 and 11
m. Maintenance, appearance and remodeling requirements	Paragraphs III., VI., VIII., IX., XII., XIII., XVI., XVII., XXI. in FA Articles 8 and 9 of Lease	Items 6, 7, 11 and 17
n. Insurance	Paragraph XIV. in FA Article 12 of Lease	Items 6, 7 and 8
o. Advertising	Paragraphs IX., X. in FA	Items 6, 7, 11, 13 and 14
p. Indemnification	Paragraphs V., VI., XVII., XVIII., XXI., XXIV.; Exhibits F, G, H in FA Section 10 of ADA Article 11 of Lease	Items 6, 13, 14, 15 and 17
q. Owner’s participation/management/staffing	Paragraphs I., III., IV., IX., XII., XV., XVIII.; Exhibits F, G H in FA	Items 11, 12, 14 and 15
r. Records and reports	Paragraphs VI., VII., IX., X., XI., XII., XIII., XVII. in FA Article 26 of Lease	Items 8, 11 and 14
s. Inspections and audits	Paragraphs V., IX., XI., XII., XIII. in FA Article 26 of Lease	Items 6, 8, 11 and 13

Obligation	Section in the Franchise Agreement (“FA”) and Area Development Agreement (“ADA”)	Item in the Disclosure Document
t. Transfer	Paragraphs XV., XVI., XVIII., XIX., XX.; Exhibits F, G, H in FA Section 9 in ADA Article 17 of Lease	Items 6 and 17
u. Renewal	Paragraph II. in FA	Item 17
v. Post-termination obligations	Paragraphs XV., XVII.; Exhibit H in FA Article 16 of Lease	Item 17
w. Non-competition covenants	Paragraphs XII., XV.; Exhibit H in FA	Item 17
x. Dispute resolution	Paragraphs V., VII., XVII., XXII., XXIV., XXIX., XXX.; Exhibits F, G, H in FA Article 28 of Lease	Item 17

**ITEM 10.
FINANCING**

We do not offer either directly or indirectly financing to you, except in the limited instances described below in this Item 10. We do not guarantee your notes, leases or other obligations.

Item Financed	Source of Financing	Down Payment	Amount Financed	Term (Yrs)	Interest Rate	Monthly Payment	Prepay Penalty	Security Required	Liability Upon Default	Loss of Legal Right on Default
Leased Space	Affiliate “Young R. Lee and Sarah J. Lee Family Trust” as the landlord	Applies if the leased premises requires development. Tenant Initial Investment Contribution paid directly to payee (e.g., 3 rd party service provider or government agency)	N/A	20	N/A	6-10% of Net Sales	None	Personal Guarantee	Lease termination; early termination damages; collection costs including attorneys’ fees	None

Note – In limited instances our affiliate, the Lee Family Trust (the “Trust”), will lease the Franchised Restaurant’s premises to you. A copy of the form lease is attached to this Disclosure Document as Exhibit O. The precise terms of the Trust’s lease will vary depending on the size and location of the premises, but the chart reflects a typical range of payments for the Trust’s standalone franchise outlet, including (if the leased premises requires development) payment of the tenant’s initial investment contribution amount you are required to pay to 3rd party service providers and/or government agencies to fund the necessary zoning and entitlement of the development, planning, permitting, and construction of the tenant improvement of the building and related aspects of the premises as required by the landlord (Lease Recitals Section F). This is an absolute net lease where you pay for

any expense and charge on the ownership, leasing, operation, management, maintenance, repair, use or occupation of the premises. The only security the Trust requires is a personal guarantee of the lease by you and your spouse, or by all the shareholders of your corporation. (Lease Article 25). There is no prepay penalty under the lease. If you do not make a rent payment on time, the Trust has the right to collect the unpaid rent, late charge and interest (Lease Article 3). If you fail to pay rent or comply with other express terms of the lease, the Trust has the right to terminate the lease and take over the premises (Lease Article 4). Jury trial is waived (Lease Section 28.2). Upon the natural expiration or election to terminate the lease during the lease term, tenant does not recover any funds expended on the planning, development, construction, and maintenance of the premises (Lease Section 4.3(c)). Further, upon such lease expiration or termination during the lease term, tenant surrenders title of all inventory, business equipment, trade fixtures, additions and replacement to the landlord (Lease Section 4.3(d)). You have the right to assign the lease and any applicable option terms to Franchisor, without the Trust's prior written consent and without assessment of any transfer, administrative, processing, review, or penalty charges, upon a written notice to Landlord if Franchisor assumes the lease (Lease Franchise Addendum Section 3(g)).

ITEM 11.

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEM AND TRAINING

Except as listed below, we do not provide any assistance to you.

Pre-Opening Obligations: Before you open your Franchised Restaurant, we will:

1. Provide you with written notice of acceptance or non-acceptance of the proposed restaurant site, within 7 days after notice of your choice of location, and submission of proposed lease. Acceptance of location is dependent on approval of lease. (Paragraphs III.C., E.)
2. Accept or not accept the lease for the premises within 7 days after submission of proposed lease to Franchisor. (Paragraphs III.C., D.)
3. Use reasonable efforts to help analyze your market area, determine site feasibility and to assist in the designation of the franchise location, upon your request, until time for locating a site expires under the Franchise Agreement. We do not negotiate your lease for you. You must handle all construction/remodeling, as required, and obtain/conform the premises to all permits, licenses, ordinances and codes. (Paragraphs III.E., G.)
4. Provide you with basic conceptual designs and specifications for the premises at the time you sign the Franchise Agreement. (Paragraph III.G.)
5. Train you and one other individual in your organization before beginning operations of the Franchised Restaurant for up to 12 weeks as described in this Item 11.E. below, at a mutually convenient time, set by us, within the time limits set in the Franchise Agreement. We do not charge for this initial training unless training is not successfully completed and franchise is terminated. Any expenses for travel, room and board for you and your employees incurred in attending this program, including your employees' salaries are your sole responsibility. All training occurs at our headquarters or at a location we designate. (Paragraphs IV.A.-C.)
6. Loan you one copy of or make available online the Manual which contains mandatory and suggested specifications, standards and procedures at the time you sign the Franchise Agreement. (Paragraph VI.A.) The Manual currently has a total of 276 pages. A copy of the Table of Contents of the Manual is attached as Exhibit E.

7. Provide you with site selection guidelines at the time you sign the Franchise Agreement. (Paragraph XIII.A.)

8. Provide Approved Supplies List and Approved Suppliers List upon signing the Franchise Agreement. Written specifications are provided, as are suppliers. All supplies including the Trade Secret Food Products may be obtained through approved suppliers. (Paragraph XIII.A.)

Obligations After Opening. During the operation of your Franchised Restaurant, we will:

1. Furnish to you, at your premises and at our expense for up to one week immediately before, at, or following the opening of the Franchised Restaurant, a representative to assist in the opening of your Franchised Restaurant. (Paragraph IV.B.; Items 6, 9)

2. We must approve all advertisements and promotional items you want to use for local advertising. (Paragraphs IX.A.; Items 6, 9)

3. We have established an Advertising Fund to which you must contribute 3% of your Net Sales. We will direct all advertising programs with sole control over the creative concepts, materials and media used in these programs and their placement and allocation. The media includes print, television or other media and may be local, regional or national in scope. We are not obligated to make expenditures from the Advertising Fund which are equivalent or proportionate to your contribution, or to ensure that you benefit directly from the placement of advertising in proportion to your contribution or in your area. For each of its Franchisor-owned restaurants offering products and services similar to the Franchised Restaurant, we will contribute to the Advertising Fund on the same basis that you do. The Advertising Fund may be used for the cost of creating, producing, distributing and monitoring advertising and promotion, in any form, in any media of FLAME BROILER restaurants and Marks, including any related public relations, marketing activities, social media, consumer research and feedback, charitable and social initiatives, services involving or related to marketing platform, virtual world, artificial intelligence, and non-fungible tokens (NFT). We will conduct advertising in-house, but also use a regional advertising agency. We will not be compensated for providing services to the Advertising Fund, but our expenses in administering the Advertising Fund and our costs in creating, producing and distributing advertising and promotion in-house, including salaries of our employees, if any, may be paid from the Advertising Fund. An unaudited accounting of the operation of the Advertising Fund will be prepared annually and will be made available to you upon request. We reserve the right to require that this annual accounting include an audit of the operation of the Advertising Fund prepared by an independent certified public accountant we select and prepared at the expense of the Advertising Fund. It is anticipated that all contributions to the Advertising Fund will be expended during the same calendar year in which the contributions were made. Funds not spent in the year in which they were contributed will be kept in the fund and used for advertising costs in the following year. All expenditures in the following fiscal years will be made first out of any current interest or other earnings of the Advertising Fund, next out of any accumulated earnings and finally from principal. We may terminate the Advertising Fund at any time once all monies in the Advertising Fund have been expended for advertising and promotional purposes. (Paragraph IX.C.) During the fiscal year ended December 31, 2023, the monies from the Fund were spent as follows:

Expense	Percentage
Systemwide Advertising	46
Media Advertising	17

Expense	Percentage
Other Advertising	14
General and Administrative Expenses	13
Direct Mail Advertising	9
Reimbursement for Franchisees	1
<hr/> Total	<hr/> 100%

No part of the Advertising Fund will be used for the primary purpose of soliciting new franchisees. (Paragraph IX.C.)

4. Periodically update the Approved Supplies List and Approved Suppliers List, as we deem appropriate. (Paragraph XII.H.; Items 6, 8, 9)

5. Modify the System, including the adoption and use of new or modified trade names, trademarks, service marks or copyrighted materials, new Menu Items, new products, new equipment or new techniques. (Paragraph VIII.; Items 6, 8, 9)

6. Provide you with the following: (Paragraph XIII.C.)

a. Regulate quality standards and products throughout all Franchised Restaurants, including procedures for the service and sale of Menu Items, other food and beverage items, and related items approved by us, the proper administrative, bookkeeping, accounting, inventory control, supervisory and general operating procedures, restaurant condition and appearance and updating you on new products/services and improvements to System;

b. Try to negotiate best available rates for purchase of products and materials and for their distribution from available suppliers;

c. Remain available for general counsel, advice and guidance in the operation of the Franchised Restaurant, including the determination of prices for the food and other products offered by the restaurant.

7. Make periodic visits to the Franchised Restaurant to consult and guide in all aspects of the operation and management of the Franchised Restaurant and will prepare written reports of these visits outlining any suggested changes or improvements in your operations and identifying any defaults in your operations which become evident to us. We will provide you with a copy of each written report. We will also advise you of any operational problem in your Franchised Restaurant which become evident from your reports to us or by our inspections of your Franchised Restaurant. (Paragraph XIII.C.)

Computer Requirements:

You must use an approved computer-based point-of-sale system with the designated POS software and hardware available from our designated supplier Brink POS, a subsidiary of Par Tech, Inc. You must pay the cost of the initial hardware, installation and training and the monthly subscription which includes upgrades and maintenance of software. Optional 3-Year Advanced Exchange service contracts are currently available for a on-time cost of \$290 per terminal. The actual cost of contract is dependent on which upgrades and renewals are made. There are no contractual limits on cost or frequency of upgrades. You will be obligated to update your POS system to comply with Payment Card Industry (PCI) regulations. Any fees associated with the PCI regulations will be your responsibility.

The POS system will record all sales information, sales analysis, reporting functions, daily item sold, tracking, labor and scheduling, general ledger software, and the confidential operations set-up and menu pricing guide. We may independently access your information and data at any time. The cost of the point-of-sale system for two POS workstations is estimated to be \$5,000 and for three POS workstations to be \$7,000 for the initial hardware, installation and training. Additionally, you must pay the monthly cost of software license and service.

In connection with the Brink POS, you must use the Valutec gift card processing platform, Olo (online pick up and delivery ordering services) and Spendgo (loyalty, digital receipt and marketing message services). Valutec provides the VAR (parameters) needed for the POS to connect to the Valutec host for processing. Valutec provides an online reporting portal for tracking the gift card processing activity. The aggregate monthly subscription cost, which includes upgrades and maintenance of software, for Valutec, Olo and Spendgo ranges between \$180 and \$355 depending on services and features. These fees do not include any per delivery, per transaction or per messaging service fees. There are no contractual limits on cost or frequency of upgrades.

Cost noted above may vary based on what software, hardware, professional services and other add-ons are purchased and may increase in the future. We do not guarantee, warranty, maintain or support any computer hardware or POS Software in any manner.

Methods Used to Select the Location of the Franchised Restaurant:

You must select the site for the Franchised Restaurant within the area designated in the Franchise Agreement. We must accept the site. (Paragraphs III.B., C.) In the event you have not selected a site or we have not accepted the site that you have selected within 90 days of the signing of the Franchise Agreement, we have the right to terminate the Franchise Agreement and the Initial Franchise Fee is nonrefundable.

We will decide whether or not to accept a site based on visibility and traffic flow, available parking, accessibility, proximity to residential and commercial settings, distance away from competition, terms of lease, and size and physical condition of building. We will have 7 days to approve or disapprove any site you have selected. Failure to agree on a site within 90 days after signing the Franchise Agreement, unless extended by mutual written agreement, gives us and you and the right to terminate the Franchise Agreement. (Paragraphs III.B.-F.) For Restaurants developed in the future under an Area Development Agreement, sites will be reviewed and accepted and territories will be granted under our then-current standards for sites and territories.

Typical Length of Time Before Operation:

The typical length of time between the signing of the Franchise Agreement and the opening of your business is approximately 9 months. Factors that may delay this length of time may include the ability to obtain a site, arrange leasing and financing, make leasehold improvements, install fixtures, equipment, and signs, decorate the Franchised Restaurant, meet local requirements, obtain inventory, and similar factors.

Training:

After site selection, we will train you and one other senior management team member of your organization at our headquarters or other designated location. The cost of training for you and this team member is included as part of the Initial Franchise Fee. The other senior management team member must be someone who will perform the key functions that we designate as necessary for opening. Subject to space availability, you can request that other members of your team attend training, but for any additional trainee you must pay the then-current applicable training

fee (Paragraph IV.C). Training, described below, may last up to twelve weeks and must be completed to our satisfaction at least two weeks before you open your Franchised Restaurant. (Paragraphs IV.A.- C.). You must pay the travel and living expenses and wages of all persons attending any training we offer. Two people (i.e., you and the other senior management team member) must successfully complete the initial training program.

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
<u>Day 1</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 2</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 3</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 4</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 5</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 6</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 7</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 8</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 9</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
<u>Day 10</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 11</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 12</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 13</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 14</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 15</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 16</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 17</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 18</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 19</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
<u>Day 20</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 21</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 22</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 23</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 24</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 25</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 26</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 27</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 28</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 29</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
<u>Day 30</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 31</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 32</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 33</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 34</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 35</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 36</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 37</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 38</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 39</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
<u>Day 40</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 41</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 42</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 43</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 44</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 45</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 46</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 47</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 48</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 49</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
<u>Day 50</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 51</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 52</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 53</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 54</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 55</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 56</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 57</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 58</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
<u>Day 59</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
<u>Day 60</u> Operations, Preparation, Cooking, Portioning and other Procedure	1	7	Franchisor-owned or Franchised Restaurant in Southern California
TOTALS	60	420	

Our training supervisor is Wanda Gray. Ms. Gray has 6 years of experience with us and 19 years of experience in the restaurant and hospitality industry. Christian Lee is our President and Chief Operating Officer. Mr. Lee has more than 10 years of experience with us. Other trainers may assist in training in some aspect of the FLAME BROILER System in which they have had experience, including experienced FLAME BROILER franchisees. The primary materials used in the training are the Manuals and other materials collected by us. All training materials will be available online (currently, through Opus, our third-party vendor for our learning management system and/or related franchise system documents/communications).

You, your managers and/or employees must attend and successfully complete up to our ongoing training programs. In addition to paying the travel and living expenses of attendees, you may be required to pay conference fees. All previously trained persons must attend any ongoing training at their own expense. Refresher or continuing education programs will include reinforcement of earlier training and new developments. Currently, our ongoing training (refresher) requirements are a combined total of 5 business days/40 hours per year. We will schedule these programs when we choose. Your failure to complete the required training is grounds for termination of the Franchise Agreement. (Paragraphs IV.C., D.)

If you designate new or additional managers after the initial training program, we will provide training to these managers at the then-current published rates, currently up to \$400 per day per trainer. All designated managers must successfully complete the training program provided at our headquarters before assuming any managerial responsibilities. You will bear all costs incurred by your employees attending this training program. (Paragraphs IV.E.; XII.N.) Any training provided by us to any of your employees will be limited to training or guidance regarding the delivery of approved products to customers in a manner that reflects the customer service standards of the System. You are, and will remain, the sole employer of your employees at all times, including during all training programs, and you are solely responsible for all employment decisions and actions related to your employees. You are solely responsible for ensuring that your employees receive adequate training.

ITEM 12 TERRITORY

Franchise Agreement

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 operate the Franchised Restaurant from a location we accept. You must pay all of your relocation costs plus our reasonable costs and fees incurred in approving your new location. You may relocate the premises if the

lease for the site expires or terminates and it is not your fault, or if the site is destroyed, condemned or otherwise rendered unusable, or if we agree. You have no options, rights of first refusal or similar rights to acquire additional franchises. You may not relocate your Restaurant without our prior written approval. Any relocation must meet our then-current standards for site approval including proximity to other FLAME BROILER restaurants.

The Franchise Agreement contains no limitations on our right to establish other franchises or to offer products and services in other channels of distribution. Specifically, we and any affiliate reserve the right to:

1. Operate and grant others the right to operate or franchise other Restaurants at such locations anywhere, including near Franchisee's Restaurant, and on such conditions as we deem appropriate.
2. Offer and sell at wholesale products and services which comprise or may in the future comprise, part of the System.
3. Distribute or license the manufacture or distribution of products, regardless of whether such products are authorized for FLAME BROILER Restaurants, under the Marks through other channels of distribution, including catalog and interest sales.
4. Develop, operate and franchise similar or dissimilar systems, under trademarks, service marks and commercial symbols other than the Marks.

We have the right to offer and sell at wholesale, products and services which are, or may in the future be, a part of the System, and which may be resold at retail or through any other distribution channel to the general public. We also reserve the right to establish food service units operating under a format, trademarks and service marks distinct from the FLAME BROILER System.

You may engage only in the retail sale of Menu Items and you cannot wholesale and/or distribute any product offered for sale through the Franchised Restaurant. You may solicit and accept orders at your location from any source or location.

Area Development Agreement

If you enter into an Area Development Agreement with us, we will not establish or franchise anyone else to establish any FLAME BROILER Restaurant in the Development Territory up to the earlier of: (i) the expiration or termination of the Area Development Agreement; or (ii) the date on which you must execute the Franchise Agreement for your last Restaurant under the Development Schedule (except for Special Sites as noted above). We determine the Development Territory in an Area Development Agreement using the same criteria that is used in deciding a Designated Area for one Restaurant. However, the Development Territory must be able to support the number of restaurants you intend to establish in that area. As a result, the Development Territory generally consists of a portion of a city. For Restaurants developed in the future under our Area Development Agreement, sites will be reviewed and accepted and territories will be granted under our then-current standards for sites and territories.

We may not alter the Development Territory without your written agreement. However, we may terminate the Area Development if you: (i) fail to exercise to enter into Franchise Agreements with us as required by the Development Schedule; (ii) fail to comply with any other terms and conditions of the Area Development Agreement; (iii) make or attempt to make a transfer or assignment in violation of the Area Development Agreement; or (iv) fail to comply with the terms and conditions of any individual Franchise Agreement.

We reserve the right to develop by direct ownership or franchising FLAME BROILER Restaurants within the Development Territory at the following locations: (1) public transportation facilities, including airports, train stations and bus stations; (2) military bases; (3) sports stadiums and arenas; (4) amusement and/or theme parks; (5) fairs and festivals; (6) college Franchised Restaurants; and (7) enclosed shopping centers (“Special Sites”).

**ITEM 13.
TRADEMARKS**

We grant you the right to operate a Franchised Restaurant under the service mark “FLAME BROILER” (the “Principal Mark”) and other Marks we may authorize you to use.

The following Principal Marks are registered with the United States Patent and Trademark Office (“USPTO”) and are owned by Mr. Young Lee and Ms. Sarah Lee, two of our officers included in Item 2 of this Disclosure Document (the “Lees”):

Mark	Registration No.	Registration Date
FLAME  BROILER	5,414,433 5,257,853	February 27, 2018 August 1, 2017
THE FLAME BROILER THE RICE BOWL KING	2,493,097	September 25, 2001
QUALITY FOOD = QUALITY LIFE	4,601,397	September 9, 2015
SIMPLY HEALTHY (Word Mark)	5,414,426 5,257,856	February 27, 2018 August 1, 2017
	5,257,855 5,414,432	August 1, 2017 February 27, 2018
SIMPLY MAGIC (Word Mark)	6,196,473	November 10, 2020
SEOUL SCORCHER (Word Mark)	7,032,504	April 18, 2023

The Marks with two registration numbers and dates are registered in two separate classes. All applicable affidavits have been filed with the USPTO in connection with the Principal Mark.

We have entered into a Trademark License Agreement with the Lees, dated June 15, 2016, under which we have been licensed to use and sublicense the Principal Marks. The term of this License Agreement is for 20 years and after that it is renewed for an additional 20-year period unless either party gives notice of termination before the end of such extension. The License Agreement can also be terminated for failure to maintain quality standards, breach of the License Agreement or bankruptcy.

There are currently no effective material determinations of the USPTO, trademark trial and appeal board, the trademark administrator of this state or any court; pending infringement, opposition or cancellation; or pending material litigation involving the Principal Mark. There are no infringing or prior superior uses actually known to us that could materially affect the use of the Principal Mark in this state or any other state in which the Franchised Restaurant is to be located. Other than the License Agreement with the Lees, there are no agreements currently in effect which significantly limit our rights of to use or license the use of the Principal Mark in any manner material to the franchise. All your usage of the Marks and any goodwill established from your use of these Marks will exclusively benefit the Lees.

You will not receive any interest in the Marks. You may not at any time contest the validity or ownership of the Marks, including any Marks we authorize or license to you after you sign the Franchise Agreement. (Paragraph V.A.) You must notify us immediately when you learn about an infringement of or challenge to your use of the Marks. We

and the Lees will have the right to determine whether to initiate any action and we will control any and all actions taken. You will cooperate with us in all respects in the proceedings. Neither we nor the Lees have any responsibility to defend, indemnify or hold you harmless in any claim or action or proceedings against you, arising out of the use of the Mark on any grounds.

You must modify or discontinue using any Mark within a reasonable time after receiving notice from us. You have no recourse against us or the Lees for the loss, or loss of use of any Mark. You must defend, indemnify and hold us harmless against any of your unauthorized uses or misuses of any Mark.

You must not use any Mark or portion of any Mark as part of any corporate or trade name, in any modified form, in the sale of any unauthorized product or service or in any other manner we do not authorize in writing. You must give notices of trademark and service mark registration as we specify and obtain fictitious or assumed name registrations when required by law.

You must comply with all trademark registration notice marking requirements where applicable or otherwise indicate in your advertising that the name “FLAME BROILER” belongs to us.

You must not establish a website on the Internet, including an independent website, delivery service site or any other social media or online marketing that in way uses any name (including domain name) containing the words “FLAME BROILER” or any variation without our written consent. We retain the sole right to advertise on the Internet and create a Web site using the “FLAME BROILER” domain name or any other similar name. You must acknowledge that we are the owner of all right, title and interest in and to such domain names as we will designate in the Manual. We retain the right to pre-approve your use of linking and framing between your Web pages and all other Web sites. If we request, you will within 5 days dismantle any frames and links between your Web pages and any other Web sites.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents are material to the franchise. We own, and/or may in the future own, copyrights in the Manual, any marketing material, software (if we develop our own), other writings, artwork and other copyrightable items we may permit or require you to use in connection with the Franchised Restaurant. We have not registered or applied to register any of its proprietary information for federal copyright protection. We know of no pending proceedings or current determination of the Copyright Office (Library of Congress) or court regarding any copyrights that we have. There are no proceedings pending in the USPTO or Federal Court of Appeals. There is no agreement to, nor any infringement claim known to us that could restrict or otherwise materially affect your use of our copyrights.

Your entire knowledge of the operation of the Franchised restaurant is derived from information that is proprietary and a trade secret of ours and our owners. You must maintain the absolute confidentiality of all proprietary information during and after the term of the franchise and shall not use any of the information in any other business or in any manner not specifically authorized or approved in writing by us.

You may only divulge confidential information to your employees as necessary to operate the Franchised Restaurant. All information which we designate as confidential shall be deemed confidential for purposes of the Franchise Agreement, except information which you can demonstrate that lawfully came to your attention before disclosure by us or which, at the time of or after disclosure by us or you, as applicable, was a part of the public domain, through publication or communication by others.

All information contained in the Manual is proprietary, and you must keep it confidential during and after the term of the franchise.

You must promptly notify us if you learn of an unauthorized use of the confidential information or any Copyrighted Work. We are not required to take any action against any unauthorized user of the confidential information or Manual. We will control any and all actions taken. You must cooperate with us in all respects in all proceedings. We have no obligation to defend, indemnify or hold you harmless against any claim, action or proceedings against you arising out of the use of any copyright or proprietary information belonging to us on any grounds. You must modify or discontinue using any copyright or proprietary information upon our direction to do so within a reasonable time. You have no recourse against us for the loss or loss of use of any copyright or proprietary information on any grounds. You must defend, indemnify and hold us harmless against any loss due to your unauthorized use or misuse of any copyright or proprietary information.

If you make or acquire any improvements, including any enhancements, adaptations, derivative works or new processes (“Improvements”) in the operation of the Franchised Restaurant, you will release any interest in and transfer all your right to these Improvements to us for the grant of the franchise and without the payment of additional consideration. You will sign or have the creator sign all documents necessary to enable us to apply for intellectual property rights protection and to secure all rights to these Improvements. You or your shareholders, or members, respectively, and each of your employees, will sign a Release and Assignment of Rights to Improvements Agreement requiring compliance with the above. You must obtain our express written consent before making any Improvements. (Paragraph VII.F.; Exhibit G)

The Manual belongs to us, it is on loan to you during the term of the Franchise Agreement, and you must return it to us when the Franchise Agreement expires or is terminated. You must keep the Manual updated and in a secure place at the Franchised Restaurant. If there is a dispute with the contents of the Manual, the terms of our master copy will control. We may make the Manual available to you on-line, in which case you must take all steps necessary to protect the confidentiality of the Manual.

You may not use, in advertising or any other way, our copyrighted materials, trademarks, service marks or commercial symbols without the appropriate notices which the law or we may require, including any copyright registration notice.

You, or your shareholders or members, respectively, and each of your employees, will sign a Proprietary Information Non-Disclosure Agreement protecting the confidential, proprietary nature of our copyright and confidential information in a form acceptable to us.

ITEM 15.

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You will sign a Proprietary Information Non-Disclosure Agreement protecting our copyrights and confidential information and a Release and Assignment of Rights to Improvements Agreement agreeing to give up any rights to Improvements you make to the franchise. Anyone to whom you transfer any interest in you, or to whom you transfer the franchise, must sign both agreements. You must find 2 persons acceptable to us who will sign a Continuing Guaranty of your full performance under the Franchise Agreement.

Your shareholders or your members will execute a personal guaranty jointly and severally guaranteeing your performance under the Franchise Agreement. In addition, each shareholder or member will also execute a Proprietary Information Non-Disclosure Agreement and a Release and Assignment of Rights to Improvements Agreement. Any

person acquiring an interest in you at any time must sign all 3 agreements as a condition of the purchase. You must obtain the signatures of all employees on the Non-Disclosure and Release Agreements. Managers will sign the Non-Disclosure and Release and Assignment Agreements and observe all restrictions the Franchise Agreement. We also may require a spouse to sign a guarantee under certain circumstances if the franchisee has a single individual owner.

You are required to successfully complete our initial training program and devote full-time best efforts to your business. Although you are not required to be on-site during all operating hours, whenever you are not on-site, you must have a manager at the restaurant who has successfully completed our required training and meets all legal requirements imposed on food handlers on premises at all times, and you must satisfy the minimum staffing requirements to meet the customer needs and support future business growth (your staffing needs may vary depending on your restaurant’s operational volume and performance). Those minimum staffing requirements include your obligation to make sure that if either you or a properly trained manager are not present at the Franchised Restaurant for any period of time, that you have a person in charge (PIC) that has been properly trained, including completing all training requirements and upholding the operational standards required by Franchisor.

No manager need have any interest in you to manage the restaurant. You determine who you want to hire, provided they be lawfully employed. You must devote full-time best efforts to the success of the franchise, at all times.

**ITEM 16.
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must offer for sale at the Franchised Restaurant all of the menu items and food and beverage products that we periodically require and you may not offer at the Franchised Restaurant any unapproved products or menu items or use the premises for any purpose other than the operation of a Franchised Restaurant. We have the unlimited right to change the types of authorized goods and services offered by Franchised Restaurants.

Goods and services must be sold only at retail to customers in conformity with our marketing plan and concept.

You must use only displays, trays, napkins, boxes, bags, wrapping paper, labels, forms and other paper and plastic products imprinted with the Marks and colors. You must adequately supply the Franchised Restaurant with a representative inventory of an assortment of products and supplies of the type, quantity and quality that we specify. You may not install or maintain on the premises any newspaper racks, video games, juke boxes, gaming machines, gum machines, games, rides, vending machines or other similar devices without our prior written approval.

**ITEM 17.
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

This table lists certain important provisions of the franchise and related agreements pertaining to renewal, termination, transfer and dispute resolution. You should read these provisions in the agreements attached to this Disclosure Document.

THE FRANCHISE RELATIONSHIP

Provision	Paragraph in the Franchise Agreement	Summary
a. Length of the franchise term	Paragraph II.A	Term is 10 years, unless purchased from a franchisee for balance of term remaining.

Provision	Paragraph in the Franchise Agreement	Summary
b. Renewal or extension of term	Paragraph II.B	If in good standing, you may renew for two additional terms of 5 years each.
c. Requirements for you to renew or extend	Paragraphs II.B	In order to renew, you must: i) give us at least three months but not more than six months' notice; ii) not be in default; iii) have substantially complied with the Franchise Agreement throughout the term; iv) remodel and upgrade the premises; v) complete any required training; (vi) pay a \$5,000 renewal fee; and vii) sign a general release. If you seek to renew your franchise at the expiration of the initial term or any renewal term, you may be asked to sign a new franchise agreement that contains terms and conditions materially different from these in your previous franchise agreement, such as different fee requirements and territorial rights.
d. Termination by you	Paragraph XVI.A	You may terminate the Franchise Agreement only for cause if you are in compliance, and we materially breach the Franchise Agreement and fails to cure within 30 days of receiving your written notice.
e. Termination by us without cause	Not Applicable	We may not terminate the Franchise Agreement without cause.
f. Termination by us with cause	Paragraphs XVI.B	We may terminate the Franchise Agreement upon delivery of various notices to you if you default under the terms of the Franchise Agreement.
g. "Cause" defined (defaults which can be cured)	Paragraphs XVI.B.1-2.	All defaults in any performance under the Franchise Agreement may be cured if done within 30 days after notice, except failure to pay any sum to us, cured if made within 5 days after notice, and all defaults described in section "h" below.
h. "Cause" defined (defaults which cannot be cured)	Paragraph XVI.B.3.	Defaults which cannot be cured include: written agreement to terminate; failure to find a site for the Franchised Restaurant within 90 days; the seizure or foreclosure of franchise, premises or property of franchise by government official, lienholder, creditor or lessor or upon levy of execution or entry of judgment after specified time periods; the

Provision	Paragraph in the Franchise Agreement	Summary
		<p>repeated violation of same term of Agreement, whether or not corrected after notice; the repeated violation of 2 or more requirements of the Franchise Agreement, whether corrected or not; your failure to comply with state, federal or local law within 10 days of notice and failure to cure; any conduct reflecting materially and unfavorably on operation or reputation of franchise, including unauthorized use of the Marks; and abandonment of your restaurant for 5 days in a row including your dissolution or attempted transfer of franchise or its premises; misrepresentation or omission in your purchase of the franchise; conviction or plea of no contest to felony or criminal misconduct relevant to the Franchised Restaurant; your operations result in an imminent danger to public health; or you are adjudicated bankrupt, insolvent or make a general assignment for the benefit of creditors.</p>
<p>i. Your obligations on termination/non-renewal</p>	<p>Paragraph XVII</p>	<p>Your obligations on termination or non-renewal of the Franchise Agreement include your: ceasing operations of the Franchised Restaurant; assigning your lease to us; ceasing use of the Marks and items bearing the Marks; assigning any assumed names to us; de-identifying the premises from any confusingly similar decoration, design or other imitation of a FLAME BROILER restaurant; paying all sums owed to us; paying all damages and costs we incur in enforcing the termination provisions of the Franchise Agreement; returning all manuals and other confidential information to us; returning all signs to us; assigning your telephone and facsimile numbers and Internet and social media addresses and accounts to us; and complying with the covenants after termination, and sell back all assets of the franchise with Marks to us at lesser of your cost or fair market value.</p>

Provision	Paragraph in the Franchise Agreement	Summary
j. Assignment of contract by us	Paragraph XVIII.A.	There is no restriction on our right to assign except that the assignee must be financially responsible and economically capable of performing our obligations under the Franchise Agreement and must expressly assume and perform these obligations.
k. "Transfer" by you definition	Paragraph XVIII.B.1	Transfer, sale, assignment, gift encumbrance, devise, bequest of franchise or Franchise Agreement or franchise assets, fractionalization of rights, change in business form.
l. Our approval of transfer	Paragraph XVIII.B.1-2	We have the right to approve all your transfers, but will not unreasonably withhold approval following our first right to acquire your franchise.
m. Conditions for our approval of transfer	Paragraph XVIII.B.2-3	For a transfer to a third party, the transferee must meet our qualifications, successfully complete the training program, pay the transfer fee and sign the then-current Franchise Agreement, Non-Disclosure, Assignment of Improvements and Guaranty Agreements. You must first offer franchise to us. You will pay all sums owed to us, bring the restaurant to meet our then-current standards and sign a general release. You will not be in default in any term, you will provide proof to us of transferee's ability to meet our standards and will defend, indemnify and hold us harmless for any claim of transferee if the deal fails.
n. Our right of first refusal to acquire your business	Paragraph XX.	We have the right of first refusal to purchase. We must receive at least 45 days prior written notice of third party offer and has 30 days after receipt of notice to decide and 90 days more to make payment.
o. Our option to purchase your business	Paragraphs XVII.N, XX.	We may purchase the assets of the Franchised Restaurant bearing the Marks at the lesser of cost or fair market value within 30 days after expiration or termination of the Franchise Agreement. (See provision n.)
p. Your death or disability	Paragraph XIX	Your spouse, heirs or estate, if you are an individual or a majority shareholder, can operate the Franchised Restaurant without breach, and either (i) meet our standards to

Provision	Paragraph in the Franchise Agreement	Summary
		continue operation; or (ii) sell franchise following our first refusal, all within 180 days of death. Failure to perform will be a breach of the Franchise Agreement. On your disability, if you are an individual, your spouse or attorney-in-fact have the same rights, but under the same terms and time limits as spouse, heirs or estate of decedent above.
q. Non-competition covenants during the term of the franchise	Paragraphs XV.B.2-C	You must not divert or attempt to divert any business or customer to a competitor; perform any act which may harm the goodwill associated with the Marks and the System; own or have any interest in any business (including a business you currently operate) specializing in dispensing, promoting or selling family-style Korean food and other prepared food products the same as or similar to any product or service provided through the System; or reveal any trade secrets or proprietary information (subject to state law)..
r. Non-competition covenants after the franchise is terminated or expires	Paragraph XV.B.2-C	For a two-year period, you must not divert or attempt to divert any business or customer to a competitor; perform any act which may harm the goodwill associated with the Marks and the System; own or have any interest in any business (including a business you currently operate) specializing in dispensing, promoting or selling family-style Korean food and other prepared food products the same as or similar to any product or service provided through the System; or reveal any trade secrets or proprietary information (subject to state law).
s. Modification of the Franchise Agreement	Paragraphs VIII., XXVI	The Franchise Agreement can be modified only by written agreement between us and you in compliance with laws. We may change operational and administrative procedures, products and services through the Manual.
t. Integration/merger clause	Paragraph XXVI	The Franchise Agreement, its exhibits and all agreements required to be signed under

Provision	Paragraph in the Franchise Agreement	Summary
		the terms of the Franchise Agreement constitute the full, entire agreement between you and us. No provision in any franchise agreement is intended to disclaim the express representations made in this Franchise Disclosure Document. Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Paragraph XXIX	Except for certain claims, all disputes must be mediated and arbitrated in Orange County, California.
v. Choice of forum	Paragraph XXVIII.B	Any action will be brought in Orange County, California state or federal court, subject to state law.
w. Choice of law	Paragraph XXVIII.A.	Law of the state where the Franchised Restaurant is located applies to the Franchise Agreement (subject to state law), except that disputes regarding the Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sec. 1051 et seq.).

This table lists certain important provisions of the area development agreement pertaining to renewal, termination, transfer and dispute resolution. You should read these provisions in the area development agreement attached to this Disclosure Document.

THE FRANCHISE RELATIONSHIP

Provision	Section in the Area Development Agreement	Summary
a. Term of the franchise	Section 4	Term is variable depending on number of Restaurants to be developed. It expires on date that last Restaurant is scheduled to be opened.
b. Renewal or extension of term	None	Not applicable.
c. Requirements for you to renew or extend	None	Not applicable.
d. Termination by you	None	Not applicable.
e. Termination by us without cause	None	We may not terminate the Area Development Agreement without cause.
f. Termination by us with cause	Section 7	We may terminate the Area Development Agreement if you default under the terms of the Area Development Agreement.
g. "Cause" defined (defaults which can be cured)	Section 7.B.	All defaults in any performance under the Area Development Agreement may be cured if done within 30 days after

Provision	Section in the Area Development Agreement	Summary
		notice, except those defaults listed in “h” below.
h. “Cause” defined (defaults which cannot be cured)	Section 7.B.	Defaults which cannot be cured include: insolvency, receivership, assignment for benefit of creditors, 30 day unsatisfied judgment, foreclosure on a lien, failure to meet development schedule and termination of a franchise agreement.
i. Your obligations on termination/non-renewal	Section 8	Your obligations on termination or non-renewal of the Area Development Agreement include: no further rights to develop Restaurants, cease operating as an area developer, cancel assumed names, pay amounts owed, assign telephone numbers to us and comply with any other provisions that survive termination.
j. Assignment of contract by us	Section 9	There is no restriction on our right to assign.
k. “Transfer” by you definition	Section 9	Transfer, sale, assignment, gift encumbrance, devise, bequest of franchise, Area Development Agreement or any interest in the area development business or in you, the area developer.
l. Our approval of transfer	Section 9	We have the right to approve any transfer.
m. Conditions for our approval of transfer	Section 9	For a transfer to a third party, the transferee must meet our qualifications and you must also transfer all franchise agreements for Restaurants in the development territory.
n. Our right of first refusal acquire your business	None	Not applicable.
o. Our option to purchase your business	None	Not applicable.
p. Your death or disability	None	Not applicable.
q. Non-competition covenants during the term of the franchise	None	Not applicable (covered under franchise agreement).
r. Non-competition covenants after the franchise is terminated or expires	None	Not applicable (covered under franchise agreement).
s. Modification of the Area Development Agreement	Section 11.C.	The Area Development Agreement can be modified only by written agreement between us.
t. Integration/merger clause	Section 11.C.	The Area Development Agreement and the application constitute the full, entire agreement between you and us. No provision in any franchise agreement is intended to disclaim the express representations made in this Franchise Disclosure Document. Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 12.B.	Except for certain claims, all disputes must be mediated and arbitrated in Orange County, California.

Provision	Section in the Area Development Agreement	Summary
v. Choice of forum	Section 12.B.	Any action will be brought in Orange County, California, subject to state law.
w. Choice of law	Section 12.A.	State where your first Restaurant developed under the Area Development Agreement is located, subject to state law.

**ITEM 18.
PUBLIC FIGURES**

We do not use any public figures to promote the franchise.

**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 maybe 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 representations about a franchisee’s future financial performance or the past financial performance of Franchisor-owned or franchised outlets. We also do not authorize our employees or representatives to make 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 our management by contacting Young Lee, The Flame Broiler, Inc., 1538 E. Warner Avenue, Suite E, Santa Ana, CA 92705, (714) 424-0223, the Federal Trade Commission and the appropriate state regulatory agencies.

**ITEM 20.
OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1
System-wide Outlet Summary For Years 2021 to 2023**

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start	Column 4 Outlets at the End	Column 5 Net Change
Franchised Outlets	2021	159	151	-8
	2022	151	132	-19
	2023	132	120	-12
Franchisor-Owned	2021	8	7	-1
	2022	7	10	+3
	2023	10	12	+2
Total Outlets	2021	167	158	-9
	2022	158	142	-16
	2023	142	132	-10

Table No. 2
Transfers of Outlets From Franchisees to New Owners
(Other than the Franchisor)
For Years 2021 to 2023

Column 1 State	Column 2 Year	Column 3 Number of Transfers
California	2021	3
	2022	5
	2023	5
State Total	2021	3
	2022	5
	2023	5

Table No. 3
Status of Franchised
Outlets For Years 2021 to 2023

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations Other Reasons	Column 9 Outlets at the End of the Year
Arizona	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
California	2021	150	0	0	2	1	5	142
	2022	142	1	1	4	3	12	123
	2023	123	1	0	3	2	8	111
Florida	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
North Carolina	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Oklahoma	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Total	2021	159	0	0	2	1	5	151
	2022	151	1	1	4	3	12	132
	2023	132	1	0	3	2	8	120

Table No. 4
Status of Franchisor-Owned
Outlets for Years 2021 to 2023

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 9 Outlets at the End of the Year
California	2021	8	0	1	2	0	7
	2022	7	0	3	0	0	10
	2023	10	0	2	0	0	12
Total	2021	8	0	1	2	0	7
	2022	7	0	3	0	0	10
	2023	10	0	2	0	0	12

Table No. 5
Projected Openings for Upcoming Fiscal Year
As of December 31, 2023

Column 1 State	Column 2 Franchised Agreements Signed But Not Opened	Column 3 Projected New Franchised Outlets in the next Fiscal Year	Column 4 Projected New Franchisor-Owned Outlets in Current Fiscal
California	3	2	2
Florida	1	1	0
Texas	1	1	0
Total	5	4	2

Exhibit K contains a list of our franchisees. Exhibit K also lists the franchises who had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within ten weeks of the 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 fiscal years, some of our franchisees have signed confidentiality clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the FLAME BROILER franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. As of the date of this Disclosure Document, we do not have a franchisee association or advisory council.

ITEM 21.
FINANCIAL STATEMENTS

Attached as Exhibit D are our audited financial statements as of December 31, 2021, 2022 and 2023. Our fiscal year end is December 31.

ITEM 22.
CONTRACTS

This Disclosure Document includes a sample of the following contracts: Exhibit B: Franchise Agreement; Exhibit C: Area Development Agreement; Exhibit F: Franchisee Disclosure Questionnaire; Exhibit G: Proprietary Information non-Disclosure Agreement; Exhibit H: Release and Assignment of Rights to Improvements Agreement; Exhibit I: Release and Waiver of Rights; Exhibit L: Direct Deposit Authorization; Exhibit M: Assignment and Assumption Agreement (Resales); Exhibit N: Supplier/Training Agreements; and Exhibit O: Lease Agreement.

ITEM 23.
RECEIPTS

Exhibit P to this Disclosure Document contains two receipt pages by which you acknowledge your receipt of this Disclosure Document. One of the copies is for your records. The other one must be signed, dated and returned to us.

EXHIBIT A

LIST OF AGENTS FOR SERVICE OF PROCESS AND STATE ADMINISTRATORS

LIST OF AGENTS FOR SERVICES OF PROCESS AND STATE ADMINISTRATORS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Department of Financial Protection & Innovation Franchise Division 2101 Arena Blvd. Sacramento, CA 95834 (916) 445-7205 Website: www.dfpi.ca.gov Email: Ask.DFPI@dfpi.ca.gov	Commissioner of the Department of Financial Protection & Innovation 2101 Arena Blvd. Sacramento, CA 95834 (866) 275-2677 Website: www.dfpi.ca.gov Email: Ask.DFPI@dfpi.ca.gov
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Attention: Franchise Section G. Mennen Williams Building, First Floor 525 West Ottawa Street Lansing, MI 48933 517-373-7117	Michigan Department of Commerce Corporations and Securities Bureau Same Address

EXHIBIT B

FRANCHISE AGREEMENT

THE FLAME BROILER, INC.

FRANCHISE AGREEMENT

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EXHIBITS

- A. LOCATION DESIGNATION/LOCATION ACCEPTANCE FORM
- B. CONTINUING GUARANTY
- C. PHOTOGRAPH RELEASE AGREEMENT
- D. RENEWAL/REMODEL ADDENDUM

THE FLAME BROILER, INC.

FRANCHISE AGREEMENT

This Franchise Agreement (“this Agreement”), made this ____ day of _____, 202__, by and between THE FLAME BROILER, INC., a California corporation, having its principal place of business at 1538 E. Warner Avenue, Suite E, Santa Ana, California 92705 (“Franchisor”), and _____

 (“Franchisee”).

WITNESSETH:

WHEREAS, Franchisor and Franchisor’s owners, over a period of time and as the result of the expenditure of time, expertise, effort and money (i) has developed and owns a system (“System”), identified by the Mark “FLAME BROILER”, relating to the establishment, development and operation of a restaurant facility providing quick counter service featuring display cooking of family-style Korean food and other food and beverage products, all prepared in accordance with specified recipes and procedures (“Menu Items”) for carry-out and on-premises dining; (ii) has developed a proprietary teriyaki sauce, hot sauce and salad dressing (“Trade Secret Food Products”); (iii) has developed certain presentation, packaging and marketing standards and techniques for all Menu Items and Trade Secret Food Products; and (iv) may develop certain items and merchandise bearing the Marks (“Trademarked Products”) which may be introduced into the System (collectively “Franchised Restaurant”); and

WHEREAS, the distinguishing characteristics of the System include, and will include, without limitation, distinctive exterior and interior layout, design and color scheme; exclusively designed signage, decorations, furnishings and materials; Confidential Operations Manual (“Manual”); the Proprietary Software Package (“Software”), if developed; food and beverage storage, preparation, service and delivery procedures and techniques; operating procedures for sanitation and maintenance; and methods and techniques for inventory and cost controls, record keeping and reporting, personnel management, purchasing, sales promotion and advertising; all of which, once developed, may be changed, improved and further developed by Franchisor from time to time; and

WHEREAS, Franchisor’s owners as of the date of this Agreement are the owners of the right, title and interest together with all the goodwill connected thereto in and to the trade names, service marks and trademarks “FLAME BROILER”, associated logos, commercial symbols and such other trade names, service marks and trademarks as are now designated (and may hereinafter be designated by Franchisor in writing) as part of the System (“Mark[s]”) and we have the right to sublicense the Marks as part of the rights granted to you under this Agreement; and

WHEREAS, Franchisor and its owners shall continue to develop, use and control such Marks for the benefit and use of itself and its franchisees in order to identify for the public the source of food products and services marketed thereunder and to represent the System's high standards of quality regarding Menu Items, operations, food products, ingredients, appearance and service; and

WHEREAS, Franchisor intends to grant to qualified persons franchises to own and operate FLAME BROILER restaurants offering food products and services authorized and approved by Franchisor and utilizing the System and Marks. Franchisee desires to operate a FLAME BROILER restaurant using the System and Marks and has applied for a franchise, which application has been approved by Franchisor in reliance upon all of the representations made therein; and

WHEREAS, Franchisee understands and acknowledges the importance of Franchisor's high and uniform standards of quality, operations and customer service and the necessity of operating the FLAME BROILER restaurant in conformity with Franchisor's standards and specifications; and

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other set forth in this Agreement, hereby agree as follows:

I. APPOINTMENT AND FRANCHISE FEE

A. Franchisor hereby grants to Franchisee, upon the terms and conditions herein contained, the right, license and privilege to use the Mark "FLAME BROILER" and the other Marks, and Franchisee undertakes the obligation to operate a FLAME BROILER restaurant ("Restaurant") featuring the Menu Items and offering carry-out, delivery and on-premises dining services, and to use solely in connection therewith the System, as it is currently established, and as it may be changed, improved and further developed from time to time. The operation of the Restaurant shall be conducted by Franchisee only at the approved location ("Premises"). Franchisor's approval of the location for the Premises in no way guarantees the success of the Franchised Restaurant at the Premises. If, at the time of execution of this Agreement, the Premises are not designated as a specific address on Exhibit A, then Franchisee agrees to execute the Franchise Agreement – Designation/Location Acceptance Form, attached hereto as Exhibit A and by this reference, incorporated herein, in accordance with the provisions of Section III below. The street address of the Premises shall be set forth in the Designation/Location Acceptance Form.

Franchisee agrees not to open the Restaurant for business to the public without written permission from Franchisor or to change the location of the Restaurant without written permission from Franchisor.

B. During the initial term of this Agreement (and any renewal term), and provided that Franchisee is not in default of this Agreement or any other agreement between Franchisor and Franchisee, Franchisee shall have the right to own and operate the Restaurant at the Premises approved in writing by Franchisor. This Agreement does not grant Franchisee any territorial rights, and Franchisor has the right to establish other FLAME BROILER restaurants anywhere near the Premises based on the development goals of Franchisor, which may change in the future.

Franchisee may only operate its Restaurant at the Premises. Franchisee may not move the Restaurant, except upon Franchisor's written consent, subject to any rights granted to other franchisees. Franchisor's permission, if granted, will be based on a variety of factors including the viability of the existing location, and demographics about the proposed location, and Franchisee's compliance with this Agreement.

C. Except as otherwise provided, Franchisor retains the right to:

1. operate and grant others the right to operate or franchise other Restaurants at such locations anywhere, including near Franchisee's Restaurant, and on such conditions as Franchisor deems appropriate;

2. offer and sell at wholesale products and services which comprise or may in the future comprise, part of the System; and

3. distribute or license the manufacture or distribution of products, regardless of whether such products are authorized for FLAME BROILER Restaurants, under the Marks either licensed hereunder or otherwise held by Franchisor through other channels of distribution, including catalog and internet sales.

D. Franchisee acknowledges Franchisor's right and the right of Franchisor's affiliates to develop, operate and franchise similar or dissimilar systems, under trademarks, service marks and commercial symbols other than the Marks.

E. Franchisee shall engage only in the retail sale of Menu Items, and Franchisee agrees not to engage in the wholesale sale and/or distribution of any product offered for sale through the Franchised Restaurant, except if authorized in writing by Franchisor. "Wholesale sale and/or distribution" shall mean any sale and/or distribution of product by Franchisee to a third party for resale, retail sale or further distribution by such third party.

F. In consideration of the franchise granted herein, Franchisee shall pay to Franchisor upon execution of this Agreement, an Initial Franchise Fee of \$35,000 ("Franchise Fee"). The Franchise Fee shall be deemed fully earned and non-refundable upon execution of this Agreement as consideration for expenses incurred by Franchisor in furnishing assistance and services to Franchisee and for Franchisor's lost or deferred opportunity to franchise others, except as may be otherwise specifically provided in this Agreement and/or any exhibit attached hereto.

G. Franchisee acknowledges that because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege to negotiate one (1) or more terms hereof based upon the peculiarities of the particular site or circumstance, density of population, business potential, population of 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 be entitled to require Franchisor to grant to Franchisee a like or similar variation hereunder.

H. Franchisee shall at all times use its best efforts to promote and increase the sales and service of Menu Items and to effect the widest and best possible distribution, soliciting and servicing all potential customers for FLAME BROILER food products and services, including the customer service standards as further described in the Manual (as defined below in this Agreement). Failure of Franchisee to meet the customer service standards or Franchisee's failure to devote its best efforts to adequately represent a FLAME BROILER restaurant through its sales and service efforts is a default under this Agreement.

II. TERM AND RENEWAL

A. This Agreement shall be effective and binding from the date of execution for an initial term of ten (10) years.

B. Franchisee will have the right to renew the franchise for two (2) successive renewal terms of five (5) years each (under the then-current version of the Franchise Agreement) upon the following terms and conditions:

1. Such right may only be exercised by Franchisee by written notice to Franchisor given not more than six months nor less than three months before the expiration of the term of this Agreement.

2. There shall be no outstanding breach by Franchisee of the terms and conditions of this Agreement.

3. Franchisee shall have the substantially observed and performed the terms and conditions of this Agreement throughout the term.

4. Franchisee shall at its expense bring the Business up to the then-current standards for FLAME BROILER restaurants and comply with any applicable updating or remodeling requirements.

5. Franchisee must complete any additional training Franchisor may require.

6. Franchisee shall sign a new Franchise Agreement with Franchisor provided, however, that:

(a) Franchisee will not be required to pay any Initial Franchise Fee, but rather Franchisee will pay a \$5,000 Renewal Fee;

(b) Franchisor will not be required to provide any of the initial training or other services contained in such Agreement which Franchisor provides to a new franchisee; and

(c) The term of the new Franchise Agreement shall be five (5) years.

7. Franchisee and its owners will sign a general release in a form Franchisor prescribes to the fullest extent permitted by law, to release Franchisor and its officers and employees from any claims Franchisee may have against Franchisor.

III. RESTAURANT LOCATION

A. Franchisee shall operate the Franchised Restaurant only at the location specified in Paragraph I.A. hereof. If the lease for the site of the Franchised Restaurant expires or terminates without fault of Franchisee, or if the site is destroyed, condemned or otherwise rendered unusable, or as otherwise may be agreed upon in writing by Franchisor and Franchisee, Franchisor shall grant permission for relocation of the Franchised Restaurant at a location and site acceptable to Franchisor. Any such relocation shall be at Franchisee's sole expense and Franchisor shall have the right to charge Franchisee a relocation fee of \$8,500 payable on Franchisee's application to Franchisor to relocate as a condition to Franchisor's approval. Said fee is a nonrefundable fee.

B. Although Franchisor may recommend a broker to assist Franchisee, Franchisee shall be solely responsible for locating and purchasing a suitable site, or leasing same, at Franchisee's option. Within ninety (90) days after date of execution hereof, in the case of a new franchise, or, in the case of the relocation/rebuilding of a restaurant under the preceding paragraph, within ninety (90) days of the termination, destruction, condemnation, or Agreement

referred to therein, unless the parties otherwise agree in writing, the Franchisee shall have established a site for the restaurant.

C. Establishing a site for the restaurant, within the definition of those terms in the preceding paragraph, shall require: (i) Franchisee's obtaining written acceptance of the specific proposed location (as will allow for the insertion of same in Paragraph I.A. above; and of the condition of the Premises at that location, from the Franchisor; and (ii) the Franchisee's concurrent compliance with the provisions of Paragraphs III.D. and G.(i) and (ii) below, in submitting and obtaining Franchisor's acceptance of the lease or purchase provisions, and architectural plans and specifications for the development of the restaurant. Franchisor's approval of the location and condition of the Premises may be made contingent upon its approval of the terms of purchase or lease, as applicable, and/or of the plans for the development of the restaurant, at Franchisor's option. Franchisee shall have complied with the requirements of III.G.(iii) through (vi) on or before the ninetieth (90th) day after fully complying with all requirements for establishing a site for the restaurant, but in no event, not later than one hundred eighty (180) days after execution of this agreement, or the date of termination, destruction, condemnation or agreement referred to in Paragraph III.A. above, as applicable.

D. Franchisee shall, subject to the prior approval of terms by Franchisor, execute a lease (if the Premises are to be leased) or a binding agreement to purchase the site. Franchisor's approval of the lease shall be conditioned upon inclusion in the lease of terms acceptable to Franchisor, and at Franchisor's option, the lease shall contain such provisions including, but not limited to:

1. A provision reserving to Franchisor the right, at Franchisor's election, to receive an assignment of the leasehold interest upon termination or expiration of the franchise grant;
2. A provision which expressly requires the lessor to provide to Franchisor all sales and other information lessor may have related to the operation of the Franchised Restaurant, as Franchisor may request;
3. A provision which requires the lessor concurrently to provide Franchisor with a copy of any written notice of deficiency or default under the lease sent to Franchisee and which grants to Franchisor the right (but not obligation) to cure any deficiency under the lease (i) within fifteen (15) business days after the expiration of the period in which Franchisee had to cure any such default should Franchisee fail to do so, or (ii) such longer period beyond fifteen (15) business days as may be reasonable in order to cure a non-financial default;
4. A provision which evidences the right of Franchisee to display the Marks in accordance with the specifications required by the Manual, subject only to the provisions of applicable law;
5. A provision that the Premises be used for the operation of a Franchised Restaurant; and
6. A provision which expressly states that any default under the lease shall constitute a default under this Agreement.

E. If a specific site for the restaurant is not identified under Paragraph I.A.1. above, on execution hereof, or, upon request of the Franchisee for assistance in relocating the Franchised Restaurant, Franchisor shall use reasonable efforts to help analyze Franchisee's market area, to help determine site feasibility, and to assist in the designation of the

location, which must be approved by Franchisor who shall have seven (7) days after notice from Franchisee, to reject any site. Franchisor shall not conduct site selection activities on Franchisee's behalf. While Franchisor shall utilize its experience and expertise in a designation of location, nothing contained herein shall be interpreted as a guarantee of success for said location nor shall any site recommendation or approval made by Franchisor be deemed a representation that any particular site is available for use as a FLAME BROILER restaurant. It shall be the sole responsibility of Franchisee to undertake site selection activities and otherwise secure premises for Franchisee's Franchised Restaurant.

F. In the event no acceptable site is established within the ninety (90) days or such other time as provided under Paragraph III.B. above, then, and in that event, on notice from Franchisor, this Agreement may be terminated and the initial Franchise Fee paid under this Agreement remains nonrefundable.

G. Franchisee shall: (i) cause to be prepared and submit for approval by Franchisor a site survey and any modifications to Franchisor's basic architectural plans and specifications (not for construction) for the development of a FLAME BROILER restaurant (including requirements for dimensions, exterior design, materials, interior design and layout, equipment, fixtures, furniture, signs and decorating) at the site leased or purchased therefor, provided that Franchisee may modify Franchisor's basic plans and specifications only to the extent required to comply with all applicable ordinances, building codes and permit requirements and with prior notification to and approval by Franchisor; (ii) obtain all required zoning changes, building, utility, health, sanitation and sign permits and licenses and any other required permits and licenses; (iii) purchase or lease equipment, fixtures, furniture and signs as provided herein; (iv) complete the construction and/or remodeling, equipment, fixtures, furniture and sign installation and decorating of the Franchised Restaurant in full and strict compliance with plans and specifications therefor approved by Franchisor and all applicable ordinances, building codes and permit requirements; (v) obtain all customary contractors' sworn statements and partial and final waivers of lien for construction, remodeling, decorating and installation services; and (vi) otherwise complete development of and have the Franchised Restaurant ready to open and commence the conduct of its business in accordance with Paragraph XII. and all applicable laws. It is solely Franchisee's responsibility to comply with all applicable laws regarding the development and operation of the Franchised Restaurant, including but not limited to the Americans With Disabilities Act.

H. Execution of the Franchise Agreement by the Franchisor shall not constitute approval, promise of approval, or waiver of any term or condition to be performed by Franchisee under Paragraph III. hereof, notwithstanding that Franchisee may have submitted a site selection, lease/purchase terms for the site, or plans for development, or any of them, concurrently with the execution of this Agreement. Nor shall a concurrent submission of any or all of the foregoing, constitute a consideration for Franchisee's signature hereto. The Franchisee further understands that successful completion of the performance required of the Franchisee under Paragraph III. shall not constitute Franchisor's approval, promise of approval, or waiver of Franchisee's performance under Paragraph IV. hereof.

IV. TRAINING AND ASSISTANCE

A. Approximately three (3) months prior to Franchisee's commencement of operations, Franchisor shall make an initial training program available to any two (2) representatives of Franchisor, with one of the training program attendees being the principal owner or majority owner of the Franchisee and the other attendee being an individual who you will appoint to serve in the key management and operational roles that we designate for any initial training program attendee. Each of your initial training program attendees (including the principal owner/majority owner) must complete

the training to our satisfaction. The initial training program shall be up to twelve (12) weeks in duration. Depending on space availability, you can have additional trainees attend the initial training program with you, provided, you pay the then-current training fee for any additional trainee. The initial training program shall be conducted at Franchisor's headquarters or at an alternative location designated by Franchisor. Said training program shall include classroom training and on-the-job training at a FLAME BROILER restaurant and shall cover material aspects of the operation of a FLAME BROILER restaurant, including, but not limited to, financial controls, general bookkeeping procedures, food preparation, service and operational techniques, familiarization with recipes and cooking procedures, marketing and advertising techniques, sanitation and maintenance procedures, deployment of labor, maintenance of quality standards, customer service and an understanding of the Manual. All expenses incurred by Franchisee and its employees in attending such program including, without limitation, travel costs, room and board expenses and employees' salaries shall be the sole responsibility of Franchisee.

B. For up to one (1) week immediately preceding, at or following the opening of the Franchised Restaurant, at Franchisee's option, Franchisor shall furnish to Franchisee, at the Premises and at Franchisor's expense, one (1) of Franchisor's representatives for the purpose of facilitating the opening of Franchisee's Franchised Restaurant. During this period, such representative shall also assist Franchisee in establishing and standardizing procedures and techniques essential to the operation of a FLAME BROILER restaurant and shall assist in training personnel. Requests, if any, by Franchisee for additional staff, or for assistance beyond period set forth herein, shall be honored, at the option of the Franchisor, at the rate set forth in Paragraph IV.C., and be paid for by the Franchisee, on a daily basis, as incurred.

C. If Franchisor determines that Franchisee or the other training candidates are unable to satisfactorily complete the training program, Franchisor shall have the right to terminate this Agreement in the manner provided for herein, despite the fact that a restaurant site was established, and all other terms complied with on date of notice. Within the thirty (30) day period after notice to cure default to the Franchisee, Franchisor shall offer such additional training, upon notice and request by Franchisee, at Franchisor's then-current published rates for services, currently up to \$400 per day per trainer. The Franchisee's compliance with training requirements after additional training, shall require completion thereof to the satisfaction of the Franchisor, and payment in full to the Franchisor, on demand, for the cost thereof.

D. Franchisor from time to time may provide and, if it does, may require that previously-trained and experienced franchisees, their managers and/or employees attend and successfully complete in-person refresher training programs or seminars to be conducted at Franchisor's location. As of the date of this Agreement, our ongoing training (refresher) requirements are a combined total of 5 business days/40 hours per year, subject to change. Attendance at such refresher training programs or seminars shall be at Franchisee's sole expense. You also must (i) complete all on-line training requirements that we impose from time to time and (ii) attend, at your expense, any franchise conference that we hold for our franchise owners.

E. If Franchisee designates new or additional managers after the initial training program, Franchisor shall provide training to such managers at the rate set forth above. Any and all designated managers shall be required to successfully complete the training program provided at Franchisor's headquarters or such other location designated by Franchisor. Franchisee shall bear all costs incurred by Franchisee's employees in attending such training program.

F. Any training provided by Franchisor to any of Franchisee's employees will be limited to training or guidance regarding the delivery of approved products to customers in a manner that reflects the customer service standards of the System. Franchisee is, and will remain, the sole employer of Franchisee's employees at all times, including during all training programs, and Franchisee is solely responsible for all employment decisions and actions related to Franchisee's employees. Franchisee is solely responsible for ensuring that Franchisee's employees receive adequate training. Franchisee also is solely responsible that Franchisee's Restaurant is adequately staffed with a minimum number of employees to properly serve the customers (Franchisee's staffing needs may vary depending on Franchisee's Restaurant's operational volume and performance; the minimum staffing requirements include Franchisee's obligation to make sure that, if either Franchisee or a properly trained manager is not present at the Franchised Restaurant for any period of time, that Franchisee has a person in charge (PIC) that has been properly trained, including completing all training requirements and upholding the operational standards required by Franchisor).

V. PROPRIETARY MARKS

A. Franchisee acknowledges that Franchisor's owners as of the date of this Agreement are the owners of all right, title and interest together with all the goodwill of the Marks. Franchisee further acknowledges that Franchisee's right to use the Marks is derived solely from this Agreement and is limited to the conduct of business by Franchisee pursuant to and in compliance with this Agreement and all applicable standards, specifications and operating procedures prescribed by Franchisor from time to time during the term of this Agreement. Any unauthorized use of the Marks by Franchisee is a breach of this Agreement and an infringement of the rights of Franchisor and Franchisor's owners in and to the Marks. Franchisee acknowledges that all usage of the Marks by Franchisee and any goodwill established by Franchisee's use of the Marks shall inure to the exclusive benefit of Franchisor and Franchisor's owners, and that this Agreement does not confer any goodwill or other interests in the Marks upon Franchisee. Franchisee shall not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Marks or assist any other person in contesting the validity or ownership of the Marks. All provisions of this Agreement applicable to the Marks apply to any and all additional trademarks, service marks and commercial symbols authorized for use by and licensed to Franchisee by Franchisor after the date of this Agreement.

B. Franchisee shall not use any Mark or portion of any Mark as part of a corporate or trade name or with any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form. Franchisee shall not use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by Franchisor. Franchisee shall give such notices of trademark and service mark registrations as Franchisor specifies and obtain such fictitious or assumed name registrations as may be required under applicable law.

C. Franchisee shall promptly notify Franchisor of any claim, demand or cause of action based upon or arising from any attempt by any other person, firm or corporation to use the Marks or any colorable imitation thereof. Franchisee shall also notify Franchisor of any action, claim or demand against Franchisee relating to the Marks within ten (10) days after Franchisee receives notice of said action, claim or demand. Upon receipt of timely notice of an action, claim or demand against Franchisee relating to the Marks, Franchisor or Franchisor's owners may assert any legal remedy on its behalf that it deems appropriate, and shall control all action taken. Franchisor shall have no obligation to defend, indemnify or hold Franchisee harmless as to any claim, demand or action against Franchisee arising out of the use of the Mark on any grounds. Franchisor has the exclusive right to contest or bring action against any third party regarding the

third party's use of any of the Marks. In any defense or prosecution of any litigation relating to the Marks or components of the System undertaken by Franchisor, Franchisee shall cooperate with Franchisor and execute any and all documents and take all actions as may be desirable or necessary in the opinion of their counsel, to carry out such defense or prosecution. Both parties shall make every effort consistent with the foregoing to protect, maintain and promote the Marks as identifying the System and only the System. **FRANCHISEE ACKNOWLEDGES AND AGREES THAT NEITHER FRANCHISOR NOR FRANCHISOR'S OWNERS MAKE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AT THIS TIME AS TO THE USE, EXCLUSIVE OWNERSHIP, VALIDITY OR ENFORCEABILITY OF THE MARKS.**

D. If it becomes advisable at any time for Franchisor to modify or discontinue use of any Mark, and/or use one (1) or more additional or substitute trade names, trademarks, service marks or other commercial symbols, Franchisee shall comply with Franchisor's directions within a reasonable time after notice to Franchisee by Franchisor. Franchisee hereby waives any rights or recourse against, and covenants not to sue Franchisor or Franchisor's owners for any loss or damages from the loss of, or loss of use of, any Mark. Franchisee shall defend, indemnify and hold Franchisor and Franchisor's owners harmless for any claim, demand or action arising out of the unauthorized modification, alteration or misuse of any Mark by the Franchisee.

E. In order to preserve the validity and integrity of the Marks and copyrighted materials licensed herein and to assure that Franchisee is properly employing the same in the operation of its Franchised Restaurant, Franchisor or its agents shall have the right of entry and inspection of the Premises and operating procedures at all reasonable times. Franchisor shall have the right to observe the manner in which Franchisee is rendering its FLAME BROILER services and conducting its operations, to confer with Franchisee's employees and customers, and to select Menu Items, ingredients, food and non-food products, beverages and other items, products and supplies for test of content and evaluation purposes to make certain that the Menu Items, ingredients, food and non-food products, beverages and other items, products, materials and supplies are satisfactory and meet the quality control provisions and performance standards established by Franchisor.

F. Franchisee shall not establish a website on the Internet, including an independent website, delivery service site or any other social media or online marketing that in any way uses any name (including domain name) containing the words "FLAME BROILER" or any variation without Franchisor's written consent. Franchisor retains the sole right to advertise on the Internet and create a Web site using the "FLAME BROILER" domain name or any other similar name. Franchisee acknowledges that Franchisor is the owner of all right, title and interest in and to such domain names as Franchisor shall designate in the Manual. Franchisor retains the right to pre-approve Franchisee's use of linking and framing between Franchisee's Web pages and all other Web sites. If requested by Franchisor, Franchisee shall, within five (5) days, dismantle any frames and links between Franchisee's Web pages and any other Web sites.

G. In the interest of protecting the "FLAME BROILER" brand, Marks and the System, Franchisor has the sole and absolute right to determine a response, including what steps will be taken and what communications will be made, in instances of a Crisis, and Franchisee agrees to comply with and implement Franchisor's directions in response to a Crisis. "Crisis" means an event or development that negatively impacts the "FLAME BROILER" brand in such a way that Franchisor determines may cause substantial harm or injury to the Marks, System, reputation or image.

VI. CONFIDENTIAL OPERATIONS MANUAL

A. Franchisor shall loan to Franchisee during the term of this Agreement and any renewal thereof one (1) copy of the Manual containing specifications, standards, operating procedures and rules prescribed from time to time by Franchisor for FLAME BROILER restaurants and information relative to other obligations of Franchisee hereunder. Franchisor may make the Manual available to Franchisee on-line, in which case Franchisee must take all steps necessary to protect the confidentiality of the Manual. Franchisor shall have the right to add to and otherwise modify the Manual from time to time to reflect changes in the specifications, standards, operating procedures and rules prescribed by Franchisor for FLAME BROILER restaurants, provided that no such addition or modification shall alter any term or provision hereof, or any agreement referred to herein.

B. The Manual shall at all times remain the sole property of Franchisor and shall promptly be returned upon the expiration or other termination of this Agreement. Franchisee will pay a \$1,000 fee to Franchisor in the event Franchisee loses its copy of the Manual or it needs to be replaced for any reason.

C. The Manual contains proprietary information of Franchisor and shall be kept confidential by Franchisee both during the term of this Agreement and any renewal thereof and subsequent to the expiration and/or termination of this Agreement. Franchisee shall at all times ensure that its copy of the Manual be available at the Premises in a current and up-to-date manner. At all times that the Manual is not in use by authorized personnel, Franchisee shall maintain the Manual in a locked receptacle at the Premises, and shall only grant authorized personnel, as defined in the Manual, access to the key or lock combination of such receptacle. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor at Franchisor's home office shall be controlling. The required standards generally will be set forth in the Manual or other written materials. The Manual also will include guidelines or recommendations in addition to required standards. In some instances, the required standards will include recommendations or guidelines to meet the required standards. Franchisee may follow the recommendations or guidelines or some other suitable alternative, provided Franchisee meets and complies with the required standards. In other instances, no suitable alternative may exist. In order to protect our interests in the System and Marks, Franchisor reserves the right to determine if Franchisee is meeting a required standard and whether an alternative is suitable to any recommendations or guidelines.

VII. CONFIDENTIAL INFORMATION; CUSTOMER INFORMATION

A. Franchisee acknowledges that its entire knowledge of the operation of a FLAME BROILER restaurant including, without limitation, the method of preparation of Menu Items and other food products, and other specifications, product formulae, standards and operating procedures of a FLAME BROILER restaurant is derived from information disclosed to Franchisee by Franchisor and that such information is proprietary, confidential and the trade secret of Franchisor. In addition, any enhancements, adaptations, derivative works, modifications or new processes ("Improvements") developed by Franchisee, its owners or employees to use in the processes, services or products of FLAME BROILER Copyrighted Works, Manual or System shall constitute proprietary information of Franchisor. "Trade Secrets" refer to the whole or any portion of know-how, knowledge, methods, recipes, formulae, specifications, processes, procedures and/or Improvements regarding the FLAME restaurant and the System that is valuable and secret in the sense that it is not generally known to competitors of Franchisor. Franchisee shall maintain the absolute

confidentiality of all such information during and after the term of this Agreement and shall not use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisor.

B. Franchisee shall divulge such confidential information only to the extent and only to such of its employees as must have access to it in order to operate the Franchised Restaurant. Any and all information, knowledge and know-how including, without limitation, drawings, materials, equipment, techniques, restaurant systems, product formulae, recipes and other data which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate lawfully came to its attention prior to disclosure thereof by Franchisor; or which, at the time of disclosure by Franchisor to Franchisee, had lawfully become a part of the public domain, through publication or communication by others; or which, after disclosure to Franchisee by Franchisor, lawfully becomes a part of the public domain, through publication or communication by others.

C. Due to the special nature of the confidential information, Marks and Manual of Franchisor, Franchisee hereby acknowledges that Franchisor shall be entitled to immediate equitable remedies including, but not limited to, restraining orders and injunctive relief in order to safeguard such proprietary, confidential and special information of Franchisor and that money damages alone would be an insufficient remedy with which to compensate Franchisor for any breach of the terms of Paragraphs V., VI. and VII. of this Agreement. Franchisee, each owner of Franchisee, and all persons employed in the operation of the Franchised Restaurant by the Franchisee shall execute a Proprietary Information Non-Disclosure Agreement, or Exhibit A thereto, as appropriate, in the form and format prescribed by the Franchisor, on the execution of the Franchise Agreement. The Franchisee shall have a continuing responsibility thereafter to obtain the signature of each person employed in any manner in the operation of the Franchised Restaurant by the Franchisee, and of each person to whom, or all partners, shareholders or members of each business entity to which any interest in the Franchisee is sold or transferred at any time thereafter, for any cause or reason, on the agreement itself, or on Exhibit A thereto, as appropriate. Signatures required hereunder shall be an express term of, and constitute a material consideration for the sale/transfer, or employment, as applicable. Compliance herewith is a condition to, and in consideration of the grant of the franchise, and a violation thereof at any time by the Franchisee, constitutes a default hereunder.

D. Franchisee acknowledges and agrees that Franchisor owns or is the licensee of the owner of the copyrighted works and may further create, acquire or obtain licenses for certain copyrights in various works of authorship used in connection with the operation of the Franchised Restaurant including, but not limited to, all categories of works eligible for protection under the United States Copyright Law, all of which shall be deemed to be "Copyrighted Works" under this Agreement. Such Copyrighted Works include, but are not limited to, the Manual, advertisements, promotional materials, posters and signs, and may include all or part of the Marks, Software, trade dress and other portions of the System. Franchisor intends that all works of authorship related to the System which are created in the future shall be owned by it.

1. Franchisor may authorize Franchisee to use the Manual, marketing material, artwork, including the Software and other items subject to copyright protection;
2. The Copyrighted Works are the valuable property of Franchisor or its licensors;
3. Franchisee's right to use the Copyrighted Works are granted solely on the condition that Franchisee complies with the terms of Paragraph VII. of this Agreement; and

4. Franchisee will use the Copyrighted Works only as Franchisor designates.

E. Franchisee must promptly notify Franchisor when Franchisee learns of an unauthorized use of the confidential information or any Copyrighted Work. Franchisor does not have to take any action against any unauthorized user of the confidential information or Manual, but will respond to this information as Franchisor deems appropriate and shall control any action taken. Franchisee shall cooperate with Franchisor and execute any and all documents and take all actions as may be directed by Franchisor in the course of preparing or participating in any action. If it becomes necessary or desirable to the Franchisor to modify or discontinue use of any copyright or proprietary information, Franchisee shall comply within a reasonable time after notice. Franchisee hereby waives any rights or recourse against, and covenants not to sue Franchisor for any loss or damages as a result of the loss, or loss of use of any copyright or proprietary information. Franchisor shall have no obligation to defend, indemnify or hold Franchisee harmless as to any claim, demand or action against Franchisee in connection with, or arising out of the use of any confidential information, or the copyright, on any grounds.

F. If Franchisee makes or acquires any Improvements to the processes, services or products of The Flame Broiler Copyrighted Works, Manual or System, Franchisee shall release any interest in, and transfer all right, title or claim in and to such Improvements to Franchisor, on demand, in accordance with the agreement of the parties entitled, "Release and Assignment of Rights to Improvements Agreement," in consideration of the grant of the franchise made under this Agreement and without the payment of additional consideration by Franchisor. Franchisor may include any Improvements made or acquired by Franchisor in the FLAME BROILER Copyrighted Works, Manual and the System for use by all FLAME BROILER Franchisees or Franchisor. If Franchisor seeks patent protection or copyright registration for any Improvements, it shall do so at its own expense. Franchisee shall execute or have the creator execute all documents necessary to enable Franchisor to apply for intellectual property rights protection and to secure all rights to such Improvements. Franchisee shall assign or have the authors assign to Franchisor any intellectual property rights in such Improvements, pursuant to the Release and Assignment of Rights to Improvements Agreement, and shall require all owners of the Franchisee, and each person employed in the operation of the Franchised Restaurant by the Franchisee, to execute same, or Exhibit A thereto, as appropriate, on the execution of the Franchise Agreement. The Franchisee shall have a continuing responsibility thereafter to obtain the signature of each person employed in any manner in the operation of the Franchised Restaurant by the Franchisee, and of each person to whom, or all partners, shareholders or members of each business entity to which any interest in the Franchisee is sold or transferred at any time thereafter, for any cause or reason, on the agreement itself, or on Exhibit A thereto, as appropriate. Signatures required hereunder shall be an express term of, and constitute a material consideration for the sale/transfer, or employment, as applicable. Compliance herewith is a condition to, and in consideration of the grant of the franchise, and a violation thereof at any time by Franchisee constitutes a default hereunder. Franchisee agrees to the requirements of this Paragraph in recognition of the benefits that can be derived by Franchisees from the Improvements made by other Franchisees. The provisions of this Paragraph shall not constitute consent by Franchisor to the modification by Franchisee of any Copyrighted Works, Manual or the System or the creation of any derivative work based on any copyright and Franchisee must obtain Franchisor's express written consent prior to making such modification or derivative work.

G. Franchisee agrees to the following:

(i) Franchisor owns Customer Information (as defined below). Franchisee may only use Customer Information for the purpose of operating the Franchised Restaurant to the extent permitted under this Agreement, including the Manual, during the term hereof and subject to such restrictions as Franchisor may from time to time impose and in compliance with all data privacy, security and other applicable laws. "Customer Information" means any contact information (including name, address, phone and fax numbers, and e-mail addresses), sales and payment history, and all other information about any customer, including any Personal Information that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular individual or household. As used in this Agreement, the term "customer" refers to any person or entity (i) included on any marketing or customer lists Franchisee develops or uses; (ii) who has purchased or purchases products at the Franchised Restaurant (including through any online ordering/delivery program); or (iii) whom Franchisee has solicited to purchase any products at the Franchised Restaurant (or via any online ordering/delivery program). Franchisor may use the Customer Information as it deems appropriate, including disclosing it to its affiliates.

(ii) Without limiting the foregoing, Franchisee agrees to comply with applicable law in connection with its collection, storage and its use and Franchisor's use of such Customer Information, including, if required under applicable law, obtaining consents from customers to Franchisor's and its affiliates' use of the Customer Information. Franchisee must comply with all laws and regulations relating to data protection, privacy and security, including data breach response requirements in connection with any processing of Personal Information ("Privacy Laws"), as well as data privacy and security policies, procedures and other requirements Franchisor may periodically establish. Franchisee shall promptly make available to Franchisor all information necessary to demonstrate compliance with this Section VII.G and applicable Privacy Laws, and shall cooperate with Franchisor in responding to any relevant government inquiries, requests, inspections, or investigations (including promptly notifying Franchisor of any that it receives directly from a government authority). Franchisor or any designees shall have the right to audit Franchisee in order to monitor compliance with the terms of this Appendix. Franchisee agrees that it shall promptly inform Franchisor if it makes a determination that it or its Subprocessors can no longer meet their obligations under this Section VII.G or under applicable Privacy Laws. Failure to comply with any provision of this Section VII.G shall constitute a material breach of the Agreement.

(iii) Franchisee must notify Franchisor immediately of any suspected Security Incidents at or in connection with the Franchised Restaurant (including through any online ordering/delivery program). "Security Incident" means 1) a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorized disclosure and acquisition of, or access to, Personal Information transmitted, stored, or otherwise processed, 2) a security vulnerability or event that carries a material risk of compromising the confidentiality, integrity, or security of Personal Information, Customer Information, or a Franchisee system that contains either Personal Information or Customer Information, and 3) a violation of applicable Privacy Laws. Franchisee must promptly take all reasonable, remedial actions warranted to investigate and halt the root cause of any Security Incident to the extent it is ongoing and fully cooperate with Franchisor and its counsel in determining the most effective way to meet any notification requirements under applicable Privacy Laws as well as Franchisor's standards and policies pertaining to Privacy Laws. Franchisee is responsible for, bears the cost of, and agrees to indemnify Franchisor for any losses or remedial actions (including investigation, notifications to affected persons or government authorities, defending government inquiries

or third-party claims) as a result of any Security Incident involving Personal Information or Customer Information in its control or possession.

(iv) If any federal or state Privacy Law, including the California Consumer Privacy Act (“CCPA”), as amended by the California Consumer Privacy Rights Act (“CPRRA”), Cal. Civ. Code § 1798.100, et seq., applies to the operation of the Franchised Restaurant (including through any online ordering/delivery program), whenever and to the extent Franchisee operates as a “Service Provider” under the CCPA, a “Contractor” under the CPRRA, a data processor, or in a similar capacity under any federal or state Privacy Law to the Franchisor, Franchisee represents and warrants that:

(1) Except for the purpose of operating the Franchised Restaurant and in accordance with the Manual, Franchisee will not retain, use, combine or disclose any Customer Information, including combining Customer Information with any Personal Information the Franchisee receives from or on behalf of another person or from its own interaction with any consumers;

(2) Franchisee will not “sell,” “share,” make available or otherwise disclose any Customer Information to any third party for money or valuable consideration as any relevant terms are defined by applicable Privacy Laws;

(3) Franchisee will retain, use, or disclose Customer Information only for the specific purpose of operating the Franchised Restaurant as specified in this Agreement, and not any other commercial or noncommercial purposes or outside of the direct business relationship between the parties;

(4) Franchisee will delete any Customer Information upon Franchisor’s request unless Franchisee can prove that such request is subject to an exception under applicable Privacy Law; and

(5) If Franchisee receives a Customer Information data request (e.g. a request to delete Customer Information) directly from a consumer (e.g., a California resident under the CCPA or CPRRA, or a resident of another jurisdiction under other applicable Privacy Law), Franchisee shall inform Franchisor of that request within one business day and cooperate with Franchisor to ensure that the consumer receives an appropriate and timely acknowledgement and response. As an example, currently under the CCPA, an acknowledgement is typically required within 10 business days and a final response is required within 45 calendar days.

(v) Franchisee certifies that it understands the restrictions in Paragraphs (1) – (5) of section (iv) above and will comply with them. Franchisee also acknowledges and agrees that Franchisor may modify these restrictions from time to time by written notice to Franchisee, by issuing updates to Franchisor’s standards and policies pertaining to Privacy Laws, including by adding other similar restrictions that may be required under other state or federal Privacy Laws, and Franchisee agrees to comply with the same. Franchisee also agrees to execute any addenda that Franchisor may determine are required to conform this Agreement to new or changed Privacy Laws.

(vi) To the extent that Franchisee engages a third party to collect, use, sell, store, disclose, analyze, delete, modify, or to otherwise perform any processing of Customer Information for the purpose of operating the Franchised Business (a “Subprocessor”), Franchisee will notify Franchisor of such engagement, which shall be governed by a written contract that includes the same restrictions as in Paragraphs (1) – (5) of section (iv) above and imposes reasonable confidentiality obligations on the Subprocessor.

(vii) Franchisee agrees to retain Customer Information received or created pursuant to the Agreement for only so long as necessary to fulfill its obligations under the Agreement or as may otherwise be required under applicable laws. Upon termination or expiration of the Agreement (or the conclusion of any post-expiration transition period), or earlier upon written request by Franchisor, Franchisee agrees to promptly return or securely and irrevocably destroy (as determined by Franchisor in its sole discretion) all Customer Information received or created pursuant to the Agreement, to the extent permitted by applicable Privacy Laws. Franchisee agrees to promptly notify Franchisor of any inability to return or destroy Customer Information. Franchisee agrees that any Customer Information retained as required by law shall remain subject to the requirements of this Section VII.G, which shall survive termination of the Agreement with respect to such data.

VIII. DEVELOPMENT OF THE SYSTEM

Franchisor reserves the right to add to, develop and improve the System presently identified by the Marks, including, without limitation, new and modified trade names, marks and other proprietary information, specifications for food storage, preparation and service equipment, computer hardware and software (including third party online software, cloud based programs and third party apps), food products, Menu Items and techniques for the improved operation of all FLAME BROILER restaurants. Such Improvements may also include, without limitation, remodeling, renovation, re-imagining, and new services. Some Improvements may be mandated by law. Others will occur through the ongoing improvement of the franchise by the Franchisor. Franchisee shall pay for the cost of acquiring and/or incorporating said Improvements into each restaurant owned by the Franchisee, within the time established by the Franchisor in the Manual. The cost of acquiring and/or incorporating Improvements to the Franchisee may not exceed \$90,000 during the initial term of this Agreement, with the maximum increased to \$100,000 during each 5 year renewal term (both figures subject to increases in the Department of Labor Consumer Price Index [CPI]). Franchisee shall not be required to incur any cost for the acquisition/incorporation of Improvements for a period of at least one year after date of opening, with the required amount accumulating in \$10,000 per year increments and any unspent amount during a year rolling over to the next year and to the subsequent year, as we determine is appropriate. For example: 1st year of opening- not required; 2nd year - \$10,000; 3rd year - \$20,000 (if previously not spent); 4th year – \$30,000, unless you spent an amount like \$5,000 in year 3, in which case the amount in year 4 would be \$25,000.

IX. ADVERTISING

Recognizing the value of advertising and the importance of the standardization of advertising and promotion to the furtherance of the goodwill and the public image of FLAME BROILER Franchised Restaurants, Franchisee agrees to comply with all menu promotions and other advertising and marketing standards as follows:

A. Franchisee shall submit to Franchisor or its designated agency, for its prior approval, all promotional materials and advertising to be used by Franchisee including, but not limited to, social media, newspapers, radio and television advertising, materials relating to any loyalty programs, specialty and novelty items, signs, containers and boxes. In the event written disapproval of said advertising and promotional material is not given by Franchisor to Franchisee within thirty (30) days from the date such material is received by Franchisor, said materials shall be deemed approved. Failure by Franchisee to conform with the provisions herein and subsequent non-action by Franchisor to require Franchisee to cure or remedy this failure and default shall not be deemed a waiver of future or additional failures and defaults of any other provision of this Agreement. Franchisor reserves the right, at its option, to revoke its approval

of advertising at any time the advertising fails to continue to meet Franchisor's criteria. Franchisee must comply with Franchisor's social media policies as promulgated from time to time. Franchisee must also conduct such promotions and special events, offer such promotional items and accept such coupons, loyalty, stored value and gift cards as Franchisor may from time to time require. The promotions may include specific price points, subject to any applicable law limitations.

B. Franchisee shall spend a minimum of \$2,000 on approved newspaper, direct mail advertising, other advertising or promotional items through other media including, without limitation, product samples, during the first month of operation of the Franchised Restaurant ("Grand Opening Advertising"). Such Grand Opening Advertising shall be conducted in accordance with the Manual. If Franchisee does not spend the minimum amount as set forth in the Manual, Franchisee must contribute the \$2,000 to the Advertising Fund described below or reimburse Franchisor for any Grand Opening Advertising that Franchisor does on Franchisee's behalf.

C. Franchisee shall contribute to the Advertising and Development Fund ("Advertising Fund") three percent (3%) of the Net Sales derived from the Franchised Restaurant, as defined in Paragraph X.A.2. of this Agreement. Franchisee's required payments to the Advertising Fund shall be made at the same time, in the same manner as and in addition to the Royalty Fee provided in Paragraph X.A. herein. The Advertising Fund is not a trust or escrow account and Franchisor has no fiduciary obligation to franchisees with respect to the Advertising Fund. The Advertising Fund shall be maintained and administered by Franchisor or its designee, as follows:

1. Franchisor shall direct all advertising programs over the creative concepts, materials and media used in such programs and the placement and allocation thereof. Franchisee agrees and acknowledges that the Advertising Fund is intended to maximize general public recognition and acceptance of the Marks for the benefit of the System and that Franchisor and its designee undertake no obligation in administering the Advertising Fund to make expenditures for Franchisee which are equivalent or proportionate to its contribution, or to ensure that any particular Franchisee benefits directly or on pro rata basis from the placement of advertising.

2. The Advertising Fund may be used for the cost of creating, producing, distribution of, and monitoring advertising and promotion, in any form, in any media, of the restaurants and the Marks, including, without limitations, such related public relations, marketing activities, social media, consumer research and feedback, charitable and social initiatives, services involving or related to marketing platform, virtual world, artificial intelligence, non-fungible tokens (NFT) as are reasonable to that end. Advertising Funds shall be maintained in an account separate from all other funds of the Franchisor. Franchisor shall not receive a fee for its services to administer the Advertising Fund. Franchisor's expenses in administering the Advertising Fund, if any, although the costs incurred in creating, producing and distribution of advertising and promotion in-house, including salaries of Franchisor's employees, if any, may be paid from the Advertising Fund.

3. It is anticipated that all contributions to the Advertising Fund shall be expended for advertising and promotional purposes during Franchisor's fiscal year within which contributions are made. If, however, excess amounts remain in the Advertising Fund at the end of such fiscal year, all expenditures in the following fiscal year(s) shall be made first out of any current interest or other earnings of the Advertising Fund, next out of any accumulated earnings and finally from principal.

4. Although Franchisor intends the Advertising Fund to be of perpetual duration, Franchisor maintains the right to terminate the Advertising Fund. The Advertising Fund shall not be terminated, however, until all monies in the Advertising Fund have been expended for advertising and promotional purposes.

5. An unaudited accounting of the operation of the Advertising Fund shall be prepared annually and shall be made available to Franchisee upon request. Franchisor reserves the right, at its option, to require that such annual accounting include an audit of the operation of the Advertising Fund prepared by an independent certified public accountant selected by Franchisor and prepared at the expense of the Advertising Fund.

6. Each restaurant operated by Franchisor, offering products and services similar to the Franchised Restaurant, shall make contributions to the Advertising Fund on the same basis as the contributions required of Franchised Restaurants within the System.

7. The media selected may be print, radio, television, electronic or other, and may be local, regional or national, as determined by Franchisor. Franchisor may conduct its advertising in-house or through an agency.

D. Franchisee shall not advertise or use in advertising or any other form of promotion, the copyrighted materials, trademarks, service marks or commercial symbols of Franchisor without the appropriate © or ® registration marks or the designation TM or SM where applicable.

X. CONTINUING SERVICES AND ROYALTY FEE

A. Franchisee shall pay without offset, credit or deduction of any nature, to Franchisor, so long as this Agreement shall be in effect, a weekly Royalty Fee equal to 5% of the Net Sales derived from the Franchised Restaurant. Said Royalty Fee shall be paid weekly in the manner specified below or as otherwise prescribed in the Manual.

1. Each week, Franchisee shall submit to Franchisor in such form as prescribed in the Manual (including an electronic format if required), a correct statement, signed or certified by Franchisee, of Franchisee's Net Sales for the preceding week ended Sunday. Each weekly statement of Net Sales shall be accompanied by the Royalty Fee payment based on the Net Sales reported in the statement so submitted. Franchisee shall make available to Franchisor all original books and records that Franchisor may deem necessary to ascertain Franchisee's Net Sales for reasonable inspection at reasonable times.

2. The term "Net Sales," as used herein and throughout this Agreement, shall mean and include the total of all revenues and income from the sale of all Menu Items, Trade Secret Food Products, and any other food products, beverages and other related merchandise, products and services to customers of Franchisee, or any other source, whether or not sold or performed at or from the FLAME BROILER Franchised Restaurant, and whether received in cash, in services in kind, from barter and/or exchange, on credit (whether or not payment is received therefor) or otherwise, including all third party delivery commissions, fees or other related charges paid by customers. There shall be deducted from Net Sales for purposes of said computation (but only to the extent they have been included) the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to customers, if such taxes are separately stated when the customer is charged and if such taxes are paid to the appropriate taxing authority. There shall be further deducted from Net Sales the amount of any documented refunds, chargebacks, credits and allowances given in good faith to

customers by Franchisee. All barter and/or exchange transactions pursuant to which Franchisee furnishes services and/or products in exchange for goods or services to be provided to Franchisee by a vendor, supplier or customer will, for the purpose of determining Net Sales, be valued at the full retail value of the goods and/or services so provided to Franchisee.

B. Franchisee must pay to Franchisor a late fee of \$100 for each time that any payment due to Franchisor is not paid in a timely fashion. In addition to the late fees, all Royalty Fees, advertising contributions, amounts due for purchases by Franchisee from Franchisor, and other amounts which Franchisee owes to Franchisor shall bear interest after due date at the highest applicable legal rate for open account business credit, not to exceed one and one-half percent (1.5%) per month. Franchisee acknowledges that this Paragraph shall not constitute agreement by Franchisor to accept such payments after same are due or a commitment by Franchisor to extend credit to, or otherwise finance Franchisee's operation of, the Franchised Restaurant. Further, Franchisee acknowledges that its failure to pay all amounts when due shall constitute grounds for termination of this Agreement, as provided in Paragraph XVI. hereof, notwithstanding the provisions of this Paragraph.

C. Franchisor reserves the right to charge Franchisee a Default Fee if you violate any provision of this Agreement or fail to comply with a mandatory standard or procedure. The Default Fee is currently \$250 for Franchisee's first Default and \$500 for any subsequent Default within 12 months, whether or not such default(s) arise from or relate to the same occurrence or Paragraph of this Agreement. The Default Fee is payable immediately upon demand. The Default Fee is in addition to, and not in lieu of, any Franchisor has under this Agreement (including termination for defaults) and is subject to change at any time. For the avoidance of doubt, Franchisor reserve the right to charge Franchisee a Default Fee and a Daily Fee for any Default. The Daily Fee is currently \$100 per day that Franchisee remains out of compliance with this Agreement or any mandatory standard or procedure. The Daily Fee is payable immediately upon 24 hours' notice, and Franchisor reserves the right to continue charging it until Franchisee cures any applicable default. The Daily Fee is in addition to, and not in lieu of, any rights Franchisor has under this Agreement (including termination for defaults as set forth in this Agreement, as provided in Paragraph XVI) and is subject to change at any time.

D. Notwithstanding any designation by Franchisee, Franchisor has the right to apply any payments by Franchisee to any past due indebtedness of Franchisee for Royalty Fees, advertising contributions, purchases from Franchisor, interest or any other indebtedness.

E. All Royalty Fees, advertising contributions, amounts due for purchases by Franchisee from Franchisor, Default Fees, Daily Fees and other amounts which Franchisee owes to Franchisor shall be paid through an Electronic Depository Transfer Account ("EDTA") as further described in the Manual. Immediately following execution of this Agreement, Franchisee shall set up an EDTA and Franchisor shall have access to such account for the purpose of receiving payment for Royalty Fees, advertising contributions, amounts due for purchases by Franchisee from Franchisor and any other amounts which Franchisee owes to Franchisor. Every week, Franchisee shall make deposits to the EDTA sufficient to cover amounts owed to Franchisor on Monday for Royalty Fees, advertising contributions and other funds owed to Franchisor for the preceding week ending on Sunday. Deposits for all other amounts owed to Franchisor shall be in accordance with the procedures set forth in the Manual.

XI. ACCOUNTING AND RECORDS

A. Franchisee shall maintain during the term of this Agreement, and shall preserve for the time period specified in the Manual, full, complete and accurate books, records and accounts in accordance with the standard accounting system prescribed by Franchisor in the Manual or otherwise in writing. Franchisee shall retain for a period of three years thereafter all books and records related to the Franchised Restaurant including, without limitation, sales checks, purchase orders, invoices, payroll records, customer lists, check stubs, sales tax records and returns, cash receipts and disbursement journals and general ledgers.

B. Franchisee shall supply to Franchisor on or before the tenth day of each quarter, in such form as prescribed in the Manual, a profit and loss statement and balance sheet for the last preceding quarter just ended. Additionally, Franchisee shall, at its expense, submit to Franchisor within 90 days after the end of each fiscal year during the term of this Agreement, a profit and loss statement for such fiscal year and a balance sheet as of the last day of such fiscal year, prepared on an accrual basis including all adjustments necessary for fair presentation of the financial statements. Such financial statements shall be certified to be true and correct by Franchisee. Franchisor reserves the right to require annual financial statements, prepared in accordance with generally accepted accounting principles, audited by an independent certified public accountant at Franchisee's expense.

C. Franchisee shall submit to Franchisor such other periodic reports, forms and records as specified, and in the manner and at the time as specified in the Manual.

D. Franchisee shall record all sales and related activities on computer-based point-of-sale cash registers which are fully compatible with any program or system which Franchisor may now or in the future employ. Franchisee must procure a computer system meeting the specifications and standards prescribed by Franchisor. All Net Sales and sales information shall be recorded on such equipment. Franchisor shall have full access to all of Franchisee's data, system and related information by means of direct access whether in person, or by telephone/modem/Internet.

E. Franchisor or its designated agents shall have the right at all reasonable times to examine and copy, at its expense, the books, records and tax returns of Franchisee. Franchisor shall also have the right, at any time, to have an independent audit made of the books and records of Franchisee at Franchisee's expense. If an inspection should reveal that any payments due 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 from the date such amount was due until paid, at the maximum rate permitted by law. If Franchisor performs an inspection because Franchisee did not provide required financial statements, reports and/or any other documents Franchisor may require from time to time at the times and in the format specified in the Manual or if an inspection discloses an understatement in any report of 2% or more, Franchisee shall reimburse Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, reasonable accounting and attorneys' fees). The remedies listed in this Paragraph XI.E. shall be in addition to any other remedies Franchisor may have under this Agreement or law.

F. Franchisee acknowledges that nothing contained herein constitutes Franchisor's agreement to accept any payments after same are due or a commitment by Franchisor to extend credit to or otherwise finance Franchisee's operation of the Franchised Restaurant. Further, Franchisee acknowledges that its failure to pay all amounts when due

shall constitute a material default of, and grounds for termination of this Agreement. Franchisee must pay Franchisor a late fee of \$500 for each time that any report or financial statement is not provided to Franchisor in a timely fashion.

XII. STANDARDS OF QUALITY AND PERFORMANCE

A. Franchisee shall comply with all requirements set forth in the Manual. Compliance with all terms, specifications and conditions in the Manual, and its amendments and all procedures, rules and policies prescribed after execution hereof, from time to time by the Franchisor, shall be required of Franchisee as a term and condition to Franchisee's rights hereunder. Franchisee shall comply with the entire System including, but not limited to, the requirements of this Paragraph XII.

B. Franchisee shall commence operation of the Franchised Restaurant not later than six months after execution of this Agreement or as otherwise required or approved in writing by Franchisor. Prior to such opening, Franchisee shall have procured all necessary licenses, permits and approvals including, but not limited to, construction permits, hired and trained personnel, made all leasehold Improvements and purchased initial inventory. If Franchisee for any reason fails to commence operation as herein provided, unless Franchisee is precluded from doing so by force majeure, such failure shall be considered a default and Franchisor may terminate this Agreement as herein provided.

C. Franchisee shall maintain the condition and appearance of the Premises consistent with Franchisor's quality controls and standards. Franchisee shall effect such reasonable maintenance of the Franchised Restaurant as is from time to time required to maintain or improve the appearance and efficient operation of the Franchised Restaurant including, but not limited to, replacement of worn out or obsolete fixtures, signs and equipment, and the repair of the exterior and interior of the Premises. If at any time in Franchisor's judgment the general state of repair or the appearance of the Premises or its equipment, fixtures, signs or decor does not meet Franchisor's quality control and standards therefor, Franchisor shall so notify Franchisee, specifying the action to be taken by Franchisee to correct such deficiency. At all times, Franchisor shall have access to Franchisee's Premises at such reasonable times and intervals, with or without notice, to inspect same for the purposes of this Paragraph. Franchisee's obligation to initiate and continue any required maintenance shall be suspended during any period in which such maintenance is impractical due to force majeure.

D. Franchisee shall make no material alterations to the Premises nor shall Franchisee make material replacements of or alterations to the equipment, fixtures or signs of the Franchised Restaurant without the prior written approval by Franchisor.

E. The location of the Franchised Restaurant approved by Franchisor in accordance with Paragraph III. hereof shall be used solely for the purpose of conducting a FLAME BROILER Franchised Restaurant during the term of this Agreement, or any extension thereof.

F. Franchisee shall offer for sale and sell at the Franchised Restaurant all types of Menu Items and other food and beverage products that Franchisor from time to time authorizes and shall not offer for sale or sell any other products or use such Premises for any purpose other than the operation of a Franchised Restaurant in full compliance with this Agreement.

G. In order to ensure that all Menu Items produced by Franchisee meet Franchisor's high standards of taste, texture, appearance and freshness, and in order to protect Franchisor's goodwill and Marks, the Menu Items and other food products shall be prepared only by properly trained personnel strictly in accordance with Franchisor's recipes, cooking techniques and processes as designated by Franchisor in the Manual, and shall be sold only at retail to customers in conformity with Franchisor's marketing plan and concept. Franchisee acknowledges that such recipes, cooking techniques and processes are integral to the System and failure to adhere to such recipes, cooking techniques and processes (including the handling and storage of both ingredients and fully prepared Menu Items) shall be detrimental to the System and Marks. Franchisee also shall meet Franchisor's customer service standards at all times, as further described or set forth in the Manual.

H. From time to time, Franchisor shall provide to Franchisee a list of manufacturers, suppliers, service providers and distributors ("Approved Suppliers List") and approved inventory, products, fixtures, furniture, equipment, signs, stationery, supplies and other items or services necessary to operate the Franchised Restaurant ("Approved Supplies List"). Such list shall specify the manufacturer, brand name, suggested supplier and distributor and the inventory, products, fixtures, furniture, equipment, signs, stationery, supplies and services which Franchisor has approved to be carried or used in the System. Franchisor may revise the Approved Suppliers List and Approved Supplies List from time to time and such lists shall be submitted to Franchisee. Franchisor has the right to require that all products and services including equipment, supplies, and food and beverage be purchased from only Approved Suppliers. Franchisee acknowledges and agrees that Franchisor may designate a single supplier for certain products and services and that Franchisor or an affiliate may be that single source. Franchisee agrees to pay the then current price in effect for all items Franchisee purchases from Franchisor or an affiliate. If Franchisee wishes to offer for sale at the Franchised Restaurant any service, brand of product, or to use in the operation of Franchised Restaurant any brand of food ingredient or other material or supply which is not then approved by Franchisor as meeting its minimum specifications and quality standards, Franchisee shall first notify Franchisor and shall upon request by Franchisor submit samples and such other information as Franchisor requires for examination and/or testing or to otherwise determine whether such service, product, material or supply meets its specifications and quality standards. A charge not to exceed the reasonable cost of the inspection and evaluation and the actual cost of the test and in all cases, not to exceed \$5,000, shall be paid by Franchisee or the supplier. Franchisor shall have a reasonable period in which to conduct the test and give its approval/disapproval to the service or product. Franchisor reserves the right, at its option, to re-inspect the service or products of any supplier of an approved service or item and to revoke its approval of any service or item which fails to continue to meet any of Franchisor's criteria. Franchisor reserves the right to approve or reject any and all supplies, brand name products and other products and services, whether currently approved by Franchisor or submitted to Franchisor by Franchisee for approval, authorized for use by or sale from the Franchised Restaurant.

I. All inventory, products and materials and other items and supplies used in the operation of the Franchised Restaurant which are not specifically required to be purchased in accordance with Franchisor's Approved Supplies List shall conform to the specifications and quality standards established by Franchisor from time to time.

J. Franchisee shall secure and maintain in force all required licenses, permits and certificates relating to the operation of the Franchised Restaurant and shall operate the Franchised Restaurant in full compliance with all applicable laws, ordinances and regulations including, without limitation, all government regulations relating to occupational hazards and health, dispensing of food products, consumer protection, trade regulation, workers' compensation, unemployment insurance and withholding and payment of federal and state income taxes and social

security taxes and sales, use and property taxes. Franchisee shall also comply with payment card industry (“PCI”) data security standards and other laws related to consumer and data security and privacy. Franchisee shall submit to Franchisor, promptly upon receipt, copies of all customer complaints and notices and communications received from any government agency relating to alleged violations of applicable laws and hereby authorizes the government agency to provide the same information directly to Franchisor upon Franchisor’s request. Franchisee shall respond to all customer complaints as set forth in the Manual. Additionally, Franchisee shall promptly notify Franchisor of any written threat or the actual commencement, of any action, suit or proceeding against Franchisee or any person who is an owner or involving the Franchised Restaurant or the business assets that might adversely affect the operation or financial condition of the Franchised Restaurant, and provide Franchisor with a copy of all relevant documents.

K. Franchisee shall refrain from any merchandising, advertising or promotional practice which is unethical or may be injurious to the business of Franchisor and/or other Franchised Restaurants or to the goodwill associated with the Marks.

L. Franchisee shall in the operation of the Franchised Restaurant use only displays, trays, napkins, boxes, bags, wrapping paper, labels, forms and other paper and plastic products imprinted with the Marks and colors as prescribed from time to time by Franchisor.

M. Franchisee acknowledges that the Franchised Restaurant shall at all times maintain an inventory of ingredients, food and beverage products and other products, materials and supplies that shall permit operation of the Franchised Restaurant at maximum capacity.

N. The Franchised Restaurant shall at all times be under the direct, on-premises supervision of Franchisee (or a trained and competent manager). If Franchisee employs a manager, Franchisee acknowledges that it shall remain obligated to supervise the operations of the Franchised Restaurant as agreed upon by Franchisee and Franchisor. Further, Franchisee acknowledges and agrees that, if either Franchisee or a trained and competent manager are not present at the Franchised Restaurant for any period of time, Franchisee will have a person in charge (PIC) on-site that has been properly trained, including completing all training requirements and upholding the operational standards required by Franchisor. The PIC may be Franchisee, a properly trained manager or another properly trained individual.

In the event Franchisee operates more than one (1) franchised restaurant, Franchisee must have at least one (1) trained and competent employee acting as a manager at each franchised restaurant, with that individual having satisfied Franchisor’s training requirements.

If Franchisee designates manager(s) as provided in this Section XII.N, Franchisee shall keep Franchisor informed at all times of the identity of any employee(s) acting as manager(s) of the Franchised Restaurant. Prior to appointing any person to the position of manager, the Franchisee shall advise Franchisor of the appointment with sufficient lead time to allow the appointee to complete the initial training program set forth in Paragraph IV.A, above, or other training program as required by Franchisor at its sole and absolute discretion, prior to assuming any duties as a manager. Franchisee shall pay all expenses incurred by the manager appointee, including the cost of training by Franchisor at the then-current daily rates, for each day of training, or fraction thereof. No employee of Franchisee will be deemed to be an employee of Franchisor for any purpose whatsoever, and nothing in any aspect of the System or the Marks in any way shifts any employee or employment related responsibility from Franchisee to Franchisor. Franchisee

acknowledges and agrees that any training, support, guidance or tools Franchisor provides to Franchisee as part of the franchise are for the purpose of protecting the FLAME BROILER brand and Marks and to assist Franchisee in the operation of the Restaurant and not for the purpose of controlling or in any way exerting control over Franchisee's decisions or day-to-day operation of the Restaurant, including Franchisee's sole responsibility for the hiring, wages, training, supervision and termination of its employees and all other employment and employee related matters. Except as provided for in this Agreement, Franchisor shall have no obligation to train Franchisee, its owners, managers or employees. Franchisee shall, at all times, faithfully, honestly and diligently perform its obligations hereunder and shall not engage in any business or other activities that shall conflict with its obligations hereunder.

O. Franchisee shall not install or maintain on the Premises any newspaper racks, video games, juke boxes, gaming machines, gum machines, games, rides, vending machines or other similar devices without the written approval of Franchisor.

P. Franchisee shall participate actively in a FLAME BROILER Regional Advisory Council ("Council") and participate in all Council programs, for Franchisee's particular Council, approved by Franchisor at such time as the region(s) is/are defined by the Franchisor, and a Regional Council for the region in which the Franchisee is located is established by the Franchisor. The purposes of the Council(s) include, but are not limited to, exchanging ideas and problem solving methods, advising Franchisor on expenditures for regional advertising, providing back-up support and staffing for political influence and coordinating franchisee efforts and are advisory only, in nature. The cost, if any, of creating and convening the Council shall be borne by the Franchisor. Each Franchisee shall bear his/her own costs to attend the Council meeting, and related activities, including hotel, meals, recreation, etc. Failure to participate in the Council, if convened, shall constitute a default hereunder.

Q. Franchisee must install and use in the Franchised Restaurant (and pay all the current fees associated with) the computer network system (the "Technology System," which also includes the required point of sale ("POS") hardware and technology that is included as part of the Technology System) that Franchisor has developed or selected for the System, including all the features, capacity, frequency of use, future updates, supplements and modifications as Franchisor may require from time to time. The required software and hardware may include a credit card processing system Franchisor designates. Franchisee agrees to pay all then current fees associated with the Technology System. Franchisee may be required to license software from Franchisor, an affiliate, or a third party and Franchisee also may be required to sign software license agreements, pay software licensing or user fee(s) in connection with the use of the software or connect existing software and hardware to a third party service provider's software or hardware. All right, title and interest in and to the software will remain with the licensor of the software. Franchisee will be liable for all damages (under this Agreement, any other software license agreement executed and under applicable law) and problems caused by Franchisee's use of any software. Franchisee acknowledges and agrees that Franchisor will have full and complete access to the information and data entered into and produced by the POS and Franchisor can use the same in any way Franchisor deems appropriate. Franchisee must have Internet access with a form of high speed connection as Franchisor may require and Franchisee must maintain a dedicated email account for the Franchised Business, separate from any personal or other email account. Franchisee must purchase any upgrades, enhancements and/or replacements to any hardware and software as Franchisor may from time to time require. It is Franchisee's responsibility to make sure that Franchisee is in compliance with all laws that are applicable to the POS System or other technology used in the operation of the Franchised Business, including all data protection, privacy and security laws as well as payment card industry (PCI) compliance.

R. Franchisor and Franchisor's owners developed Trade Secret Food Products and may continue to develop and own a proprietary teriyaki sauce and other sauces such as a beef marinade, hot sauces, and dressings. Trade Secret Food Products will include bottled sauces the Franchisee is required to sell at its Franchised Restaurant. In order to protect its Trade Secrets and to monitor the manufacture, packaging, processing and sale of the Trade Secret Food Products, Franchisor shall: (i) manufacture, supply and sell the Trade Secret Food Products to franchisees of Franchisor; and/or (ii) disclose the formulae for and methods of preparation of the Trade Secret Food Products to a limited number of suppliers who shall be authorized by Franchisor to manufacture the Trade Secret Food Products to Franchisor's precise specifications and to sell the Trade Secret Food Products to franchisees of Franchisor; at Franchisor's election. Franchisee acknowledges that it must use, and sell if required by Franchisor, the Trade Secret Food Products at all times in the operation of the franchise.

S. Franchisor may develop proprietary or private-labeled Trademarked Products related to the Franchised Restaurant. In order to monitor the manufacture, packaging, processing and sale of the Trademarked Products, Franchisor shall: (i) manufacture, supply and sell the Trademarked Products to Franchisor's franchisees; and/or (ii) disclose the designs or specifications of the Trademarked Products to a limited number of suppliers who shall be authorized by Franchisor to manufacture the Trademarked Products to Franchisor's precise specifications and to sell the Trademarked Products to Franchisor's franchisees. Franchisee acknowledges that Franchisee shall be required to use the Trademarked Products and also offer and sell certain Trademarked Products at the Franchised Restaurant as designated by Franchisor.

T. Franchisee shall operate the Franchised Restaurant on all of the days and during the hours prescribed in the Manual, unless Franchisor's prior written approval of different days or hours is obtained. Franchisee acknowledges and agrees that if the Franchise Restaurant is in a mall, its operating hours shall be the same as the operating hours at the mall. Franchisee shall prominently disclose its operating hours to the public in the manner required by the Manual, and shall be open and fully prepared to conduct business during all posted operating hours.

U. Franchisee shall notify Franchisor in writing within twenty-four hours of the commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of the Franchised Restaurant. Franchisor may order Franchisee to close the Franchised Restaurant in order to address any such order or similar situation which may impact the health or safety of customers or employees.

V. Franchisee agrees to adhere to good business practices, observing high standards of honesty, integrity, fair dealing and ethical business conduct and good faith in all business dealings with customers, vendors, Franchisee's employees, Franchisor's corporate employees, and all other FLAME BROILER franchisees. Franchisee must not engage in deceptive, misleading or unethical practices or conduct that may have a negative impact on the reputation and goodwill associated with the Proprietary Marks.

W. In the interest of protecting the FLAME BROILER brand, Marks and the FLAME BROILER System, Franchisor has the sole and absolute right to determine a response, including what steps will be taken and what communications will be made, in instances of a Crisis, and Franchisee agrees to comply with and implement the Franchisor's directions in response to a Crisis. "Crisis" means an event or development that negatively impacts the FLAME BROILER brand or the FLAME BROILER System in such a way that Company determines may cause

substantial harm or injury to the Marks, the FLAME BROILER System, or the reputation or image of the FLAME BROILER brand.

XIII. FRANCHISOR'S OPERATIONS ASSISTANCE

A. Prior to commencement of operations, Franchisor shall provide training to Franchisee on the terms and conditions provided for under Paragraph IV. above. All specifications needed for the opening and operation of the franchise, including site selection guidelines and supplies/supplier lists, not otherwise included in the Manual, shall be provided to Franchisee on the execution of the Franchise Agreement.

B. Upon commencement of operations, and thereafter, for the term of the Agreement, Franchisor shall:

1. Coordinate all advertising materials, promotional programs and administer advertising funds;
2. Regulate quality standards and products throughout all Franchised Restaurants; including procedures for the service and sale of Menu Items, other food and beverage items, and related items approved by Franchisor, the proper administrative, bookkeeping, accounting, inventory control, supervisory and general operating procedures, restaurant condition and appearance and updating franchisees on new products/services and Improvements to System;
3. Provide continuing education of trained employees and the initial training of new managers;
4. Negotiate best available rates for purchase of products and materials and for distribution of same from available suppliers;
5. Administer Cooperative and Advisory Council and Advertising Fund, once established; and
6. Remain available for general counsel, advice and guidance in the operation of the Franchised Restaurant, including the recommendation of prices for the food and other products offered by the restaurant.

C. Franchisor may make periodic visits to the Franchised Restaurant for the purposes of consultation, assistance and guidance of Franchisee in all aspects of the operation and management of the Franchised Restaurant. Franchisor or Franchisor's representatives who visit the Franchised Restaurant may prepare, for the benefit of both Franchisor and Franchisee, written reports with respect to such visits outlining any suggested changes or Improvements in the operations of the Franchised Restaurant and detailing any defaults in such operations which become evident as a result of any such visit, and a copy of each such written report shall be provided to both Franchisor and Franchisee. Franchisor shall advise Franchisee of problems arising out of the operation of the Franchised Restaurant as disclosed by reports submitted to Franchisor by Franchisee or by inspections conducted by Franchisor of the Franchised Restaurant. Any evaluation or inspection Franchisor conducts is not intended to exercise control over Franchisee's day-to-day operation of the Restaurant or to assume any responsibility for Franchisee's obligations under the Franchise Agreement.

XIV. INSURANCE

A. Franchisee shall procure at its expense and maintain in full force and effect during the term of this Agreement, an insurance policy or policies protecting Franchisee and Franchisor, their officers, directors and employees against any loss, liability, personal injury, death or property damage or expense whatsoever arising or occurring upon or in connection with the Franchised Restaurant, as Franchisor may reasonably require for its own and Franchisee's protection. Franchisor shall be an Additional Named Insured in such policy or policies. Such insurance is limited to its "conditions, provisions and exclusions" and does not necessarily include any expense whatsoever arising or occurring upon or in connection with the Franchised Restaurant.

B. Such policy or policies shall be written by an insurance company licensed in the state in which Franchisee operates and having at least an "A" Rating Classification as indicated in A.M. Best's Key Rating Guide in accordance with standards and specifications set forth in the Manual or otherwise in writing, and shall include, at a minimum (except as different coverages and policy limits may reasonably be specified for all franchisees from time to time by Franchisor in the Manual or otherwise in writing), the following:

1. All "Risks" coverage insurance on all furniture, fixtures, equipment, supplies, products and other property used in the operation of the Franchised Restaurant (which coverage may include flood and/or earthquake coverage where there are known exposures to either peril and theft insurance) for full repair as well as replacement value, except that an appropriate deductible clause shall be permitted not to exceed \$1,000.

2. Workers' Compensation and Employer's Liability insurance as well as such other insurance as may be required by statute or rule of the state or county in which the Franchised Restaurant is located and operated.

3. Comprehensive General Liability insurance, including a per premises aggregate with the following coverages: broad form contractual liability; personal and advertising injury; products/completed operations; medical payments and fire damage liability; insuring Franchisor and Franchisee against all claims, suits, obligations, liabilities and damages, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage resulting from, occurring in the course of or on or about or otherwise relating to the Franchised Restaurant, including General Aggregate coverage in the following limits:

<u>Coverage</u>	<u>Minimum Limits of Coverage</u>
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Personal and Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000
Fire Damage (any one fire).....	\$50,000
Medical Expense (any one person).....	\$5,000

The amounts required herein may be modified from time to time by Franchisor to reflect inflation or future experience with claims.

4. Business interruption insurance for actual losses sustained.

5. Cyber liability and data breach coverage which includes, at minimum, privacy breach response services, cyber extortion, first party data protection, first party business income, information security and privacy liability, regulatory defense and penalties, and PCI fines, expenses and costs.

6. Automobile Liability Insurance, including owned, hired and non-owned vehicle coverage, with a combined single limit of at least \$1,000,000.

7. Such insurance and types of coverage as may be required by the terms of any lease for the Franchised Restaurant, or as may be required from time to time by Franchisor.

C. The insurance afforded by the policy or policies respecting liability shall not be limited in any way by reason of any insurance which may be maintained by Franchisor. Within 90 days of the signing of this Agreement, but in no event later than the date on which Franchisee acquires an interest in the real property from which it shall operate the Franchised Restaurant, a Certificate of Insurance showing compliance with the foregoing requirements shall be furnished by Franchisee to Franchisor for approval. Such certificate shall state that said policy or policies shall not be canceled or altered without at least 30 days prior written notice to Franchisor and shall reflect proof of payment of premiums. Maintenance of such insurance and the performance by Franchisee of the obligations under this Paragraph shall not relieve Franchisee of liability under the indemnity provision set forth in this Agreement. Minimum limits as required above may be modified from time to time, as conditions require, by written notice to Franchisee.

D. Should Franchisee, for any reason, not procure and maintain such insurance coverage as required by this Agreement, Franchisor shall have the right and authority (without, however, any obligation to do so) immediately to procure such insurance coverage and to charge same to Franchisee, which charges, together with a reasonable fee for expenses incurred by Franchisor in connection with such procurement, shall be deducted from Franchisee's account as provided in Section X.D of this Agreement immediately upon notice.

XV. COVENANTS

A. Franchisee covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee shall devote full-time efforts to the management and operation of the Franchised Restaurant.

B. Franchisee covenants that during the term of this Agreement and for a two (2) year period following expiration or termination of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee shall not, either directly or indirectly, for himself, or through, on behalf of or in conjunction with any person, persons, partnership, corporation or limited liability company:

1. Divert or attempt to divert any business or customer of the Franchised Restaurant to any competitor, 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.

2. Own, maintain, engage in or have any interest in any business (including any business operated by Franchisee prior to entry into this Agreement) specializing in whole or in part, in dispensing, promoting or selling family-style Korean food and other prepared food products, or any other business which sells or offers to sell family-style Korean food and other prepared food products or services, the same as or similar to those sold in the System.

C. At no time during or after the termination of this Agreement shall the Franchisee divulge to any person, partnership, corporation or any other entity any information, trade secrets, ingredients, recipes, cooking techniques and processes, used in the Menu Items and other food and beverage products used in the System or any information stated in the Manual.

D. Each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Paragraph XV. is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee shall be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Paragraph XV.

XVI. DEFAULT AND TERMINATION

A. If Franchisee is in substantial compliance with this Agreement and Franchisor materially breaches this Agreement and fails to cure such breach within a reasonable time after written notice thereof is delivered to Franchisor, Franchisee may terminate this Agreement for cause. Such termination shall be effective 30 days after delivery to Franchisor of written notice that such breach has not been cured and Franchisee elects to terminate this Agreement. A termination of this Agreement by Franchisee for any reason other than breach of this Agreement by Franchisor and Franchisor's failure to cure such breach within a reasonable time after receipt of written notice thereof shall be deemed a termination by Franchisee without cause.

B. Upon occurrence of any of the following events set forth in this Paragraph XVI, (each a "Default"), Franchisor has the right to: (i) charge Franchisee the then-current Default Fee, (ii) charge Franchisee the then-current Daily Fee, and/or or, (v) subject to applicable state law, terminate this Agreement. Franchisor may choose to enforce one or more of the above-listed remedies simultaneously or consecutively, and all such remedies are in addition to and not in lieu of any other rights and remedies afforded to Franchisor by this Agreement or by law. Franchisor may terminate the Franchise Agreement under any of the following circumstances:

1. After Franchisee's failure or refusal to make timely payment of any sum or sums due Franchisor hereunder, within five days after receiving written notice from Franchisor that said sum or sums were overdue; or,

2. Except as provided in Section XVI.3 for instances of immediate termination with no opportunity to cure, upon the failure of the Franchisee to comply with any other obligation or performance required of the Franchisee under the Agreement, within 30 days after receiving written notice from Franchisor of the default, and failure to cure the same; or,

3. Upon receipt of written notice from the Franchisor, without opportunity to cure, on any one of the following grounds:

a. Any material misrepresentation or omission made by the Franchisee relating to the acquisition of the franchise;

b. Upon the entry of a plea of no contest by, or the conviction of the Franchisee of a felony or other criminal misconduct relevant to the operation of the Franchised Restaurant;

c. Upon the admission of the Franchisee of its inability to pay its debts, when due; the assignment of all or a substantial part of the assets of the franchise, or the Franchisee for the benefit of any creditor, or creditors; or the bankruptcy, insolvency or receivership of the Franchised Restaurant or the Franchisee;

d. Upon the abandonment of the Franchised Restaurant by the Franchisee, the failure to find a site for the Franchised Restaurant accepted by Franchisor within 90 days of the date of this Agreement, by failure to operate the Franchised Restaurant for a period of five consecutive days during the period the Franchisee is required to operate the business, or shorter period, after which it is reasonable to conclude the Franchisee does not intend to continue the franchise, except due to force majeure; but including the dissolution of a Franchisee partnership, corporation or limited liability company; the attempt to sell or transfer the franchise or the sale, transfer or assignment of the Premises of the franchise, except as provided for herein;

e. The engagement in conduct by the Franchisee which reflects materially and unfavorably upon the operation and reputation of the Franchised Restaurant or System, including the unauthorized use of any Mark or Marks, that materially impairs the goodwill associated with said Mark or Marks;

f. Upon the failure of the Franchisee to comply with any applicable federal, state or local law or regulation, within ten days after receiving written notice of default from the Franchisor, and failure to cure same;

g. After curing any failure under Paragraph XVI.B.2. above, the engagement by the Franchisee in the same noncompliance, whether or not corrected after notice within two years of the first notice;

h. Upon the third failure of the Franchisee to comply with one or more of the requirements of this Agreement within any two year period, regardless of whether the Franchisee corrects the earlier failures;

i. Upon the seizure or the foreclosure of the Franchised Restaurant, or business Premises, if owned by the Franchisee, by a governmental official in the exercise of his duties, or by a creditor, lien holder, or, if leased Premises, by lessor; or upon the levy of execution against the license granted by the Franchise Agreement, or against any property used in the Franchised Restaurant, or the entry of a judgment against the Franchisee, not stayed by supersedeas or appeal bond, that remains undischarged within five days after levy of execution, or within 30 days after date of entry of judgment.

j. Upon the reasonable determination of the Franchisor that the continued operation of the Franchised Restaurant will result in an imminent danger to public health;

k. Upon the written agreement of the parties to terminate the franchise.

C. To the extent that the provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation, non-renewal or the like other than in accordance with applicable law, such provisions shall, to the extent such are not in accordance with applicable law, not be effective, and Franchisor shall comply with applicable law in connection with each of these matters.

XVII. RIGHTS AND DUTIES OF PARTIES UPON EXPIRATION OR TERMINATION

Upon termination or expiration, this Agreement and all rights granted hereunder to Franchisee shall forthwith terminate, and:

A. Franchisee shall immediately cease to operate the Franchised Restaurant under this Agreement, and shall not thereafter, directly or indirectly, represent to the public or hold himself out as a present or former franchisee of Franchisor.

B. Upon demand by Franchisor, Franchisee shall assign Franchisee's interest in any lease then in effect for the Premises to Franchisor, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within 30 days after termination or expiration of this Agreement.

C. Franchisee shall immediately and permanently cease to use, and remove from the Premises upon Franchisor's notice, by advertising or in any manner whatsoever, any confidential methods, procedures and techniques associated with the System; the Marks, any distinctive forms, slogans, signs, symbols, logos or devices associated with the System including, without limitation, any proprietary or custom-made item(s). In particular, Franchisee shall cease to use, and remove from the Premises upon Franchisor's notice, without limitation, all signs, advertising materials, stationery, forms and any other articles which display the Marks associated with the System.

D. Franchisee shall take such action as may be necessary to cancel or assign to Franchisor or Franchisor's designee, at Franchisor's option, any assumed name rights or equivalent registration filed with state, city or county authorities which contains the names "FLAME BROILER," "THE FLAME BROILER THE RICE BOWL KING", or any Mark, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement.

E. Franchisee shall, in the event it continues to operate or subsequently begins to operate any other business, not use any reproduction, counterfeit, copy or colorable imitation of the Marks either in connection with such other business or 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 Marks and shall not utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with Franchisor so as to constitute unfair competition. Franchisee shall make such modifications or alterations to the Premises (including, without limitation, the changing of the telephone number and social media account) immediately upon termination or expiration of this

Agreement as may be necessary to prevent any association between Franchisor or the System and any business thereon subsequently operated by Franchisee or others, and shall make such specific additional changes thereto as Franchisor may reasonably request for that purpose, including, without limitation, removal of all distinctive physical and structural features identifying the System.

F. Franchisee shall promptly pay all sums owing to Franchisor.

G. Franchisee shall pay to Franchisor all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor subsequent to the termination or expiration of the franchise herein granted in obtaining injunctive or other relief for the enforcement of any provisions of this Paragraph XVII or Paragraph XV. In addition, Franchisee will immediately pay, as fair and reasonable liquidated damages ("Liquidated Damages"), an amount equal to (i) the lesser of (x) 104 weeks or (y) the remaining number of weeks under the Term, *multiplied by* (ii) the average weekly Royalty Fee payments (calculated in accordance with Paragraph X) payable by Franchisee hereunder for the 52 weeks preceding the termination (during which time the Franchisee was in good standing under this Agreement), or for a shorter period commencing with the Effective Date of this Agreement if this Agreement is terminated in the first 52 weeks of the term. If the Franchised Restaurant has never been opened and therefore has no history of Royalty Fee payments, the Liquidated Damages will be calculated based on the average weekly Net Sales of all FLAME BROILER franchised restaurants located in the state where the Franchised Restaurant is located for the 52-week period immediately preceding the termination. If there are no FLAME BROILER franchised restaurants located in such state, the calculation will be based on the average weekly Net Sales of all FLAME BROILER franchised restaurants located in the United States. Franchisor and Franchisee acknowledge and agree that the termination of this Agreement will result in Franchisor incurring damages based on lost revenues from Royalty Fees and other amounts payable by Franchisee and the potential loss of goodwill if the Franchised Restaurant is no longer a FLAME BROILER franchise, and that it will be difficult to calculate with certainty the amount of damages Franchisor will incur and in Franchisor's experience, it frequently takes two years or more to establish a new franchisee in a given location. The provisions of this Section do not apply if the Agreement expires at the end of its initial term or is terminated due to (i) Franchisee's (or if Franchisee is an entity, Primary Owner's) death; (ii) Franchisee's (or if Franchisee is an entity, Primary Owner's) incapacity for at least 90 consecutive days, in either case which event results in Franchisee's (or if Franchisee is an entity, Primary Owner's) inability to personally operate the Franchised Restaurant; (iii) condemnation or other taking, in whole or in part, of the Franchised Restaurant due to eminent domain; (iv) destruction of all or a substantial part of the Franchised Restaurant through no fault of Franchisee; or (v) a determination made by Franchisor in good faith and in the normal course of business to withdraw from marketing in the geographical area in which the Franchised Restaurant is located. Notwithstanding the foregoing, if a court determines that the payment under this Section is unenforceable, then Franchisor may pursue all other available remedies, including consequential damages to the extent proved.

H. Franchisee shall immediately turn over to Franchisor all manuals, including the Manual, customer lists, records, files, instructions, brochures, agreements and any and all other materials provided by Franchisor to Franchisee relating to the operation of the Franchised Restaurant (all of which are acknowledged to be Franchisor's property).

I. Franchisor shall have the option to acquire any sign or sign faces bearing the Marks under Paragraph K., below.

J. Franchisee hereby acknowledges that all telephone and facsimile numbers, Internet and electronic mail addresses and social media accounts used in the operation of the Franchised Restaurant constitute assets of the Franchised Restaurant and upon termination or expiration of this Agreement, Franchisee shall assign to Franchisor or its designee, all Franchisee's right, title and interest in and to Franchisee's telephone and facsimile numbers, Internet and electronic addresses and social media accounts and shall notify the pertinent companies and all listing agencies of the termination or expiration of Franchisee's right to use any telephone and facsimile numbers, Internet and electronic mail addresses and social media accounts and any regular, classified or other Internet, social media or telephone directory listing associated with the Marks and authorize a transfer of same to or at the direction of Franchisor.

K. Upon notice to Franchisee, as set forth herein, within 30 days after termination of the franchise, the Franchisor shall have the right (but not the duty) to purchase any or all assets of the Franchised Restaurant, including leasehold Improvements, equipment, supplies and other inventory, advertising materials, and all other items bearing the Marks, at Franchisee's cost or fair market value, whichever is less for cash. If the parties cannot agree on fair market value within a reasonable time, the determination of fair market value shall be submitted to arbitration in accordance with Paragraph XXIX. 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 under this Agreement, if any, against any payment therefor.

L. Franchisee shall comply with such covenants in Paragraph XV. herein that apply after termination of this Agreement.

M. Except where specifically released, all obligations of Franchisor and Franchisee which expressly or by their nature survive the expiration or termination of this Agreement may be enforced by arbitration or other legal remedy, in accordance with the terms hereof.

N. Franchisor has the right to purchase or designate a third party that will purchase all or any portion of the assets of Franchisee's Franchised Restaurant that are owned by Franchisee or any of its affiliates including, without limitation, the premises, building, equipment, fixtures, signage, furnishings, supplies, leasehold improvements, and inventory of the Franchised Restaurant at a price determined by a qualified appraiser (or qualified appraisers if one party believes it is better to have a real estate appraiser appraise the value of the land and building and a business appraiser appraise the Franchised Restaurant's other assets) selected with the consent of both parties, provided Franchisor gives Franchisee written notice of its preliminary intent to exercise Franchisor's purchase rights under this Paragraph within 30 days after the date of the expiration or termination of this Agreement, or the expiration of any Interim Period. If the parties cannot agree upon the selection of an appraiser(s), one or both will be appointed by a Judge of the United States District Court for the District in which the Franchised Restaurant is located upon petition of either party.

The price determined by the appraiser(s) will be the reasonable fair market value of the assets based on their continuing use in, as, and for the operation of a FLAME BROILER Franchised Restaurant and the appraiser will designate a price for each category of asset (e.g., land, building, equipment, fixtures, etc.), but shall not include the value of any goodwill of the business, as the goodwill of the business is attributable to the Trademarks and the System.

Within 30 days after our receipt of the appraisal report, Franchisor or its designated purchaser will identify the assets, if any, that Franchisor intends to purchase at the price designated for those assets in the appraisal report. Franchisor or its designated purchaser and Franchisee will then proceed to complete and close the purchase of the identified assets,

and to prepare and execute purchase and sale documents customary for the assets being purchased, in a commercially reasonable time and manner. Franchisor and Franchisee will each pay one-half of the appraiser's fees and expenses. Franchisor's interest in the assets of the Franchised Restaurant that are owned by Franchisee or its affiliates will constitute a lien thereon and may not be impaired or terminated by the sale or other transfer of any of those assets to a third party. Upon Franchisor's or its designated purchaser's exercise of the purchase option and tender of payment, Franchisee agrees to sell and deliver, and cause Franchisee's affiliates to sell and deliver, the purchased assets to Franchisor or its designated purchaser, free and clear of all encumbrances, and to execute and deliver, and cause Franchisee's affiliates to execute and deliver, to Franchisor or its designated purchaser a bill of sale therefor and such other documents as may be commercially reasonable and customary to effectuate the sale and transfer of the assets being purchased.

If Franchisor does not exercise its option to purchase under this Paragraph, Franchisee may sell or lease the Franchised Restaurant premises to a third party purchaser, provided that Franchisee's agreement with the purchaser includes a covenant by the purchaser, which is expressly enforceable by us as a third party beneficiary, pursuant to which the purchaser agrees, for a period of 2 years after the expiration or termination of this Agreement, or the expiration of any Interim Period, not to use the premises for the operation of a business that offers menu items or services similar to that employed by our company-owned or franchised businesses.

XVIII. TRANSFERABILITY OF INTEREST

A. This Agreement and all rights hereunder can be assigned and transferred by Franchisor and, if so, shall be binding upon and inure to the benefit of Franchisor's successors and assigns; provided, however, that with respect to any assignment resulting in the subsequent performance by the assignee of the functions of Franchisor, the assignee shall:

1. At the time of such assignment, be financially responsible and economically capable of performing the obligations of Franchisor hereunder; and

2. Expressly assume and agree to perform such obligations. Specifically, and without limitation to the foregoing, Franchisee expressly agrees that Franchisor may sell its assets, Marks or System outright to a third party; may make a public offering of securities; may engage in a private placement of some or all of its securities; may merge, acquire other corporations or entities, or be acquired by another corporation or other entity; may undertake a refinancing, recapitalization, leveraged buy out or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands or damages against Franchisor arising from or related to the loss of said Marks (or any variation thereof) and/or the loss of association with or identification of THE FLAME BROILER, INC. as Franchisor hereunder. Nothing contained in this Agreement shall require Franchisor to remain in the business in the event that Franchisor exercises its rights hereunder to assign its rights in this Agreement.

B. This Agreement and all rights hereunder may be assigned and transferred by Franchisee, provided any transfer is subject to Franchisor's prior written consent. In addition, any transfer shall be binding upon and inure to the benefit of Franchisee's successors and assigns, subject to the following conditions and requirements, and Franchisor's right of first refusal as set forth herein:

1. No Franchisee shall sell, assign, transfer, convey, give away or encumber to any person firm or corporation all or any part of its interest in this Agreement or its interest in the franchise granted hereby, including by gift, descent, devise or bequest, transfer to trust (except as allowed by prior written approval from the Franchisor), family partnership, or association of any kind, except as provided for herein. Franchisee may not fractionalize any of the rights of the Franchisee granted pursuant to this Agreement. The term “transfer” hereunder shall include any change in the form by which the Franchisee does business, including change from proprietor to partnership, corporation, limited liability company or other association, or from any business form, above, to any other, wherein the Franchisee elects to continue the franchise after the change. Any decision to continue the franchise after change in business form shall be restricted by, and subject to the terms of this Paragraph and Paragraph XX. Any purported sale, assignment or transfer or gift of any of the Franchisee's rights herein shall be null and void, and constitute a material breach hereof.

2. Franchisor shall not unreasonably withhold its consent to any transfer referenced in Paragraph XVIII.B.1. of this Agreement when requested; provided, however, that the following conditions and requirements shall first be met to the full satisfaction of Franchisor.

a. Franchisee shall comply with the terms of Paragraph XX. below.

b. The transferee(s) shall be of good moral character and reputation and shall have a good credit rating and competent business qualifications reasonably acceptable to Franchisor. Franchisee shall provide Franchisor with such information as Franchisor may require to make such determination concerning each such proposed transferee(s). Franchisee shall provide such information to Franchisor concurrently with notice of transfer and offer of sale under Paragraph XX. below. Said financial information shall be sufficient to the satisfaction of the Franchisor to make a determination of the matters set forth in this Paragraph. Failure to provide information to the satisfaction of the Franchisor hereunder shall extend all performance deadlines of the Franchisor under Paragraph XX. until satisfactory information is received.

c. The transfer shall be expressly conditioned on the successful completion of the Franchisor's initial training course then in effect for franchisees.

d. The parties to the transfer shall execute all of the following within ninety (90) days of the receipt by the Franchisee of the Franchisor's refusal to purchase the franchise:

(1) A Franchise Agreement under which the Franchisor is then granting franchises and other standard ancillary agreements, including such personal guarantees as may be required by Franchisor under Paragraph XXXII. below and Proprietary Information Non-Disclosure, and Release and Assignment of Rights to Improvements Agreements herein on the forms then used by the Franchisor.

(2) A general release by the Franchisee, in a form prescribed by the Franchisor, of any and all existing claims against Franchisor, its officers, directors, agents and employees, except such claims as may not be waived by law.

e. Consent by Franchisor to a transfer of the franchise shall not constitute or be interpreted as consent for any future transfer thereof.

f. The term of said agreements required pursuant to Subparagraph XVIII.B.2.d. shall be for the unexpired term of this Agreement and for any extensions or renewals as provided herein.

g. Any offer or acceptance of offer by Franchisee to transfer the franchise hereunder, shall contain an express provision that the offer or acceptance, as applicable, is subject to the terms of this Paragraph XVIII., and the Franchisor's Right of First Refusal under Paragraph XX. below.

h. All accrued money obligations of Franchisee to Franchisor or its assignees, shall be satisfied prior to assignment or transfer, and Franchisee shall not be in default under the terms of this Agreement.

i. Franchisee shall at its expense bring the Business up to the then-current standards for a FLAME BROILER Restaurant and comply with any applicable updating or remodeling requirements

3. Franchisee shall have fully paid and satisfied all of Franchisee's obligations to Franchisor, and the transferee or Franchisee shall have fully paid to Franchisor a non-refundable transfer fee equal to fifty percent (50%) of the then-current Franchise Fee charged by Franchisor for start-up franchises on or before the date of execution of the agreement(s) under XVIII.B.2.d. by the transferee.

4. No sale, assignment, transfer, conveyance, encumbrance or gift of any interest in this Agreement or in the franchise granted thereby, shall relieve Franchisee of the obligations of the covenants contained in Paragraph XV., except where Franchisor shall expressly authorize in writing.

C. In the case of any transfer hereunder in which the date of execution under Paragraph XVIII.B.2.d. above, falls within the period of notice required for non-renewal under Paragraph II., above, and the parties have failed to execute same before notice of non-renewal under law is required, Franchisor, at its option, may extend the current term of the franchise under California Business and Professions Code, Section 20026 for a sufficient time past date of execution to enable Franchisor to give sufficient notice of non-renewal under law in the event the parties fail to execute their agreements timely.

D. Franchisee shall not, without prior written consent of Franchisor, place in, on or upon the location of the Franchised Restaurant, or in any communication media, any form of advertising, or list with any business, real estate broker, agent or attorney any information relating to the sale of the Franchised Restaurant or the rights granted hereunder.

E. Franchisee shall defend, indemnify and hold Franchisor harmless against any claim by a transferee or proposed transferee arising out of, or in connection with any transfer or attempted transfer of the franchise between Franchisee and said transferee under the terms of this Paragraph XVIII., including any exercise of Franchisor's rights thereunder that may affect the transfer.

XIX. DEATH OR INCAPACITY OF FRANCHISEE

A. For a period of 180 days following the death of an individual sole Franchisee, or the majority shareholder of the Franchisee, the Franchisor shall allow the surviving spouse, heirs or estate of the decedent to operate

the franchise, provided that, for the duration of said period, the spouse, heirs or estate, as applicable, comply(ies) with all standards and obligations of the franchise hereunder, and as may be set forth in the Manual and related documents. Failure to comply with one or more of the obligations of the franchise during said period, shall constitute grounds for breach of the Franchise Agreement. Upon breach of the Franchise Agreement, Franchisor shall comply with, and have all rights arising under the terms hereof to the Franchisor that result from the breach, including the right to terminate the Franchise Agreement with proper notice, and all rights after termination.

B. On or before the 180 day after date of death, provided that the franchise was not sooner terminated under Paragraph XIX.A., above, the spouse, heirs or estate shall have either:

1. Satisfied all of the then current qualifications for a purchaser of a franchise, to the satisfaction of the Franchisor under Paragraph XVIII., below, (except that no transfer fee shall be required); or,

2. Subject to Franchisor's first right of refusal herein to purchase the franchise, sold, transferred or assigned the franchise to a person who satisfies the Franchisor's then current standards for new Franchisees, and complied in all other respects with the requirements of Paragraph XVIII. governing the transfer of Franchises.

C. The failure of the spouse, heirs or estate to perform within the time limits under Paragraph XIX.B. above shall constitute a breach of the Franchise Agreement and shall be grounds for termination with proper notice hereunder.

D. On the disability of an individual sole Franchisee, the Franchisor shall allow the spouse or attorney-in-fact of the person disabled, the same opportunities afforded the survivors of a decedent under Paragraphs XIX.A. to XIX.C. above, subject to the same terms and conditions. Disability, hereunder, shall be defined as the precipitous substantial loss of/impairment to the ability of the Franchisee to devote the equivalent time, personal attention and effort to administer the franchise after the disabling event, that the Franchisee devoted to the franchise before the disabling event. Franchisee acknowledges the possibility of the sale of the franchise hereunder, in accordance with the terms of Paragraph XIX. before recovery from the disability, but consents thereto, despite the fact that a recovery may follow the sale. "Loss" or "impairment" that constitutes a disability, will be determined by the Franchisor, exercised in a reasonable manner, and with all due regard to available medical information and advice.

XX. RIGHT OF FIRST REFUSAL

A. As a condition to the sale, transfer or assignment, hereafter, "transfer," of its interest in the franchise under any term or provision hereof, the Franchisee shall first provide written notice of transfer to the Franchisor at least 45 days before date of transfer, together with a written offer of purchase signed by the proposed transferee. The offer shall state the purchase price for the franchise, and all terms of payment to apply, and shall contain an express term that it is subject to the applicable terms of Paragraph XVIII. and to Franchisor's first right of refusal to acquire the franchise.

B. Franchisor shall have 30 days after receipt of written notice of transfer, above, to deliver written notice of intent to exercise its rights hereunder to the Franchisee and proposed transferee. Franchisee hereby agrees that Franchisor may pay the purchase price in cash, in lieu of the terms of payment in the offer, at its option. Upon delivery of the acceptance, Franchisor shall tender payment to Franchisee within ninety (90) days thereafter. On failure of the

Franchisor to provide notice, or on breach of agreement to make payment hereunder, the transfer of the franchise to the third party transferee may proceed.

C. The sale of the franchise to any proposed transferee hereunder, may proceed only on such terms of payment as were presented to the Franchisor, or for cash. Payment on any other terms, must again be presented first, to the Franchisor under Paragraph A. above.

D. Nothing in this Paragraph XX. shall be construed to relieve the Franchisee and transferee from compliance with the terms and provisions of Paragraph XVIII., above, as a condition to the completion of the transfer, after Franchisor's refusal to purchase.

XXI. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. Franchisee is an independent contractor and is not an agent, legal representative, subsidiary, servant, partner, joint venturer, or employee of Franchisor for any purpose. Franchisor is not a fiduciary to Franchisee. In all dealings with third parties, including without limitation, employees, governmental entities, suppliers, customers, and the public, Franchisee will conspicuously identify the Restaurant as an independently owned and operated franchise location, and will place any notices that Franchisor may require in the Restaurant or on the Premises and on all forms, advertisements, materials, communications, and filings as directed, including as noted in Paragraph XXI.B below. Each party shall file its own taxes, maintain its own insurance, comply with its own regulatory requirements, and maintain its own employment records and payroll reports, and neither party is liable for the debts or obligations of the other. Franchisor has no liability for any taxes levied upon Franchisee, Franchisee's property, or the Restaurant. Franchisee has no authority to create or assume any contracts, agreements, warranties, representations or obligations in Franchisor's name or on behalf of Franchisor, and Franchisee shall not hold itself out as an agent, employee, subsidiary, servant, partner or joint venturer of Franchisor.

B. Franchisee shall prominently display, by posting of a sign within public view, on or in the Premises, a statement that clearly indicates that the Franchised Restaurant is independently owned and operated by Franchisee as a THE FLAME BROILER Franchised Restaurant of Franchisor and not as an agent thereof.

C. Franchisee shall defend at its own cost and indemnify and hold harmless Franchisor, its shareholders, directors, officers, employees and agents, from and against any and all loss, costs, expenses (including attorneys' fees), damages and liabilities, however caused, resulting directly or indirectly from or pertaining to the use, condition, or construction, equipping, decorating, maintenance or operation of the Franchised Restaurant, including the sale of any food products, service or merchandise sold from the Franchised Restaurant. Such loss, claims, costs, expenses, damages and liabilities shall include, without limitation, those arising from latent or other defects in the Franchised Restaurant, whether or not discoverable by Franchisor, and those arising from the death or injury to any person or arising from damage to the property of Franchisee or Franchisor, their agents or employees or any third person, firm or corporation, whether or not such losses, claims, costs, expenses, damages, or liabilities were actually or allegedly caused wholly or in part through the active or passive negligence of Franchisor or any of its agents or employees or resulted from any strict liability imposed on Franchisor or any of its agents or employees.

D. It is the intention of the parties to this Agreement that Franchisee not be deemed an employee of Franchisor for any reason or under any circumstances or any applicable law and Franchisor shall not be deemed a joint employer with Franchisee for any reason or under any circumstances or any applicable law; however, if Franchisor incurs any cost, liability, loss or damage as a result of any actions or omissions of Franchisee or its employees, including any that relate to any party making a finding of any joint employer status, Franchisee will fully indemnify Franchisor for any such cost, liability, loss and damage.

E. The indemnification obligations set forth in Sections XXI. C. and D. above shall survive any termination or expiration of this Agreement.

XXII. NON-WAIVER

No failure of Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms hereof at any time thereafter. Waiver by Franchisor of any particular default by Franchisee shall not affect or impair Franchisor's right with respect to any subsequent default of the same or of a different nature; nor shall any delay, waiver, forbearance or omission of Franchisor to exercise any power or rights 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 declare any subsequent breach or default. Subsequent acceptance by Franchisor of any payment(s) due to it hereunder shall not be deemed to be a waiver by Franchisor of its right to declare a default resulting from Franchisee's failure to make any other payment(s) hereunder.

XXIII. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, delivered by messenger or delivery services, mailed by courier service or by certified mail return receipt requested, facsimile transmission, or by electronic mail and shall be effective when received or confirmation of receipt is acknowledged 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 Franchisor: THE FLAME BROILER, INC.
1538 E. Warner Avenue, Suite E
Santa Ana, California 92705

Notices to Franchisee: _____

Facsimile No.: _____

Any notice by certified mail shall be deemed to have been given at the date and time of mailing.

XXIV. ATTORNEYS' FEES; COST OF ENFORCEMENT

A. The prevailing party or non-defaulting party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement, the parties' relationship or the Franchised Restaurant will be entitled to recover its reasonable attorneys' fees and costs (including arbitrator's and JAMS' fees and costs). The prevailing party in any action at law or in equity to enforce this Agreement or any rights under this Agreement shall be entitled to collect from the other party or parties all costs, expenses, and reasonable attorneys' fees incurred in connection with or relating to the action (including, but not limited to such costs, expenses, and attorneys' fees on appeal and in an effort to collect or enforce a judgment or decree) in addition to any other relief to which it is entitled.

B. Notwithstanding Section XXIV.A, in the event that Franchisor is required to employ legal counsel or to incur other expenses to enforce any obligation of Franchisee hereunder, then Franchisor shall be entitled to recover from Franchisee the amount of all reasonable attorneys' fees of such counsel and all other expenses incurred in enforcing such obligation.

XXV. APPROVALS

A. Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefor, and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing.

B. Franchisor makes no warranties or guarantees upon which Franchisee may rely and assumes no liability or obligation to Franchisee or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to Franchisee in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

XXVI. ENTIRE AGREEMENT

This Agreement, its exhibits and any agreements required to be signed under the terms hereof, shall be construed together and constitute the entire, full and complete agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede all prior agreements. No other representation has induced Franchisee to execute this Agreement, and there are no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein, which are of any force or effect with reference to this Agreement or otherwise. No amendment, change or variance from this Agreement shall be binding on either party unless executed in writing by both parties in accordance with applicable law and regulations. Nothing in this Agreement is intended to disclaim the representations contained in Franchisor's Franchise Disclosure Document.

XXVII. SEVERABILITY AND CONSTRUCTION

A. Each paragraph, part, term and/or provision of this Agreement shall be considered severable, and if, for any reason, any paragraph, part, term and/or provision herein is determined to be invalid and contrary to, or in conflict with any existing or future law or regulation, such shall not impair the operation of or affect the remaining portions, sections, parts, terms and/or provisions of this Agreement, and the latter shall continue to be given full force and effect

and bind the parties hereto; and said invalid sections, parts, terms and/or provisions shall be deemed not part of this Agreement.

B. Anything to the contrary herein notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisor or Franchisee and such of their respective successors and assigns as may be contemplated by this Agreement, any rights or remedies under or by reason of this Agreement.

C. Franchisee shall be bound by any promise or covenant imposing the maximum duty permitted by law which is contained within the terms of any provision hereof, as though it were separately stated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

D. All captions herein are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof. The singular usage includes the plural, where appropriate in the context, and the masculine and neuter usages include the other and the feminine.

E. This Agreement may be executed in duplicate, and each copy so executed shall be deemed an original.

F. The recitals set forth in this Agreement are specifically incorporated into the terms of this Agreement and hereby constitute a part thereof.

XXVIII. APPLICABLE LAW

A. THIS AGREEMENT AND THE RIGHTS OF THE PARTIES HEREUNDER TAKE EFFECT UPON ACCEPTANCE AND EXECUTION BY FRANCHISOR AND SHALL BE INTERPRETED AND CONSTRUED UNDER THE LAWS OF STATE IN WHICH THE FRANCHISED RESTAURANT IS LOCATED, WHICH LAWS SHALL PREVAIL IN THE EVENT OF ANY CONFLICT OF LAW, EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15, U.S.C. SECTIONS 1051 ET SEQ.).

B. FRANCHISEE ACKNOWLEDGES THAT ANY ACTION SOUGHT TO BE BROUGHT BY EITHER PARTY, EXCEPT THOSE CLAIMS REQUIRED TO BE SUBMITTED TO ARBITRATION, SHALL BE BROUGHT IN THE APPROPRIATE STATE OR FEDERAL COURT WITH JURISDICTION OVER ORANGE COUNTY, CALIFORNIA. THE PARTIES DO HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSES OF CARRYING OUT THIS PROVISION.

C. NO RIGHT OR REMEDY CONFERRED UPON OR RESERVED TO FRANCHISOR OR FRANCHISEE BY THIS AGREEMENT IS INTENDED TO BE, NOR SHALL BE DEEMED, EXCLUSIVE OF ANY OTHER RIGHT OR REMEDY HEREIN OR BY LAW OR EQUITY PROVIDED OR PERMITTED, BUT EACH SHALL BE CUMULATIVE OF EVERY OTHER RIGHT OR REMEDY.

D. NOTHING HEREIN CONTAINED SHALL BAR FRANCHISOR'S RIGHT TO OBTAIN INJUNCTIVE RELIEF AGAINST THREATENED CONDUCT THAT SHALL CAUSE IT LOSS OR DAMAGES, UNDER THE USUAL EQUITY RULES, INCLUDING THE APPLICABLE RULES FOR OBTAINING RESTRAINING ORDERS AND PRELIMINARY INJUNCTIONS.

XXIX. DISPUTE RESOLUTION

The following provisions apply with respect to dispute resolution:

A. Mediation. Before any party may bring an action in court or against the other, or commence an arbitration proceeding (except as noted in Section XXIX.0 below), the parties must first meet to mediate the dispute. The mediation must be held in the county in which Franchisor's Headquarters are located at the time of the mediation. Any such mediation shall be non-binding and shall be conducted by the JAMS Mediation, Arbitration and ADR Services ("JAMS") in accordance with its then-current rules for mediation of commercial disputes unless the parties agree otherwise. The mediator will be appointed in accordance with the rules and regulations of JAMS unless the parties agree on a mediator in writing within 10 days after either party gives written notice of mediation. The mediation hearing will be held within 20 days after the mediator has been appointed. Each party will bear its own costs and expenses for the mediation and will be responsible to pay 50% of the mediator's costs and expenses.

B. Arbitration. Except as qualified below, any dispute between Franchisee and Franchisor and any of either party's affiliates, including without limitation, Franchisee's owners and guarantors, arising under, out of, in connection with or in relation to this Agreement, the parties' relationship, or the Franchised Restaurant not resolved through mediation within 90 days of the initiation of mediation must be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be determined by arbitration administered by JAMS pursuant to its then-current commercial arbitration rules and procedures. The arbitration must take place in the county where Franchisor's Headquarters are located at the time of the dispute. The arbitration must be conducted by a single arbitrator. The arbitrator must follow the law and not disregard the terms of this Agreement. The arbitrator must have at least five years of significant experience in franchise law. Any arbitration must be on an individual basis and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action or otherwise to join or consolidate any claim with any other claim or any other proceeding involving third parties. If a court determines that this limitation on joinder of or class action certification of claims is unenforceable, then this entire commitment to arbitrate shall become null and void and the parties shall submit all claims to the jurisdiction of the courts. A judgment may be entered upon the arbitration award in any court of competent jurisdiction. The decision of the arbitrator will be final and binding on all parties to the dispute; however, the arbitrator may not under any circumstances: (1) stay the effectiveness of any pending termination of this Agreement; (2) assess punitive or exemplary damages; or (3) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that we set. Each party will bear its own costs and expenses for the arbitration and will be responsible to pay 50% of the arbitrator's fees and costs (including arbitrator's and JAM's fees and costs); provided that the prevailing party or non-defaulting party will be entitled to reimbursement of its fees and costs under Section XXIV.

C. Exceptions to Mediation and Arbitration. Notwithstanding Section XXIX.A and B, the parties agree that the following claims will not be subject to mediation or arbitration and may be brought in a court of competent jurisdiction, as set forth in Section XXVIII.B:

1. any action for temporary, preliminary or permanent injunctive relief, specific performance, writ of attachment, or other equitable relief necessary to enjoin any harm or threat of harm to such party's tangible or intangible property, including trademarks, service marks and other intellectual property, brought at any time, including, without limitation, prior to or during the pendency of any arbitration proceedings initiated hereunder;
2. any action in ejectment or for possession of any interest in real or personal property; and
3. any action related solely to the collection of moneys owed to us or our affiliates.

XXX. FORCE MAJEURE

Whenever a period of time is provided in this Agreement for either party to do or perform any act or thing, except the payment of monies, neither party shall be liable or responsible for any delays due to strikes, lockouts, casualties, acts of God, war, governmental regulation or control or other causes beyond the reasonable control of the parties, and in any event said time period for the performance of an obligation hereunder shall be extended for the amount of time of the delay. Delay of any period caused by, or resulting from force majeure, shall not result in an extension of any term of this Agreement or the payment of monies as set forth in this Agreement.

XXXI. INTERPRETATION OF RIGHTS AND OBLIGATIONS

The following provisions apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement, and the relationship between the parties:

A. Whenever this Agreement provides that Franchisor has a certain right, that right is absolute and the parties intend that Franchisor's exercise of that right will not be subject to any limitation or review. Franchisor has the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement, although this right does not modify express limitations set forth in this Agreement.

B. Whenever Franchisor reserves discretion in a particular area or where Franchisor agrees to exercise its rights reasonably or in good faith, Franchisor will satisfy its obligations whenever Franchisor exercise Reasonable Business Judgment in making decision or exercising its rights. Franchisor's decisions or actions will be deemed to be the result of Reasonable Business Judgment, even if other reasonable or even arguably preferable alternatives are available, if Franchisor's decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes Franchisor's financial or other individual interest. Examples of items that will promote or benefit the System include, without limitation, enhancing the value of the Proprietary Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization and improving the competitive position of the System.

C. Complete and detailed uniformity under many varying conditions may not always be possible, practical, or in the best interest of the System. Accordingly, Franchisor has the right to vary the standards, specifications,

and requirements for any customs or circumstances of a particular franchise or operating agreement, site or location, population density, business potential, existing business practice, competitive circumstance or any other condition that Franchisor deems to be of importance to the operation of such Business or the System. Franchisor is not required to grant to Franchisee a like or other variation as a result of any variation from standard specifications or requirements granted to any other franchisee.

D. Franchisor and its affiliates may from time to time make available to Franchisee goods, products and services for use in your its Business on the sale of which Franchisor or its affiliates may make a profit. Further, Franchisor and its affiliates may from time to time receive consideration from suppliers and manufacturers in respect to sales of goods, products or services to Franchisee or in consideration of services rendered or rights licensed to such persons. Franchisee agrees that Franchisor and its affiliates are entitled to said profits and/or consideration.

XXXII. GUARANTY

As a condition to, and in consideration of the grant of the franchise, each Franchisee corporation or limited liability company shall obtain the signature of each shareholder or member thereof on a Continuing Guaranty, jointly and severally guaranteeing the full performance of the Franchisee hereunder. It shall remain the responsibility of the Franchisee to obtain the signature of each person to whom, or of all owners, partners or members of each business entity to which any interest in said Franchisee is sold or transferred for any cause or reason during the term, or any renewal thereof. Further, it shall be the continuing responsibility of Franchisee, and shall constitute a material consideration for the grant of the franchise hereunder, to replace any lost or revoked guarantor hereunder and maintain the same number of guarantors who meet Franchisor's requirements as that initially agreed to by the Franchisor for the balance of the term and any renewals thereof. The execution of the Continuing Guaranty shall be an express term or condition of and constitute a material consideration for the sale or transfer. As a condition to, and in consideration of the grant of the franchise to an individual or partnership Franchisee, the full performance of the Franchisee hereunder, shall be jointly and severally guaranteed by at least two (2) persons who are acceptable to Franchisor. It shall be the continuing responsibility of the individual or partnership Franchisee, and shall constitute a material consideration for the grant of the franchise hereunder, to replace any lost or revoked guarantor hereunder and maintain the same number of guarantors who meet Franchisor's requirements as that initially agreed to by the Franchisor for the balance of the term and any renewals thereof. The obligations of the guarantors set forth in this Section XXXII shall survive any termination or expiration of this Agreement.

XXXIII. CAVEAT

The success of the business venture contemplated to be undertaken by Franchisee by virtue of this Agreement is speculative and depends, to a large extent, upon the ability of Franchisee as an independent businessperson, and its active participation in the daily affairs of the business as well as other factors. Franchisor does not, in this Agreement or otherwise, make any representation or warranty, express or implied, as to the potential success of the business venture.

XXXIV. ACKNOWLEDGMENT

Franchisee affirms that all information set forth in any and all applications, financial statements and submissions to Franchisor is true, complete and accurate in all respects, with Franchisee expressly acknowledging that Franchisor is relying upon the truthfulness, completeness and accuracy of such information.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed, sealed and delivered this Agreement in multiple copies the day and year first above written.

ATTEST:

THE FLAME BROILER, INC.:

By: _____

Title: _____

ATTEST/WITNESS:

FRANCHISEE:

By: _____

Title: _____

and

By: _____

Title: _____

EXHIBIT A TO THE FRANCHISE AGREEMENT

LOCATION DESIGNATION/LOCATION ACCEPTANCE FORM

The Flame Broiler, Inc. (“Franchisor”) and _____ (“Franchisee”) pursuant to the Franchise Agreement (“Agreement”) dated _____, 20____, agree as follows:

The Premises of the Franchisee’s Restaurant as referenced in the Agreement shall be as follows:

THE FLAME BROILER, INC.:

FRANCHISEE:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT B TO THE FRANCHISE AGREEMENT

CONTINUING GUARANTY

CONTINUING GUARANTY

This GUARANTY is given this _____ day of _____, _____

By _____

Hereafter, GUARANTOR, or the UNDERSIGNED, for and in consideration of the execution of a Franchise Agreement, hereafter "AGREEMENT"), by THE FLAME BROILER, INC., hereafter, FRANCHISOR, granting a franchise to _____, hereafter, FRANCHISEE.

By his/her signature hereto, the UNDERSIGNED, for him/herself, successors and personal representatives, jointly and severally, unconditionally guarantees to FRANCHISOR, and its successors, to pay and perform, when due, each and every undertaking, promise and covenant of the FRANCHISEE set forth in the AGREEMENT, as presently written, and as may be changed, added to or modified, from time to time, under the terms thereof.

The liability of each GUARANTOR under this guaranty is unlimited. This guaranty is a continuing guaranty covering every indebtedness, liability and obligation of the FRANCHISEE to FRANCHISOR, including that arising under successive transactions, which may continue, renew, or modify the indebtedness, liability of the UNDERSIGNED, and each of them, is not contingent upon, nor in consideration of the liability of any other person or GUARANTOR hereto, and the release of any GUARANTOR or other person shall not act as a release, or otherwise affect the continuing liability of all remaining GUARANTORS hereunder. The obligations of each GUARANTOR shall survive any termination or expiration of the AGREEMENT.

The liability of each GUARANTOR under this guaranty is not affected by, and FRANCHISOR has full authority hereunder, with or without notice to, knowledge or consent of GUARANTOR, to undertake, or agree to:

- (a) the extension of time, other forbearance or indulgence in favor of FRANCHISEE, the acceptance of partial payment or performance therefrom, the compromise or release of any claim or against, or the acceptance, release, substitution, alteration or loss of any security given by FRANCHISEE;
- (b) the renewal, extension or modification of any indebtedness, liability or obligation of the FRANCHISEE under the AGREEMENT, or the loss, impairment or waiver of any rights against FRANCHISEE thereunder by FRANCHISOR;
- (c) the discharge of any indebtedness, liability or obligation of the FRANCHISEE by operation of law;
- (d) the assignment of the Guaranty by FRANCHISOR;
- (e) the addition, substitution or release of any co-guarantor.

Each GUARANTOR hereby waives notice of acceptance of guarantee, of any transaction, or creation, renewal or modification of any indebtedness, liability, or obligation entered into in reliance hereon; notice of demand, presentment or protest upon default or non-performance by FRANCHISEE; the right that FRANCHISOR first proceed against FRANCHISEE, a co-guarantor or any other person, or to first proceed against or exhaust any security or other property of FRANCHISEE, before proceeding against the undersigned for the enforcement of the guaranty;

all rights under California Civil Code S 2809, which provides that a guarantor's liability not exceed his original obligation, and all rights, to the extent applicable, under California Civil Code, Sections 2810, 2815, 2819, 2839, 2845, 2847-2850, 2899 and 3433, to the fullest extent permitted by law; any applicable defenses under U.S. Bankruptcy Code, Sections 364 and 1111 (b) (2); and all applicable statutes of limitation, as a defense or defenses to the obligations under this guaranty.

The UNDERSIGNED further waives, to the extent applicable, and agrees not to assert any claim under Title 11, Section 101 of the United States Code, that he/she may now or later have against FRANCHISEE is obligated to make to FRANCHISOR under this Guaranty. The obligations of the UNDERSIGNED include all amounts paid to FRANCHISOR by FRANCHISEE that are later recovered from FRANCHISOR in a legal proceeding.

Any indebtedness of FRANCHISEE now or later owed to the GUARANTOR, and any security received by the GUARANTOR from the FRANCHISEE in consideration of the GUARANTOR'S signature hereto, is subordinated to the GUARANTOR'S obligations hereunder, and shall be collected, enforced and received by the GUARANTOR as trustee for the FRANCHISOR, and paid thereto on demand, without affecting GUARANTOR'S obligations hereunder.

FRANCHISOR shall have no duty to advise or inform the UNDERSIGNED of the financial condition of FRANCHISEE, or of circumstances bearing on the risk of non-payment or performance. On FRANCHISOR'S reasonable request, the UNDERSIGNED shall provide complete and current financial information about the UNDERSIGNED in the form and format requested.

This Guaranty is assignable with any one of several, or all of the indebtedness, liability and obligations that it guarantees, and when so assigned, GUARANTORS shall be bound, as set forth herein, to the transferees.

The UNDERSIGNED herewith warrants to FRANCHISOR that the FRANCHISEE is authorized to execute the AGREEMENT.

If there is more than one signatory to the AGREEMENT, or more than one GUARANTOR, the terms "FRANCHISEE" and "GUARANTOR" shall refer to all, or any one or more of the persons within the term.

The UNDERSIGNED shall, without demand, reimburse FRANCHISOR for all costs and expenses, including attorneys' fees, incurred in the enforcement hereof, in the enforcement of the indebtedness, liability or obligations of the FRANCHISEE to FRANCHISOR under the AGREEMENT or the engagement of counsel by FRANCHISOR during a restructuring or "workout" of the indebtedness.

Signature	Name	Date
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Signature	Name	Date
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EXHIBIT C TO THE FRANCHISE AGREEMENT

PHOTOGRAPH RELEASE AGREEMENT

**Addendum to the Franchise Agreement
Photograph Release Agreement**

Whereas for valuable consideration hereby acknowledged as received, I, _____, grant The Flame Broiler Inc. and its assigns and their affiliates and successors all right, title and interest to and permission to use photograph(s) of me for The Flame Broiler, Inc.'s **internal purposes**. Permission herein granted as absolute and final shall not be subject to further inspection or approval by me. The Flame Broiler Inc. shall own all rights in the photograph(s) which shall accrue to the benefit of his/successors, legal representatives and assigns. I warrant having read and understood this release agreement and warrant being a full legal age to enter into an agreement. With full knowledge of the above, I hereby release and shall hold harmless The Flame Broiler Inc. and its successors, legal representatives, licensees and assigns from all claims or damages including but not limited to resulting from or associated with the use of the photograph(s). In all other respects, the terms and conditions of the Franchise Agreement shall govern. I have read and understand the above and consent to the foregoing.

Date: _____

By: _____

Name: _____

EXHIBIT D TO THE FRANCHISE AGREEMENT

RENEWAL/REMODEL ADDENDUM

RENEWAL/REMODEL ADDENDUM TO THE FRANCHISE AGREEMENT

This Renewal/Remodel Addendum to the Franchise Agreement ("Addendum") is entered into on the Effective Date (the date signed by Franchisor) by and between The Flame Broiler, Inc. ("Franchisor") and _____ ("Franchisee") for the restaurant located at _____ ("Restaurant").

RECITALS

- A. On _____ ("Franchise Expiration Date"), the Franchise Agreement entered by Franchisor and Franchisee on _____ ("Prior Franchise Agreement") has expired or will expire.
- B. Franchisee desires to renew the franchise and has notified Franchisor of such intent, in which case parties desire to terminate and cancel the Prior Franchise Agreement.
- C. Under the Prior Franchise Agreement, as a condition for renewal, Franchisee agreed to certain renewal conditions, including the requirement to update and remodel the Franchisee's Restaurant to Franchisor's then current standards. A list of the required upgrades ("Upgrades") to bring Franchisee's Restaurant to Franchisor's current standards is herein attached as Exhibit A.
- D. Another condition of renewal is that Franchisor and Franchisee have contemporaneously herewith entered into a franchise agreement pursuant to which Franchisor has granted Franchisee a renewal license, granting Franchisee the right and obligation to continue operation of the franchise using the Marks and the System at the Restaurant (the "Agreement") (Capitalized terms not defined in this Addendum have the meaning given to them in the Agreement); and
- E. The parties have agreed to alter the terms stated in the Agreement, as provided herein to reflect the parties' intentions and the terms of renewal stated in the Prior Franchise Agreement.

NOW, THEREFORE, that for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The Prior Franchise Agreement is hereby terminated by mutual agreement, except for Franchisee's indemnification obligations thereunder.
2. This Addendum shall be for a renewal term of ___ years as set forth in Section II of the Agreement, with the understanding that if this is Franchisee's second ___ year renewal term, then there are no additional renewal terms available to Franchisee, unless Franchisee and Franchisor mutually agree to a new successor franchise.
3. No initial franchise fee shall be due upon execution of the Agreement, although Franchisee agrees to pay the applicable renewal fee of \$ ____.
4. As a condition of Franchisor's granting of the renewal, Franchisee shall, at its sole expense, fully complete the Upgrades by _____ ("Upgrades Completion Date") and the order of completing each item of the Upgrades shall be determined by Franchisor.

5. Although Franchisee will not be required to complete Franchisor's initial training program for new franchisees, Franchisee acknowledges that Franchisee will need to complete to Franchisor's satisfaction and by the Upgrades Completion Date, the renewal training ("Training") that Franchisor deems is necessary for Franchisee and Franchisee's Restaurant.

6. If Franchisee fails to fully complete the Upgrades or the Training by the Upgrades Completion Date, Franchisor may, at its sole and absolute discretion, issue a default notice which can lead to termination of the Franchise Agreement.

7. Franchisee, for itself and each of its past and present heirs, executors, administrators, representatives, affiliates, directors, officers, owners, successors and assigns and on behalf of any other party claiming an interest through Franchisee, in their corporate and individual capacities (collectively "Releasor"), hereby releases and forever discharges and covenants not to sue Franchisor and each of its predecessors, successors, affiliates, subsidiaries, assigns, past and present officers, directors, shareholders, agents and employees, and their respective heirs, executors, administrators, representatives, successors and assigns, in their corporate and individual capacities (collectively "Releasees"), from, in respect of and in relation to any and all claims, actions, causes of action, suits, debts, obligations, liabilities, sums of money, costs and expenses, acts, omissions or refusals to act, damages, judgments and demands, of any kind whatsoever, joint or several, known or unknown, vested or contingent, which the Releasor ever had, now has or which Releasor hereinafter can, will or may have, against Releasees related to, arising from, for, upon or by reason of any matter, cause or thing whatsoever related to the Prior Franchise Agreement and the Restaurant operated thereunder or any other agreement between Releasor and Releasees, or the relationship between Releasor and Releasees, through the Effective Date (collectively, the "Claims"), for known or unknown damages or other losses, including but not limited to any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of the Prior Franchise Agreement or any other related agreement between the Releasor and Releasees or the relationship between Releasor and Releasees through and including the Effective Date. For avoidance of doubt, the Releasor does not release Releasees from any obligations arising by virtue of the new Agreement and any claims arising from the Releasees' failure to comply with those obligations or the Franchise Disclosure Document furnished to Franchisee as part of entering into the Agreement and the franchise laws that apply to the specific offer, sale and signing of the Agreement.

The release of the Claims as set forth above is intended by the Releasor to be full and unconditional general releases, as that phrase is used and commonly interpreted, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of the Releasees regardless of whether any unknown, unsuspected or unanticipated claim would materially affect settlement and compromise of any matter mentioned herein. In making this voluntary express waiver, the Releasor acknowledges that claims or facts in addition to or different from those which are now known to exist with respect to the matters mentioned herein may later be discovered and that it is the Releasor's intention to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered claims or facts. The Releasor acknowledges that Releasor has had adequate opportunity to gather all information necessary to enter into this Addendum and to grant the releases contained herein, and needs no further information or knowledge of any kind that would otherwise influence the decision to enter into this Addendum. The Releasor, for itself

and its heirs, successors and assigns, hereby expressly, voluntarily, and knowingly waives, relinquishes and abandons each and every right, protection, and benefit to which they would be entitled, now or at any time hereafter under Section 1542 of the Civil Code of the State of California, as well as under any other statutes or common law principles of similar effect to said Section 1542, whether now or hereafter existing under the laws of California or any other applicable federal or state law with jurisdiction over the parties' relationship. The Releasor acknowledges that Section 1542 of the Civil Code of the State of California provides as follows:

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or released party.”

This release is and shall be and remain a full, complete and unconditional general release. The Releasor acknowledges and agrees that this release is an essential, integral and material term of this Addendum. The Releasor further acknowledges and agrees that no violation of this Addendum shall void the release set forth herein.

8. Notwithstanding the releases contained herein, all rights and obligations created under this Addendum will specifically survive the execution of this Addendum and the releases contained herein. Notwithstanding anything to the contrary in the Agreement, in the event of a conflict between the provisions of the Agreement and the provisions of this Addendum, the provisions of this Addendum shall control. The parties agree that the Agreement remains fully effective in all respects except as specifically modified herein, and all the respective rights and obligations of Franchisee and Franchisor remain as written unless modified specifically herein.

Therefore, in consideration of the mutual promises, agreements, and undertakings in this Addendum, the parties to this Addendum agree as follows:

[Signature Page Will Follow]

FRANCHISOR:

THE FLAME BROILER, INC.

By: _____

Name: Young R. Lee

Its: President and CEO

Effective Date: _____

FRANCHISEE:

By: _____

Name:

Its:

By: _____

Name:

Its:

Date _____

EXHIBIT A TO RENEWAL/REMODEL ADDENDUM

UPGRADES

Upgrade requirements to be provided after assessment of store.

The order of completion is to be determined by Franchisor per the Paragraph 4 of this Addendum.

EXHIBIT C

AREA DEVELOPMENT AGREEMENT

THE FLAME BROILER, INC.
AREA DEVELOPMENT AGREEMENT

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EXHIBITS

- A. DEVELOPMENT TERRITORY
- B. DEVELOPMENT SCHEDULE

**THE FLAME BROILER THE RICE BOW KING
AREA DEVELOPMENT AGREEMENT**

This Area Development Agreement (this “Agreement”) is entered into this _____ day of _____, 20__ between THE FLAME BROILER, INC., a California corporation which has its principal place of business at 1538 E. Warner Avenue, Suite E, Santa Ana, California 92705 (“we” or “us”) and _____, a _____ which has its principal place of business at _____ (“you”). If you are a corporation, partnership or limited liability company, certain provisions of the Agreement also apply to your owners and will be noted.

BACKGROUND:

A. We have developed a high quality Korean fast casual restaurant concept. We grant franchises to qualified candidates for the operation of a Korean fast casual restaurant using our concept. We license certain trademarks including “Flame Broiler” logo and may in the future adopt, use and license additional or substitute trademarks, service marks, logos and commercial symbols in connection with the operation of Flame Broiler restaurants (collectively the “Marks”). The Flame Broiler restaurants use our methods, procedures, standards, specifications and the Marks (all of which are collectively referred to as the “System”) which we may improve, further develop or otherwise modify from time to time.

B. You have had an adequate opportunity to be thoroughly advised of the provisions of this Agreement, the Franchise Agreement and our Disclosure Document and have had sufficient time and opportunity to evaluate and investigate the System and the procedures and financial requirements associated with the System as well as the competitive market in which it operates.

C. You desire to develop and operate several FLAME BROILER Restaurants and we, in reliance on your representations, have approved your franchise application to do so according to this Agreement.

AGREEMENTS:

We and you agree as follows:

1. GRANT OF DEVELOPMENT RIGHTS

A. We grant to you, under the terms and conditions of this Agreement, the right to develop and operate ___ FLAME BROILER restaurants, (the “Restaurants”) within the territory described on Exhibit A (“Development Territory”).

B. You shall be bound by the development schedule (“Development Schedule”) set forth in Exhibit B. Time is of the essence for the development of each Restaurant in accordance with the Development Schedule. Each Franchised Restaurant shall be established and operated under a separate Franchise Agreement to be entered into by you and us pursuant to Section 3.B.

C. If you are in compliance with the Development Schedule set forth on Exhibit B, we will not operate or grant anyone else a franchise to operate a FLAME BROILER Restaurant business in the Development Territory prior to the earlier of: i) the expiration or termination of this Agreement; or ii) the date on which you must execute the Franchise Agreement for your last Restaurant according to the Development Schedule.

D. You acknowledge and agree that we have the right to grant other franchises outside of the Development Territory as we deem appropriate. Although we will not operate a FLAME BROILER Restaurant within the Development Territory, we reserve the right, both within and outside of the Development Territory, to offer and sell at special events or at wholesale, through channels of distribution distinct from those of a FLAME BROILER Restaurant, products and services which comprise, or may in the future comprise a part of the System, which products may be resold at retail to the general public. Further, you acknowledge that certain locations within the Development Territory are by their nature unique and separate in character from sites generally developed as Franchised Restaurants. As a result, you agree that the following locations (“Special Sites”) are excluded from the Development Territory and we shall have the right to develop (by direct ownership or franchising) such locations: 1) public transportation facilities, including airports, train stations and bus stations; 2) military bases; 3) sports facilities; 4) amusement parks/theme parks; 5) fairs and festivals; 6) college Franchised Restaurant uses; and 7) major indoor malls.

E. This Agreement is not a Franchise Agreement and you shall have no right to use in any manner the Marks by virtue of this Agreement. You shall have no right under this Agreement to subfranchise or sublicense others to operate a business or use the System or the Marks.

2. DEVELOPMENT FEE

A. As consideration for the rights granted in this Agreement, you pay us a “Development Fee” of \$ _____, representing one-half of the Initial Franchise Fee for each Restaurant to be developed under this Agreement. The Development Fee is consideration for this Agreement and not consideration for any Franchise Agreement, is fully earned by us upon execution of this Agreement and is non-refundable. The part of the Initial Franchise Fee that is included in the Development Fee is credited against the Initial Franchise Fee payable upon the signing of each individual Franchise Agreement. The balance of the Initial Franchise Fee for each of the Franchised Restaurants is due upon signing the individual Franchise Agreement. The balance of the Initial Franchise Fee for the first Restaurant shall be paid at the time of execution of this Agreement, together with the execution by you of the Franchise Agreement for the first Restaurant. The total amount to be paid by you at the time of execution of this Agreement under this Section, including both the Development Fee and the balance of the Initial Franchise Fee for your first Restaurant is \$ _____.

B. You shall submit a separate application for each Restaurant to be established by you within the Development Territory as further described in Section 4. Upon our approval of the site of your Restaurant, a separate Franchise Agreement shall be executed for each such Restaurant, at which time the balance of the Initial Franchise Fee is due and owing. Such payment represents the balance of the appropriate Initial Franchise Fee, as described above in Section 2.A. Upon the execution of each Franchise Agreement, the terms and conditions of such Franchise Agreement shall control the establishment and operation of such Restaurant.

3. DEVELOPMENT SCHEDULE AND MANNER OF EXERCISING OPTIONS

A. You will be bound by and strictly follow the Development Schedule. By the dates set forth under the Development Schedule you must enter into Franchise Agreements with us pursuant to this Agreement for the number of Restaurants described under the Development Schedule. You must also comply with the Development Schedule requirements regarding i) the opening date for each Restaurant, and ii) the cumulative number of Restaurants to be open and continuously operating.

B. You may not develop a Restaurant unless you have notified us of your intention to develop the Restaurant at least 30 days prior to the date set forth in the Development Schedule by which you must

execute a Franchise Agreement for the particular Franchised Restaurant and all of the following conditions have been met:

(i) You must find a proposed site for the Restaurant which you reasonably believe to conform to our site selection criteria and submit site information which we reasonably require for such site. You must receive our written consent to your proposed site.

(ii) You must furnish to us a franchise application for the proposed Restaurant, financial statements and other information as we may reasonably require. You must receive written confirmation from us that you meet our then-current standards for franchisees, including financial capability criteria, for development of a new Restaurant.

(iii) You must not be in default of this Agreement or any Franchise Agreement with us.

(iv) You and we must enter into our then-current form of Franchise Agreement for the proposed Restaurant.

4. TERM

Unless sooner terminated in accordance with Section 7 of this Agreement, the term of this Agreement and all rights granted to you shall expire on the date that your last FLAME BROILER Restaurant is scheduled to be opened under the Development Schedule.

5. YOUR DUTIES

You must perform the following obligations:

A. You must comply with all of the terms and conditions of each Franchise Agreement, including without limitation the operating requirements specified in each Franchise Agreement.

B. You must at all times comply with the confidentiality provisions set forth in Section 6.

C. You shall comply with all requirements of federal, state and local laws, rules and regulations.

6. MARKS/CONFIDENTIALITY

A. Notwithstanding any provision to the contrary under this Agreement, it is understood and agreed that this Agreement does not grant you any right to use the Marks or to use any of our trade secret and/or Confidential Information, as defined below. Your license to use the Marks, trade secrets and Confidential Information, or copyrights is granted only under the individual Franchise Agreements.

b. You and your owners, officers, directors, partners, members and managers (if any), acknowledge and agree that your entire knowledge of the operation of a FLAME BROILER Restaurant including the knowledge or know-how regarding the specifications, standards and operating procedures of the services and activities, is derived from information disclosed to you by us and that certain of such information is proprietary, confidential and constitute our trade secrets. The term "trade secrets" refers to the whole or any portion of know-how, knowledge, methods, specifications, processes, procedures and/or improvements regarding the business that is valuable and secret in the sense that it is not generally known to our competitors and any proprietary information contained in the manual or otherwise communicated to you in writing, verbally or through the Internet or other online or computer communications and any other knowledge or know-how concerning the methods of operations of FLAME BROILER Restaurants. You

and your owners, officers, directors, shareholders, partners, members and managers (if any), jointly and severally, agree that at all times during and after the term of the franchise, you will maintain the absolute confidentiality of all such proprietary information and will not disclose, copy, reproduce, sell or use any such information in any other business or in any manner not specifically authorized or approved in advance in writing by us. We may require that you obtain nondisclosure and confidentiality agreements in a form satisfactory to us from the individuals identified in the first sentence of this paragraph and other key employees.

7. DEFAULT AND TERMINATION

A. The rights and territorial protection granted to you in this Agreement have been granted in reliance on your representations and warranties, and strictly on the conditions set forth in Sections 1, 3 and 5 of this Agreement, including, without limitation, the condition that you comply strictly with the Development Schedule.

B. You will be deemed in default under this Agreement if you breach any of the terms of this Agreement, including the failure to meet the Development Schedule, or the terms of any Franchise Agreement or any other agreement between you or your affiliate and us. All rights granted in this Agreement shall immediately terminate upon written notice without opportunity to cure if: (i) you become insolvent, admit to your inability to pay your debts as they came due, commit any affirmative action of insolvency or file any action or petition of insolvency, (ii) a receiver of your property is appointed by a court of competent authority, (iii) you make a general assignment for the benefit of your creditors, (iv) a final judgment remains unsatisfied of record for 30 days or longer (unless supersedeas bond is filed), (v) execution is levied against your business or property, or (vi) suit to foreclose any lien or mortgage against his premises or equipment is instituted against you and not dismissed within 30 days, or is not in the process of being dismissed, (vii) you fail to meet your development obligations set forth in the Development Schedule; (viii) you fail to comply with any other provision of this Agreement and do not correct the failure within 30 days after written notice of the failure is delivered to you, or (ix) we have delivered to you a notice of termination of a Franchise Agreement in accordance with its terms and conditions.

8. RIGHTS AND DUTIES OF PARTIES UPON TERMINATION OR EXPIRATION

Upon termination or expiration, this Agreement and all rights granted to you under this Agreement shall automatically terminate, and:

A. All remaining rights granted you to establish Restaurants under this Agreement will automatically be revoked and will be null and void. You will not be entitled to any refund of any fees. You will have no right to develop or operate any Restaurant for which a Franchise Agreement has not been executed by us. We will be entitled to develop or to franchise others to develop FLAME BROILER Restaurants in the Development Territory, except as may be otherwise provided under any Franchise Agreement which has been executed between us and you and which has not been terminated.

B. You must immediately cease to operate your business under this Agreement, and must not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former developer of ours.

C. You must take such action as may be necessary to cancel or assign to us or our designee, at our option, any assumed name or equivalent registration which contains any of the words which are contained in the Marks and you will furnish us with evidence satisfactory to us of compliance with this obligation within 30 days after termination or expiration of this Agreement.

D. You must within 30 days of termination or expiration pay all sums owing to us and our affiliates. In the event of termination for any default by you, such sums shall include all damages, costs, and expenses, including reasonable attorneys' fees, incurred by us as a result of the default. Unpaid amounts will bear interest at the rate of 18% per annum or the maximum contract rate of interest permitted by governing law, whichever is less, from and after the date of accrual.

E. Upon termination or expiration of this Agreement, you will assign to us or our designee, all your right, title, and interest in and to your telephone numbers and shall notify the telephone company and all listing agencies of the termination or expiration of your right to use any telephone number in any regular, classified or other telephone directory listing associated with the Marks and to authorize transfer of same at our direction.

F. You shall comply with the covenants contained in Sections 6 and 10 of this Agreement.

G. All of our and your obligations 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 its expiration or termination and until they are satisfied or by their nature expire.

9. TRANSFER

A. We have the right to transfer all or any part of our rights or obligations under this Agreement to any person or legal entity.

B. This Agreement is entered into by us with specific reliance upon your personal experience, skills and managerial and financial qualifications. Consequently, this Agreement, and your rights and obligations under it, are and will remain personal to you. You may only Transfer your rights and obligations under this Agreement if you obtain our prior written consent and only if you transfer all of your rights and interests under all Franchise Agreements for Restaurants in the Development Territory. Accordingly, the assignment terms and conditions of the Franchise Agreements shall apply to any Transfer of your rights and interests under this Agreement. As used in this Agreement, the term "Transfer" means any sale, assignment, gift, pledge, mortgage or any other encumbrance, transfer by bankruptcy, transfer by judicial order, merger, consolidation, share exchange, transfer by operation of law or otherwise, whether direct or indirect, voluntary or involuntary, of this Agreement or any interest in it, or any rights or obligations arising under it, or of any material portion of your assets or of any interest in you.

10. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. It is understood and agreed by the parties that this Agreement does not create a fiduciary relationship between them, that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever. Each party to this Agreement is an independent contractor, and neither shall be responsible for the debts or liabilities incurred by the other. You shall hold yourself out to the public as an independent contractor operating pursuant to this Agreement. You agree to take such actions as shall be necessary to that end.

B. You understand and agree that nothing in this Agreement authorizes you to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and that we assume no liability for, and shall not be deemed liable by reason of, any act or omission of yours in your conduct of the business under this Agreement, or any claim or judgment arising therefrom. You agree to indemnify, defend, and hold us, our affiliates, our officers, directors, shareholders and employees harmless from and against any and all claims, losses, damages and liabilities, however caused, arising directly or indirectly from, as a result of, or in connection with, the development, use and

C. No right or remedy conferred upon or reserved to Us or You by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

D. Nothing herein contained shall bar our right to obtain injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

13. ACKNOWLEDGEMENTS

A. You acknowledge and agree that the success of the business venture contemplated to be undertaken by you by virtue of this Agreement is speculative and depends, to a large extent, upon your ability as an independent business person, and your active participation in the daily affairs of the business as well as other factors.

B. You represent and acknowledge that you have received, read and understood this Agreement and our Franchise Disclosure Document, that we have fully and adequately explained the provisions of each to your satisfaction, and that we have accorded you ample time and opportunity to consult with advisors of your own choosing about the potential benefits and risks of entering into this Agreement.

The parties have duly executed, sealed, and delivered this Agreement in triplicate on the day and year first above written. Your owners, directors and officers executing this Agreement below specifically agree, jointly and severally, to be bound by their respective representations, warranties and obligations hereunder.

THE FLAME BROILER, INC.

By: _____
Title: _____
Date: _____

DEVELOPER:

By: _____
Title: _____
Date: _____

and

By: _____, Individually

EXHIBIT A

DESCRIPTION OF DESIGNATED TERRITORY

THE FLAME BROILER, INC.

DEVELOPER:

By: _____
Title: _____

By: _____
Title: _____

EXHIBIT B

DEVELOPMENT SCHEDULE

You acknowledge and agree that a material provision of the Area Development Agreement is that the following number of FLAME BROILER Restaurants must be opened and continuously operating in the Designated Territory in accordance with the following Development Schedule:

Restaurant Number	Date by Which Franchise Agreement Must be Signed and Site Approval Request Must be Submitted to us	Date by Which the Restaurant Must be Opened and Continuously Operating	Cumulative Number of Franchised Restaurants Required to be Open and Continuously Operating in the Designated Territory as of the Date in Preceding Column
1	Date of this Agreement		1
2			2

For purposes of determining compliance with the above Development Schedule, only the Restaurants actually open and continuously operating for business in the Designated Territory as of a given date will be counted toward the number of Restaurants required to be open and continuously operating for business.

THE FLAME BROILER, INC.

DEVELOPER:

By: _____
Title: _____

By: _____
Title: _____

EXHIBIT D

FINANCIAL STATEMENTS

THE FLAME BROILER, INC.

Financial Statements

December 31, 2023, 2022 and 2021

THE FLAME BROILER, INC.
December 31, 2023, 2022 and 2021

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Independent Auditors' Report

To the Stockholders
The Flame Broiler, Inc.

Opinion

We have audited the financial statements of The Flame Broiler Inc., which comprise the balance sheets as of December 31, 2023, 2022 and 2021, and the related statements of income and retained earnings, 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 The Flame Broiler Inc. as of December 31, 2023, 2022 and 2021, 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Flame Broiler Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 The Flame Broiler Inc.'s ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's 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 auditor's 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 The Flame Broiler Inc.'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 The Flame Broiler Inc.'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.

Macias Gini & O'Connell LLP

Macias, Gini & O'Connell, LLP

Irvine, California

April 15, 2024

THE FLAME BROILER, INC.
Balance Sheets
December 31, 2023, 2022 and 2021

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
CURRENT ASSETS:			
Cash	\$ 1,412,193	\$ 785,495	\$ 1,419,280
Receivables from franchisees, net	87,081	145,957	158,452
Investments	562	536	530
Inventories	87,435	48,855	35,371
Prepaid Expenses	73,962	24,823	26,826
Advertising and development funds restricted assets	<u>1,359,048</u>	<u>1,797,140</u>	<u>964,025</u>
TOTAL CURRENT ASSETS	<u>3,020,281</u>	<u>2,802,806</u>	<u>2,604,484</u>
PROPERTY AND EQUIPMENT, NET	<u>922,792</u>	<u>809,933</u>	<u>828,669</u>
OTHER ASSETS			
Operating lease right of use asset	9,136,017	8,263,143	-
Deposits and other assets	125,257	54,351	42,799
Goodwill, net	150,569	158,072	181,173
Intangible assets, net	<u>106,859</u>	<u>118,400</u>	<u>95,609</u>
TOTAL ASSETS	<u>\$ 13,461,775</u>	<u>\$ 12,206,705</u>	<u>\$ 3,752,734</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>			
CURRENT LIABILITIES:			
Accounts payable and accrued expense	\$ 552,516	\$ 537,403	\$ 420,130
Deferred income	175,000	110,000	175,000
Advertising and development funds restricted liabilities	8,866	30,088	750
Operating lease liability, current portion	<u>682,937</u>	<u>585,009</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>1,419,319</u>	<u>1,262,500</u>	<u>595,880</u>
LONG-TERM LIABILITIES:			
Deferred rent	-	-	352,844
Operating lease liability, net of current portion	<u>9,064,388</u>	<u>8,144,669</u>	<u>-</u>
TOTAL LONG-TERM LIABILITIES	<u>9,064,388</u>	<u>8,144,669</u>	<u>352,844</u>
TOTAL LIABILITIES	<u>10,483,707</u>	<u>9,407,169</u>	<u>948,724</u>
COMMITMENTS			
STOCKHOLDERS' EQUITY:			
Common stock, Series A, no par value 10,000 shares authorized, 5,000 shares issued and outstanding	40,618	40,618	40,618
Common stock, Series B, no par value 5,000 shares authorized, None issued or outstanding	-	-	-
Retained earnings	<u>2,937,450</u>	<u>2,758,918</u>	<u>2,763,392</u>
TOTAL STOCKHOLDERS' EQUITY	<u>2,978,068</u>	<u>2,799,536</u>	<u>2,804,010</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 13,461,775</u>	<u>\$ 12,206,705</u>	<u>\$ 3,752,734</u>

See accompanying notes to financial statements.

THE FLAME BROILER, INC.
Statements of Income and Retained Earnings
For the years ended December 31, 2023, 2022, 2021

	<u>2023</u>	<u>2022</u>	<u>2021</u>
REVENUE			
Food and beverage sales	\$ 5,583,496	\$ 4,580,369	\$ 2,947,975
Sales of franchises	50,000	120,000	62,500
Franchise royalties	3,897,797	4,150,043	4,111,585
Rebates income	178,476	194,233	170,430
Advertising and development fund revenue	2,278,571	2,379,250	2,258,254
Consulting revenue	<u>3,700</u>	<u>10,902</u>	<u>9,250</u>
TOTAL REVENUE	11,992,040	11,434,797	9,559,994
OPERATING COSTS AND EXPENSES			
Cost of sales	1,966,344	1,647,738	1,053,698
Advertising and development fund expenses	6,623,173	5,189,623	4,314,199
Operating expenses	<u>2,478,841</u>	<u>3,198,828</u>	<u>2,657,114</u>
	<u>11,068,358</u>	<u>10,036,189</u>	<u>8,025,011</u>
INCOME FROM OPERATIONS	923,682	1,398,608	1,534,983
OTHER INCOME			
Other income	90,562	29,300	67,591
Investment income	26	6	401
PPP loan forgiveness	<u>-</u>	<u>-</u>	<u>569,302</u>
TOTAL OTHER INCOME	<u>90,588</u>	<u>29,306</u>	<u>637,294</u>
INCOME BEFORE INCOME TAXES	1,014,270	1,427,914	2,172,277
PROVISION FOR INCOME TAXES	<u>2,790</u>	<u>71,388</u>	<u>32,575</u>
NET INCOME	1,011,480	1,356,526	2,139,702
RETAINED EARNINGS, Beginning of year	2,758,918	2,763,392	2,442,065
DISTRIBUTIONS	<u>(832,948)</u>	<u>(1,361,000)</u>	<u>(1,818,375)</u>
RETAINED EARNINGS, End of year	<u>\$ 2,937,450</u>	<u>\$ 2,758,918</u>	<u>\$ 2,763,392</u>

See accompanying notes to financials statements.

THE FLAME BROILER, INC.
Statements of Cash Flows
December 31, 2023, 2022 and 2021

	2023	2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Net income	\$ 1,011,480	\$ 1,356,526	\$ 2,139,702
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	172,888	169,499	165,333
Investment income	(26)	(6)	(401)
Allowance for doubtful account	-	28,621	
PPP loan forgiveness	-	-	(569,302)
Deferred rent	-	-	31,099
Loss from store closures			20,769
Non-cash operating lease costs	144,773	113,691	-
(Increase) Decrease in:			
Receivables from franchisees	58,876	(16,126)	(49,286)
Inventories	(38,580)	(13,484)	(3,408)
Prepaid expenses, deposits and other	(120,045)	(9,549)	47,972
Advertising and development fund restricted assets and liabilities	416,870	(803,777)	(618,851)
Increase (Decrease) in:			
Accounts payable and accrued expenses	15,113	117,273	(136,142)
Deferred income	65,000	(65,000)	100,000
NET CASH PROVIDED BY OPERATING ACITIVITIES	1,726,349	877,668	1,127,485
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Purchase of property and equipment	(116,703)	(112,953)	(17,438)
Purchase of intangible assets	-	(37,500)	(7,250)
Purchase of stores	(150,000)	-	(200,000)
NET CASH USED IN INVESTING ACTIVITIES	(266,703)	(150,453)	(224,688)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Distributions to stockholder	(832,948)	(1,361,000)	(1,818,375)
NET CASH USED IN FINANCING ACTIVITIES	(832,948)	(1,361,000)	(1,818,375)
NET (DECREASE) INCREASE IN CASH	626,698	(633,785)	(915,578)
BEGINNING CASH	785,495	1,419,280	2,334,858
ENDING CASH	\$ 1,412,193	\$ 785,495	\$ 1,419,280
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid during the years ended 2023, 2022 and 2021:			
Interest paid	\$ -	\$ -	\$ -
Income taxes paid	\$ 2,790	\$ 71,388	\$ 32,575

See accompanying notes to financials statements.

THE FLAME BROILER, INC.
Notes to Financial Statements
December 31, 2023, 2022 and 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and line of business

The Flame Broiler, Inc. (the “Company”) was incorporated in July 1996 as a California corporation and assumed the operations of its predecessor, a sole proprietorship. The Company franchises and operates Flame Broiler restaurants which serve a food and beverages in California. Of the 132 Flame Broiler restaurants as of December 31, 2023, 120 were franchised and 12 were owned and operated by the Company.

Basis of Accounting

The Company uses the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recognition of Revenues

The Company follows Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) ASC Topic 606, Revenue from Contracts with Customers (“ASC 606”). The guidance sets forth a five-step revenue recognition model which replaces the prior revenue recognition guidance in its entirety and is intended to eliminate numerous industry-specific pieces of revenue recognition guidance that have historically existed in GAAP. The underlying principle of the standard is that a business or other organization will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects what it expects to receive in exchange for the goods or services.

The Company's revenues consist of sales by Company-operated restaurants, royalty from restaurants operated by franchisees, rebate income and sales of franchises. Revenues from franchised restaurants include royalties based on a percent of sales and fees from the sales of franchises.

Food and Beverage sales by Company-operated restaurants are recognized on a cash basis at the time of the underlying sale and are presented net of sales tax and other sales-related taxes.

Revenue from the sales of franchises is recognized when the Company's obligation to the franchisee have been substantially completed and when the franchisee opens a store and begins operation, or when a franchise agreement is terminated without the related store opening. The franchisee is not permitted to begin restaurant operations until all of the required pre-opening events have transpired whether the obligations are of the franchisor or franchisee. In accordance with the requirements of the “practical expedient”, the franchisor is then permitted to recognize revenue for the initial franchise fee. The “practical expedient” eliminates the requirement to amortize the initial fee over the life of the contact.

Royalty revenues are based on a 5% of sales of franchised restaurants and recognized at the time the underlying sales occur.

Rebate income is recognized based on cash basis at the time of the rebate received from the major vendors.

THE FLAME BROILER, INC.
Notes to Financial Statements
December 31, 2023, 2022 and 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recognition of Revenues (Continued)

Advertising and development fund revenue includes contributions to The Flame Broiler Advertising and Development Fund (the “A&D Fund”) by franchisees. Revenue related to these contributions is based on a percentage of sales of the franchised restaurants and is recognized as earned.

Concentration of Credit Risk

The Company grants credit to its franchisees during the normal course of business. The Company performs ongoing credit evaluations of its franchisees financial condition and generally requires no collateral.

As of December 31, 2023, two vendors represented 72% of the total accounts payable, and as of December 31, 2022, two vendors represented 76% and as of December 31, 2021, one vendor represented 72% of the total accounts payable, respectively.

For the years ended December 31, 2023, 2022, 2021, the Company’s purchases from one supplier comprised 27%, 30%, and 35% of the total purchases, respectively.

The company maintains its cash in two U.S. banking institution in which the deposits are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Periodically, the amounts on deposit at the bank are in excess of the FDIC limit. For the years ended December 31, 2023, 2022, and 2021, the Company has not experienced any losses with respect to its cash balances.

Restricted Cash

Restricted cash includes cash collected by the A&D Fund, usage of which is restricted for advertising and development activities and is included in “Advertising and development fund restricted assets”. Refer to Note 8 for further information.

Receivable from Franchisees

Accounts receivables are stated at the invoiced amounts, and normally do not bear interest. Management charges off uncollectable receivables to expense when it is determined the amounts will not be realized. The determination of when an account is past due is established by contract and varies by franchises based on agreement. An allowance for doubtful accounts is determined based on historical experience. The allowance for doubtful accounts has been provided at December 31, 2023, 2022, and 2021 were \$20,770, \$28,621, and \$0, respectively.

Inventories

Inventories are carried at the lower of cost on the first in first out basis, or net realizable value, and consist primarily of restaurant food items and paper supplies. The Company evaluates inventory on a periodic basis and records estimated reserves for excess, slow moving, and obsolete inventory as a change to cost of goods sold.

THE FLAME BROILER, INC.
Notes to Financial Statements
December 31, 2023, 2022 and 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment

Property and equipment are stated at cost, less accumulated depreciation. The Company provides for depreciation and amortization using the straight-line method over the estimated useful lives of five years or the shorter of the term of the lease. Maintenance, repairs, and renewals are expensed as incurred. Expenditures for additions and major improvements are capitalized. Depreciation expense for the years ended December 31, 2023, 2022, and 2021 was \$122,339, \$133,785, and \$130,127 respectively.

Leases

In February 2016, the FASB issued ASU 2016-02, “Leases (Topic 842)”. This new standard introduces a new lease model that requires the recognition of lease assets and lease liabilities on the balance sheet and the disclosure of key information about leasing arrangements. The recognition, presentation and measurement of lease related items in the financial statements will depend on whether the lease is classified as a finance or operating lease. In addition, the new guidance requires disclosures regarding the amount, timing and uncertainty of cash flows arising from leases. Subsequent to ASU 2016-02, the FASB issued related ASUs, including ASU No. 2018-11, Leases (Topic 842): Targeted Improvements, which provides for another transition method in addition to the modified retrospective approach required by ASU No. 2016-02. This option allows entities to initially apply the new leases standard at the adoption date and recognize a cumulative adjustment to the opening balance of retained earnings in the period of adoption. The Company adopted the new standard with an effective date of January 1, 2022 which is the beginning of its reporting year ending December 31, 2022. An entity may choose to use either (1) its effective date or (2) the beginning of the earliest comparative period presented in the financial statements as its date of initial application. The Company has elected to apply the prospective transition requirements on January 1, 2022, which is its effective date.

The new standard provides for a number of optional practical expedients. The Company has elected the package of practical expedients permitted under the transition guidance within the new standard which does not require the Company to reassess prior conclusions regarding whether contracts are or contain a lease, lease classification and initial direct lease costs. Additionally, the Company has elected the practical expedient (including for those leases for which the Company is a lessee) to use hindsight in determining the lease term (that is, when considering lessee options to extend or terminate the lease or to purchase the underlying asset) and in assessing impairment of the Company’s right-of-use (ROU) assets. The Company elected the practical expedient pertaining to land easements.

The new lease standard provides several optional policy elections for an entity’s ongoing accounting. Generally, the Company has elected the policy to not separate lease and non-lease components in arrangements whereby the Company is the lessee. The Company has elected to exclude short-term leases (with original lease terms of twelve months or less) from the balance sheet.

The most significant judgments and impacts upon adoption of the standard include the following:

1. In evaluating contracts to determine if they qualify as a lease, the Company considers factors such as if the Company has obtained or transferred substantially all of the rights to the underlying asset through exclusivity, if the Company can or if the Company has transferred the ability to direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights.
2. The Company recognized right-of-use assets and operating lease liabilities for operating leases that have not previously been recorded. The lease liability for operating leases is based on the net present value of future minimum lease payments.

THE FLAME BROILER, INC.
Notes to Financial Statements
December 31, 2023, 2022 and 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

3. The right-of-use asset for operating leases is based on the lease liability adjusted for the reclassification of certain balance sheet amounts such as deferred rent.
4. In determining the discount rate used to measure the right-of-use assets and lease liabilities, the Company uses the rate implicit in the lease, or if not readily available, the Company uses the Company's incremental borrowing rate. ASU 2021-09 allows private entity lessees to utilize a risk-free rate by class of the of the underlying lease asset. The Company was used US Treasury rates as risk-free rate.

As of the beginning of the year ended December 31, 2022 (January 1, 2022), the Company established a right-of-use asset and a lease liability related to their real property operating leases of \$6,310,053 and \$6,662,896, respectively. The Company leases its office and a retail space from a related party, an entity controlled by the shareholders of the Company, it established a right-of-use asset and a lease liability of \$2,948,913.

Intangible Assets

Intangible assets consist of design costs and covenants not to compete and are amortized on a straight-line basis over the estimated useful life of the asset.

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a restaurant that are not individually identified and separately recognized. In 2019, the Company adopted the accounting alternative for goodwill available to private companies under FASB ASC 350-20. Accordingly, the Company began amortizing goodwill prospectively as of January 1, 2019, on a straight-line basis over 10 years. The Company evaluates goodwill for impairment at the entity level when a triggering event occurs that indicates that the fair value of the entity may be below its carrying amount. When a triggering event occurs, the Company first assesses qualitative factors to determine whether the quantitative impairment test is necessary. If that qualitative assessment indicates that it is more likely than not that goodwill is impaired, the Company performs the quantitative test to compare the entity's fair value with its carrying amount. If the qualitative assessment indicates that it is not more likely than not that goodwill is impaired, further testing is unnecessary. The goodwill impairment loss, if any, represents the excess of the carrying amount of the entity over its fair value. No triggering events occurred during the years ended December 31, 2023, 2022 and 2021, that required goodwill impairment testing and, accordingly, no impairment loss was recorded in 2023, 2022 and 2021.

Restaurant Acquisitions

The Company accounts for the acquisition of restaurants from franchisees using the acquisition method of accounting for business combinations. The acquisition method of accounting involves the allocation of the purchase price to the estimated fair values of the assets acquired and liabilities assumed. This allocation process requires the use of estimates and assumptions to derive fair values and to complete the allocation. The excess of the purchase price over the fair values of the assets acquired and liabilities assumed represents goodwill derived from the acquisition. See "Goodwill" above for further information.

THE FLAME BROILER, INC.
Notes to Financial Statements
December 31, 2023, 2022 and 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Lived Assets

In accordance with FASB ASC 360, long lived assets to be held and used are analyzed for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. The Company evaluates at each balance sheet date whether events and circumstances have occurred that indicate possible impairment. If there is indication of impairment, the Company uses future undiscounted cash flows of the related asset or asset grouping over the remaining life in measuring whether the assets are recoverable. In the event such cash flows are not expected to be sufficient to recover the recorded asset values, the assets are written down to their estimated fair value. Long-lived assets to be disposed of are reported at the lower of the carrying amount or fair value of the asset less the cost to sell. As of December 31, 2023, 2022, and 2021, management determined that there was no impairment of the Company's long-lived assets.

Deferred income

Revenue from the sale of franchises is not taken into income until the related restaurant is fully operational.

Advertising Costs

The advertising costs are expensed as incurred and are included in “Selling, general and administrative expenses” and “Advertising and development fund expense”. Advertising expense was \$2,565,768 \$1,483,649, and \$1,474,064 for the years ended December 31, 2023, 2022, and 2021, respectively.

Fair Value of Financial Instruments

The Company utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determine fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market.

When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.

Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

The carrying amounts of cash, receivable from franchisees, investments, inventories, prepaid expenses, deposits, accounts payable and accrued expenses, and deferred income, approximate fair value because of the short maturity of these instruments.

Reclassification

Certain prior years amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

THE FLAME BROILER, INC.
Notes to Financial Statements
December 31, 2023, 2022 and 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Company has elected to be taxed as an S corporation under the provisions of the federal and state tax codes. Under federal laws, each stockholder is taxed on their proportionate share of the Company taxable income on their respective individual income tax returns. Accordingly, no provision for federal income taxes has been made in the accompanying financial statements. For California purposes, state income tax is assessed at a rate of one and one-half percent (1.5%) of taxable income, with an annual minimum tax of \$800. Also, the Company paid pass-through entity tax at a rate of 9.3% of taxable income. Additionally, there are minor taxes paid to the states of Arizona, Idaho, North Carolina, and Oklahoma.

Deferred income tax assets and liabilities are computed annually for differences between the financial reporting and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on expected laws and rates applicable to the periods in which the differences are expected to affect taxable income. During the years ended December 31, 2023, 2022, and 2021, deferred income taxes were not considered significant to these financial statements. Accordingly, no deferred income taxes have been reported.

The Company adopted FASB ASC 740 which clarifies the accounting for uncertainty in income taxes recognized in the Company's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740 also provides guidance on derecognition, and measurement of a tax position taken or expected to be taken in a tax return.

The Company files income tax returns in the U.S. federal jurisdiction and state of California, Arizona, Idaho, North Carolina and Oklahoma. The Company's federal income tax returns for tax years 2018 and beyond remain subject to examination by the Internal Revenue Service. The Company's California and other states income tax returns of the tax years 2020 and beyond remain subject to examination by the taxing authority. The Company did not have unrecognized tax benefits as of December 31, 2023, 2022, and 2021, and does not expect this to change significantly over the next 12 months. In accordance with ASC 740, the Company will recognize interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense. The Company has not accrued interest or penalties related to uncertain tax positions as of December 31, 2023, 2022, and 2021.

Relying on *Ford Dealers Advertising Fund v Commissioner*, 55 T.C. 761, and related cases, management believes that the A&D Fund's revenues are not taxable income to the Company.

California enacted an elective pass-through entity (PTE) tax for tax years beginning in 2021 through 2025. Qualifying entities may make the election annually on an original, timely filed tax return. Once made, the election is irrevocable for that year. The tax is imposed at a rate of 9.3% on the entity's qualified net income. The tax is in addition to, and not in place of, any other tax or fee that applies to the entity. By making the election to pay the PTE tax, the equity owners of the PTE (if qualified) may claim a credit on their personal income tax returns for their share of the tax paid. Since the PTE tax is an election and reduces the personal income tax of the shareholder, for accounting purposes this tax is treated as a distribution rather than an income tax expense of the Company. During the year ended December 31, 2023, the Company elected to pay an estimated PTE tax of \$82,948 which was recorded as a distribution.

THE FLAME BROILER, INC.
Notes to Financial Statements
December 31, 2023, 2022 and 2021

NOTE 2 – PROPERTY AND EQUIPMENT

During 2023, the Company purchased two stores from franchisees with a total purchase price of \$150,000 of which \$120,000 were allocated to property and equipment.

Property and equipment consisted of the following at December 31:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Automobiles	\$ 24,471	\$ 116,370	\$ 116,370
Leasehold improvements	1,285,525	1,185,662	1,081,955
Equipment	<u>405,454</u>	<u>268,613</u>	<u>259,368</u>
	1,715,450	1,570,645	1,457,693
Less accumulated depreciation	<u>(792,658)</u>	<u>(760,712)</u>	<u>(629,024)</u>
	<u>\$ 922,792</u>	<u>\$ 809,933</u>	<u>\$ 828,669</u>

NOTE 3 – GOODWILL

The carrying amount of goodwill at December 31, 2023, 2022, and 2021 is as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Balance, January 1	\$ 231,019	\$ 231,019	\$ 231,019
Store Purchased	15,000	-	-
Impairment due to closure of stores	<u>-</u>	<u>-</u>	<u>-</u>
	246,019	231,019	231,019
Less: accumulated amortization	<u>(95,450)</u>	<u>(72,947)</u>	<u>(49,846)</u>
Balance, December 31	<u>\$ 150,569</u>	<u>\$ 158,072</u>	<u>\$ 181,173</u>

Amortization expenses for the years ended December 31, 2023, 2022, and 2021 was \$23,519, \$23,101, and \$23,102 respectively. The estimated amortization expense for the next nine years for goodwill is as follows:

<u>Years ending December 31,</u>	
2024	\$ 24,602
2025	24,602
2026	24,602
2027	24,602
2028	24,602
Thereafter	<u>27,559</u>
Total	<u>\$ 150,569</u>

THE FLAME BROILER, INC.
Notes to Financial Statements
December 31, 2023, 2022 and 2021

NOTE 4 – INTANGIBLE ASSETS

Intangible assets consist of the following at December 31, 2023, 2022, and 2021:

	2023	2022	2021
Design costs - 7-10 years	\$ 81,774	\$ 81,774	\$ 81,774
Covenants not to compete - 7 years	51,212	36,212	36,212
Restaurant software - 3 years	37,500	37,500	-
	170,486	155,486	117,986
Less accumulated amortization	(63,627)	(37,086)	(22,377)
	\$ 106,859	\$ 118,400	\$ 95,609

Amortization expense for the years ended December 31, 2023, 2022, and 2021 was \$27,030, \$14,709, and \$12,104, respectively.

The following table represents the total estimated amortization expense for the next years:

<u>Years ending December 31,</u>	
2024	\$ 26,375
2025	25,958
2026	13,875
2027	13,875
2028	13,875
Thereafter	12,901
Total	\$ 106,859

NOTE 5 – PAYROLL PROTECTION PLAN PROCEEDS

In April 2020, the Company received a loan in the amount of \$569,302 under the Payroll Protection Program (“PPP Loan”). The loan accrues interest at a rate of 1% and has an original maturity date of April 2022. The Company obtained forgiveness of the PPP Loan in whole on April 16, 2021.

THE FLAME BROILER, INC.
Notes to Financial Statements
December 31, 2023, 2022 and 2021

NOTE 6 – SALE OF FRANCHISES

The Company has sold and continues to market franchises for the use of the Flame Broiler name, trademark, operational procedures, and recipes.

The franchise agreement currently requires a nonrefundable initial franchisee fee of \$35,000 plus royalties of 5% of sales. If franchisee sign an Area Development Agreement, the initial franchisee fee is \$35,000 for the first restaurant, \$30,000 for second restaurant and \$25,000 for any additional restaurant. The Company also requires an additional payment of 3% of sales to be used for advertising and pay to The Flame Broiler Advertising and Development Fund.

The Company has certain rights to ensure minimum product quality and operational standards. The franchise agreement is for an initial term of ten years and the franchisee may renew for two additional ten-year terms. Management estimates that the initial investment for a franchisee will be between \$409,930 to \$710,612 per store.

NOTE 7 - COMMITMENTS

Operating Leases

The Company has operating leases for its office and corporate stores spaces. The Company recognized a right-of-use asset and lease liability for operating leases based on the net present value of future minimum lease payments. Lease expense is recognized on a straight-line basis over the non-cancelable lease term and renewal periods that are considered reasonably certain.

The Company has elected to use hindsight in determining the lease term (that is, when considering lessee options to extend or terminate the lease or to purchase the underlying asset) and in assessing impairment of the entity's right-of use assets. Accordingly, management's decisions regarding lease renewals that are reasonably certain to be exercised have been incorporated as part of the lease term in right-of-use asset and lease liability calculations. To support these determinations, the Company evaluated each active lease at transition that included a renewal option (or options) to assess whether or not the future renewal options were reasonably certain to be exercised. The periods related to any renewal options deemed not reasonably certain to be exercised were excluded from the lease term for the right-of-use asset and lease liability calculations.

The Company's operating lease costs recognized in the statement of income were \$1,068,829 and \$885,127 for the year ended December 31, 2023 and 2022.

Other lease information is as follows:

	<u>2023</u>	<u>2022</u>
Weighted-average remaining lease term - operating leases	14.39 years	12.19 years
Weighted-average discount rate - operating leases	2.54%	1.69%

THE FLAME BROILER, INC.
Notes to Financial Statements
December 31, 2023, 2022 and 2021

NOTE 7 – COMMITMENTS (CONTINUED)

Operating Leases (Continued)

As of December 31, 2023, future minimum lease payments required under leases are as follows:

<u>Years</u>	<u>Operating Lease</u>
2024	\$ 880,375
2025	909,221
2026	936,799
2027	965,356
2028	998,024
Thereafter	<u>6,439,446</u>
Total undiscounted lease obligations	\$ 11,129,221
Less: imputed interest	<u>(1,381,896)</u>
Net lease obligations	<u>\$ 9,747,325</u>
Reconciliation to lease liabilities:	
Lease liabilities - current	\$ 682,937
Lease liabilities - non-current	<u>9,064,388</u>
Total lease liabilities	<u>\$ 9,747,325</u>

NOTE 8 – ADVERTISING AND DEVELOPMENT FUND

The Company maintains an advertising and development fund established to collect and administer funds contributed for use in advertising and promotional programs, and development products. Contributions to the A&D Fund are required from both Company-operated and franchised restaurants and are based on a percentage of restaurant sales. Restricted assets and related liabilities of the A&D Fund at December 31, 2023, 2022, and 2021 are as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Cash	\$ 1,180,817	\$ 1,461,633	\$ 670,887
Accounts receivable	155,338	222,780	200,344
Other receivables	22,893	22,893	24,340
Prepaid expense	-	89,834	68,250
Other assets	<u>-</u>	<u>-</u>	<u>204</u>
Advertising and development funds restricted assets	<u>\$ 1,359,048</u>	<u>\$ 1,797,140</u>	<u>\$ 964,025</u>
Accounts payable	\$ 4,393	\$ 12,645	\$ 750
Accrued expenses and other liabilities	<u>4,473</u>	<u>17,443</u>	<u>-</u>
Advertising and development funds restricted liabilities	<u>\$ 8,866</u>	<u>\$ 30,088</u>	<u>\$ 750</u>

THE FLAME BROILER, INC.
Notes to Financial Statements
December 31, 2023, 2022 and 2021

NOTE 9 – SALE OF STORES

The Company has sold their operated stores to their franchisees over the past several years. In these cases, the Company remains liable as guarantor of the leases. Annual rents payable under the guaranteed lease is \$39,105 for the year ending December 31, 2023. The estimated rents payable under this guaranteed leases for the next three years are as follows:

<u>Years ending December 31,</u>	
2024	\$ 40,293
2025	41,481
2026	<u>3,465</u>
Total	<u>\$ 85,239</u>

NOTE 10 – PENSION PLAN

The Company has a 401(k) plan (the “Plan”) covering substantially all of its eligible employees. Employees may participate in the Plan once they have twelve months of continuous service. The Plan provides for elective contributions by employees up to the maximum limit allowed by tax regulations. Under the terms of the Plan, the Company provides matching contributions up to 5% of each employee’s regular compensation. The Company made matching contributions during the years ended December 31, 2023, 2022 and 2021 of \$82,059, \$71,522, and \$66,462, respectively.

NOTE 11 – CONTINGENCY

Guarantees and Indemnities

From time to time the Company enters into certain types of contracts that contingently require the Company to indemnify parties against third-party claims. These contracts primarily relate to (a) certain leases, under which the Company may be required to indemnify property owners for liabilities and other claims arising from the Company’s use of the applicable premises; (ii) certain agreements with the Company’s officers and employees, under which the Company may be required to indemnify such persons for liabilities arising out of their employment relationship. The terms of such obligations vary by contract and, in most instances; a specific or maximum dollar amount is not explicitly stated therein. Generally, amounts under these contracts cannot be reasonably estimated until a specific claim is asserted. No claims have been asserted and no liabilities have been recorded for these indemnities on the Company’s balance sheet.

The Company is subject to certain outside claims and litigation arising in the ordinary course of business. In the opinion of the Company’s management, the outcome of such matters will not have a material effect on the accompanying financial statements. Moreover, the Company maintains insurance coverage, which management believes is sufficient to ensure that the final outcome of any claim of a covered proceeding will not have a significant adverse effect on the financial position, operations or liquidity of the Company.

NOTE 12 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 15, 2024, the date the financial statements were available to be issued and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements.

EXHIBIT E

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EXHIBIT F

FRANCHISEE DISCLOSURE QUESTIONNAIRE

THIS ACKNOWLEDGMENT ADDENDUM DOES NOT APPLY TO CANDIDATES LOCATED IN, OR FRANCHISED BUSINESSES TO BE LOCATED IN, ANY OF THE FOLLOWING FRANCHISE REGISTRATION STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI.

FRANCHISE DISCLOSURE QUESTIONNAIRE

You (“you”) and Flame Broiler, Inc. (“we” or “us”) are preparing to enter into a Franchise Agreement for the operation of a FLAME BROILER franchise. **You cannot sign or date this Questionnaire the same day as the Receipt for the Disclosure Document but you must sign and date it the same day you sign the Franchise Agreement and remit your franchise fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer “No” to any of the questions below, please explain your answer on the back of this sheet.

- Yes ____ No ____ 1. Have you received and personally reviewed the Franchise Agreement and each exhibit or schedule?
- Yes ____ No ____ 2. Have you received and personally reviewed the Disclosure Document we provided a minimum of 14 calendar days prior to today?
- Yes ____ No ____ 3. Have you sign a receipt for the Disclosure Document indicating the date you received it?
- Yes ____ No ____ 4. Do you understand all the information contained in the Disclosure Document and Franchise Agreement? If no, what sections do you require clarification on: _____?
- Yes ____ No ____ 5. Have you reviewed the Disclosure Document and Franchise Agreement with a lawyer, accountant, or other professional advisor?
- Yes ____ No ____ 6. Have you discussed the benefits and risks of operating a FLAME BROILER franchise with your professional advisor?
- Yes ____ No ____ 7. Have you completed your own due diligence by discussing the benefits and risks of operating a FLAME BROILER franchise with existing franchisees? If no, why not?
_____.
- Yes ____ No ____ 8. Do you understand the success or failure of your franchise will depend in large part upon your skills, abilities and efforts and those of the persons you employ, as well as many factors beyond your control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace in general?
- Yes ____ No ____ 9. Do you understand we and our affiliates retain the exclusive right to engage, directly or through others, in the production, distribution and sale of food products, beverages and other under FLAME BROILER name or other mark, at any location or by any method of distribution, without regard to the location of other FLAME BROILER restaurants and these other stores or methods of distribution may compete with your restaurant and adversely affect its sales?
- Yes ____ No ____ 10. Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be arbitrated or litigated in California, if not resolved informally or by mediation?
- Yes ____ No ____ 11. Is it true no employee or other person speaking on our behalf has made any statement or promise regarding the costs involved in operating a FLAME BROILER franchise that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document? If no, who made such claims:
_____?
- Yes ____ No ____ 12. Is it true no employee or other person speaking on our behalf has made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a FLAME BROILER franchise will generate, that is not contained in the Disclosure Document or that

is contrary to, or different from, the information contained in the Disclosure Document?
If no, what projections or earnings claims were made and by whom?
_____.

Yes ___ No ___ 13. Do you understand that by entering into the Franchise Agreement, you amend any other existing Franchise Agreements you have with us to include the provisions regarding payment to taxes, costs and expenses, employment practices and employees, insurance, indemnification, reporting information electronically by personal computer based point-of-sale system, increasing advertising contributions, defaults and termination, dispute resolution, interest and latte fees, no territorial rights and our unlimited right to compete, governing law, merger clause, continuing effect, and limitation of liability, as set forth in the current Franchise Agreement form?

Yes ___ No ___ 14. Do you understand that the Franchise Agreement contains the entire agreement between us and you concerning the franchise for the restaurant, meaning any prior oral or written statements not set out in the Franchise Agreement will not be binding, although nothing in the Franchise Agreement is intended to disclaim the representations contained in the Franchise Disclosure Document.

Yes ___ No ___ 15. Do you understand that you are responsible for developing your own business plan for your business? We encourage you to consult with your own accounting, business, and legal advisors in doing so. In developing the business plan, you are cautioned to make necessary allowance for changes in financial results to income, expenses, or both, that may result from operation of your business in different geographic areas or new market areas, or during periods of, or in areas suffering from, economic downturns, inflation, unemployment, or other negative economic influences.

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

Signature of Franchise Applicant

Signature of Franchise Applicant

Name (please print)

Name (please print)

Dated _____, _____

Dated _____, _____

Signature of Franchise Applicant

Signature of Franchise Applicant

Name (please print)

Name (please print)

Dated _____, _____

Dated _____, _____

EXPLANATION OF ANY NEGATIVE RESPONSES (REFER TO QUESTION NUMBER):

EXHIBIT G

PROPRIETARY INFORMATION NON-DISCLOSURE AGREEMENT

EXHIBIT G TO THE DISCLOSURE DOCUMENT

THE FLAME BROILER, INC.

**PROPRIETARY INFORMATION
NON-DISCLOSURE AGREEMENT**

PROPRIETARY INFORMATION
AND
NON-DISCLOSURE AGREEMENT

PARTIES The parties to this agreement are THE FLAME BROILER, INC., hereafter, FRANCHISOR, and _____, hereafter, YOU or YOUR. The effective date of this Agreement shall be _____. The terms of this Agreement shall apply for the duration of the Franchise, any renewals thereof, and shall survive the transfer/termination of your interest in the Franchise, as expressly provided for herein.

DEFINITIONS The following terms apply:

(a) The term “OWNER” shall refer to each partner, shareholder, joint venturer, member or other person with a financial interest of any kind in YOU. In the event that an owner is a partnership, corporation, joint venture, limited liability company or _____ (other), the term OWNER also includes each partner, shareholder, joint venturer, member and other person(s) with a financial interest, as applicable, therein.

(b) The term “EMPLOYEE” shall refer to each person providing services to YOU, who falls within the definition of the term, as developed by the statutes, case law and regulations of the State of California.

(c) The term, “proprietary information” means information that is not known by actual or potential competitors of FRANCHISOR, and not generally available to the public, that has been created or developed by FRANCHISOR, or in which FRANCHISOR has acquired or been assigned property rights, having actual or potential economic value to FRANCHISOR, now or in the future, and all improvements made thereto. Proprietary information includes all specifications, techniques, methods, systems, materials, product formulae and recipes, whether or not patented, trademarked, copyrighted, or designated a trade secret now or hereafter by FRANCHISOR; all trade secrets, including FRANCHISOR’S signature teriyaki sauce, beef marinade and software; all actual and demonstrably anticipated research and development by FRANCHISOR; and all data, results and discoveries therefrom.

(d) The term “improvements” refers to all modifications, alterations, and enhancements made to, or derived from FRANCHISOR’S proprietary information, whether made by FRANCHISOR or by you and/or your agents, alone or with one or more others.

SIGNATURES In consideration of the grant of a Franchise from FRANCHISOR, YOU agree to obtain the signature of each of YOUR OWNERS, and EMPLOYEES on Exhibit A hereto on the following terms and conditions. Exhibit A may be executed by signing a copy thereof.

OWNERS On or before the date of execution of a Franchise Agreement with FRANCHISOR, YOU shall obtain the signature of each OWNER, if any, as provided above, as a condition to FRANCHISOR’S execution of the Franchise Agreement. Thereafter, in the event that any OWNER seeks to sell or transfer all or any part of his/her/its ownership interest in YOU, the sale or transfer shall be expressly conditioned upon, and be made in consideration of the execution of Exhibit A hereto by the recipient transferee; and, in the event the transferee is a partnership, corporation, joint venture, limited liability company, or _____ (other), the signatures of each of its partners,

shareholders joint venturers, members, and all other persons with a financial interest in said transferee, as applicable. YOU shall provide FRANCHISOR with proof of execution prior to, and as a condition of the transfer.

EMPLOYEES On or before the execution of a Franchise Agreement with FRANCHISOR, YOU shall obtain the signature of each person YOU intend to employ in any manner in the operation of the Franchise, as provided above, as a condition to FRANCHISOR'S execution of a Franchise Agreement. After execution of a Franchise Agreement with FRANCHISOR, YOU shall obtain the signature of each person YOU employ thereafter, in any manner, in the operation of the Franchise, on Exhibit A hereto, prior to employing same, and provide FRANCHISOR with a copy thereof forthwith upon execution. No term or condition of this Agreement or of Exhibit A hereto is intended to create an express or implied employment relationship between FRANCHISOR and any person employed by YOU. YOU establish all terms and conditions of employment for your employees.

CONFIDENTIALITY YOU acknowledge the FRANCHISOR'S rights in, and to, its proprietary information, and acknowledge FRANCHISOR'S trust and confidence in YOU that YOU will not misuse or misappropriate it. FRANCHISOR'S confidence extends to all proprietary information that is:

- (a) related, useful or applicable to the operation of YOUR Franchise,
- (b) acquired, learned or used by YOU while doing work for, or making use of the equipment, supplies, products or systems of the Franchise,
- (c) related, useful or applicable to customers or clients of FRANCHISOR, which information may become known to YOU in the course of any relationship with them.

TERMS OF NON-DISCLOSURE During YOUR ownership of the Franchise, and at all times thereafter, YOU will:

- (a) keep all proprietary information of FRANCHISOR in strictest confidence, and not transmit, remove or transport proprietary information from the location of the Franchise,
- (b) not disclose, use, induce or assist in the use or disclosure of any proprietary information under any circumstances, except in the course of doing work for the Franchise,
- (c) take all reasonable precautions to prevent any unauthorized person or entity from having access to, obtaining, or being furnished with any proprietary information,
- (d) disclose to FRANCHISOR any knowledge or information YOU may have, or hereafter acquire, of unauthorized release or use of the proprietary information.

TERMINATION OF RELATIONSHIP YOU shall deliver to FRANCHISOR, without demand, all proprietary information, and all other materials and property of any nature belonging to FRANCHISOR, upon transfer/termination of YOUR ownership of the Franchise.

NON WAIVER No waiver of a breach, failure of a condition, or any right or remedy contained in, or granted by the terms of this Agreement shall be effective, unless the same is in writing and signed by the party against

whom the waiver is asserted. No waiver shall constitute a continuing waiver of any other breach, failure, right or remedy.

SUCCESSORS The terms of this Agreement are binding upon all successors of both parties hereto.

MODIFICATION No term or provision of this Agreement shall be modified by any party or parties, without the prior written consent of FRANCHISOR.

ENFORCEMENT/INDEMNIFICATION YOU shall enforce all promises set forth in Exhibit A hereto, forthwith upon breach, at your sole expense. YOU shall indemnify FRANCHISOR against any loss or damage resulting from a breach hereof by your OWNER(S) or EMPLOYEE(S), and for the expense, including attorneys fees, of any proceeding instituted by FRANCHISOR for any breach hereof by your OWNER(S) or EMPLOYEE(S), on demand. FRANCHISOR reserves the right to exercise all rights it may have under law. Any later determination that a term or provision of this Agreement is invalid or unenforceable, will not affect all rights under the remaining terms or provisions.

ATTORNEYS' FEES The prevailing party in any dispute to enforce the terms hereof shall be entitled to reasonable attorneys fees and legal costs.

FRANCHISOR —Signature	Name	Title	Date
------------------------------	------	-------	------

YOU —Signature	Name	Title	Date
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YOU —Signature	Name	Title	Date
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EXHIBIT A - PROPRIETARY INFORMATION NON-DISCLOSURE AGREEMENT

I _____ am signing this document as an:

_____ OWNER, in consideration of the franchise granted to the Franchisee.

_____ EMPLOYEE, in consideration of my employment by the Franchisee.

I make the following promises to you, the Franchisee, for the benefit of **The Flame Broiler, Inc., the Franchisor**, hereafter, FRANCHISOR. I intend that both you and FRANCHISOR benefit from the promises. I understand that if I fail to keep the promises below, FRANCHISOR may suffer irreparable harm, and would be entitled to equitable relief to enjoin the failure.

The term "proprietary information" means information not known by actual or potential competitors of FRANCHISOR, and not generally available to the public, that has been created or developed by FRANCHISOR, or in which FRANCHISOR has acquired or been assigned property rights, having actual, or potential economic value to FRANCHISOR, now or in the future, and all improvements made thereto. Proprietary information includes all specifications, techniques, methods, systems, materials, product formulae and recipes, whether or not patented, trademarked, copyrighted, or designated a trade secret now or hereafter by FRANCHISOR, all trade secrets, including **FRANCHISOR'S signature teriyaki sauce, beef marinade and software**; all actual and demonstrably anticipated research and development by FRANCHISOR; and all data, results, and discoveries therefrom. The term "improvements" includes all modifications, alterations, and enhancements made to, or derived from FRANCHISOR'S proprietary information, whether made by FRANCHISOR or by you and/or your agents, alone or with one or more others.

I acknowledge all rights that FRANCHISOR has in its proprietary information, and the trust and confidence that FRANCHISOR and Franchisee have placed in me that I not misuse it. I promise that any proprietary information I may have access to, become aware of, or use, is to be held in the strictest of confidences; and, upon the termination of my duties to the Franchisee, I shall deliver all proprietary information, in whatever form or format, and all property of FRANCHISOR in my care, custody or control, to the Franchisee. Accordingly, during the term of my relationship with the Franchisee, and **at all times thereafter**, I promise:

- a. not to disclose, use, induce or assist in the use or disclosure of any proprietary information under any circumstances, except in the course of my duties for the Franchisee;
- b. not to transmit, remove or transport any proprietary information from the location of the franchise restaurant, or any other place of business of the Franchisee
- c. to take all reasonable precautions to prevent any unauthorized person or entity from having access to, obtaining, or being furnished with any proprietary information;
- d. to disclose to FRANCHISOR and to Franchisee any knowledge or information I may have, or hereafter acquire, of any unauthorized release or use of proprietary information.

No promise above may be modified without the written consent of FRANCHISOR. Any later determination that a term or provision hereof is invalid or unenforceable, will not affect the rights under the remaining terms. The prevailing party in any dispute to enforce the terms hereof shall be entitled to reasonable attorneys fees.

Dated _____ / _____ / _____

Signature: _____

EXHIBIT H

RELEASE AND ASSIGNMENT OF RIGHTS TO IMPROVEMENTS AGREEMENT

EXHIBIT H TO THE DISCLOSURE DOCUMENT

THE FLAME BROILER, INC.

**RELEASE AND ASSIGNMENT OF RIGHTS
TO IMPROVEMENTS AGREEMENT**

**RELEASE AND ASSIGNMENT
OF RIGHTS TO
IMPROVEMENTS AGREEMENT**

PARTIES The parties to this agreement are THE FLAME BROILER, INC., hereafter, FRANCHISOR; and _____, hereafter, YOU or YOUR. The effective date of this Agreement shall be _____. The terms of this Agreement shall apply for the duration of the Franchise, any renewals thereof, and shall survive the transfer/termination of your interest in the Franchise, as expressly provided for herein.

DEFINITIONS The following terms apply:

(a) The term “OWNER” shall refer to each partner, shareholder, joint venturer, member, or other person with a financial interest of any kind in YOU. In the event that an OWNER is a partnership, corporation, joint venture, limited liability company or _____ (other), the term OWNER also includes each partner, shareholder, joint venturer, member, and other person(s) with a financial interest, as applicable, therein.

(b) The term “EMPLOYEE” shall refer to each person providing services to YOU who falls within the definition of the term, as developed by the statutes, case law and regulations of the State of California.

(c) The term, “improvements” refers to all modifications, alterations, and enhancements made to, or derived from FRANCHISOR’S proprietary information, whether made by FRANCHISOR or by you and/or your agents, alone or with one or more others.

(d) The term “proprietary information” means information that is not known by actual or potential competitors of FRANCHISOR, and not generally available to the public, that has been created or developed by FRANCHISOR, or in which FRANCHISOR has acquired or been assigned property rights, having actual or potential economic value to FRANCHISOR, now or in the future, and all improvements made thereto. Proprietary information includes all specifications, techniques, methods, systems, materials, product formulae and recipes, whether or not patented, trademarked, copyrighted, or designated a trade secret now or hereafter by FRANCHISOR; all trade secrets, including FRANCHISOR’S signature teriyaki sauce, beef marinade and software; all actual and demonstrably anticipated research and development by FRANCHISOR; and all data, results, and discoveries therefrom.

SIGNATURES In consideration of the grant of a Franchise from FRANCHISOR, YOU agree to obtain the signature of each of your OWNERS and EMPLOYEES on Exhibit A hereto, on the following conditions. Exhibit A may be executed by signing a copy thereof.

OWNERS On or before the date of execution of a Franchise Agreement with FRANCHISOR, YOU shall obtain the signature of each OWNER, if any, as provided above, as a condition to FRANCHISOR’S execution of the Franchise Agreement. Thereafter, in the event that any OWNER seeks to sell or transfer all or any part of his/her/its ownership interest in YOU, the sale or transfer shall be expressly conditioned upon, and be made in consideration of the execution of Exhibit A hereto by the recipient transferee, and, in the event the transferee is a partnership, corporation, joint venture, limited liability company, or _____ (other), the signatures of each of its

partners, shareholders, joint venturers, members, and all other persons with a financial interest therein, as applicable. YOU shall provide FRANCHISOR with proof of execution prior to, and as a condition of the transfer.

EMPLOYEES On or before the execution of a Franchise Agreement with FRANCHISOR, YOU shall obtain the signature of each person YOU intend to employ in any manner in the operation of the Franchise, as provided above, as a condition to FRANCHISOR'S execution of a Franchise Agreement. After execution of a Franchise Agreement with FRANCHISOR, YOU shall obtain the signature of each person YOU employ thereafter, in any manner, in the operation of the Franchise, on Exhibit A hereto, prior to employing same, and provide FRANCHISOR with a copy thereof forthwith upon execution. No term or condition of this Agreement or of Exhibit A hereto is intended to create an express or implied employment relationship between FRANCHISOR and any person employed by YOU. YOU establish all terms and conditions of employment for your employees.

OWNERSHIP All proprietary information is owned exclusively by FRANCHISOR. FRANCHISOR'S proprietary information, only, shall be used, referred to or employed in the operation of the Franchise. YOU shall cooperate with, and assist FRANCHISOR, at FRANCHISOR'S expense, in perfecting and securing FRANCHISOR'S interest in all proprietary information. At no time during, or at any time after the transfer/termination of YOUR ownership in the Franchise, may YOU assert any right, title or interest in or to any proprietary information that is adverse to FRANCHISOR'S.

DISCLOSURE OF DISCOVERIES In the event that YOU, alone or with others, conceive, discover, by accident or design, investigate, or develop any improvements in or to FRANCHISOR'S proprietary information **at any time during, and for a period of one year** after the transfer/termination of YOUR ownership in the Franchise, YOU shall disclose the derivation, improvement, modification, enhancement or alteration to FRANCHISOR, immediately, at time of conception.

ASSIGNMENT OF IMPROVEMENTS This Agreement is an assignment. By signing below, YOU herewith make a present assignment to FRANCHISOR of all right, title and interest, and hereby waive any rights in or to any improvements to proprietary information conceived, discovered, investigated or developed by YOU, alone or with others at any time during, and for a period of one year after the transfer/termination of YOUR ownership in the Franchise. This waiver includes all rights to intellectual property under statute that may be waived under law. YOU shall cooperate with, and assist FRANCHISOR, at FRANCHISOR'S request and sole expense, to establish FRANCHISOR'S rights to all improvements covered by this agreement, including the application or registration for state or federal intellectual property protection, and/or the enforcement thereof, once established.

APPOINTMENT OF ATTORNEY YOU irrevocably appoint FRANCHISOR as YOUR agent and attorney-in-fact to act for, and on YOUR behalf for the special purpose of executing all documents reasonable and necessary to the discharge of YOUR obligations hereunder, with the same legal force and effect as if said acts were performed by YOU. The appointment under this paragraph shall survive the transfer/termination of YOUR ownership in the Franchise, for said limited purposes only, above, for a period of two years.

NON WAIVER No waiver of a breach, failure of a condition, or any right or remedy contained in, or granted by the terms of this Agreement shall be effective, unless the same is in writing and signed by the party against whom the waiver is asserted. No waiver shall constitute a continuing waiver of any other breach, failure, right or remedy.

SUCCESSORS The terms of this Agreement are binding upon all successors of both parties hereto.

MODIFICATION No term or provision of this Agreement may be modified by any party or parties hereto, without the prior written consent of FRANCHISOR.

ENFORCEMENT/INDEMNIFICATION YOU shall enforce all promises set forth in Exhibit A hereto, forthwith upon breach, at your sole expense. YOU shall indemnify FRANCHISOR against any loss or damage resulting from a breach hereof by your OWNER(S) or EMPLOYEE(S), and for the expense, including attorneys fees, of any proceeding instituted by FRANCHISOR for any breach hereof by your OWNER(S) or EMPLOYEE(S), on demand. FRANCHISOR reserves the right to exercise all rights it may have under law. Any later determination that a term or provision of this Agreement is invalid or unenforceable, will not affect all rights under the remaining terms or provisions.

ATTORNEYS FEES The prevailing party in any dispute to enforce the terms hereof shall be entitled to reasonable attorneys fees and legal costs.

FRANCHISOR —Signature	Name	Title	Date
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YOU —Signature	Name	Title	Date
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YOU —Signature	Name	Title	Date
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EXHIBIT A - RELEASE/ASSIGNMENT OF RIGHTS TO IMPROVEMENTS AGREEMENT

I _____ am signing this document as an:
____ OWNER, in consideration of the franchise granted to the Franchisee.
____ EMPLOYEE, in consideration of my employment by the Franchisee.

I make the following promises to you, the Franchisee, **for the benefit of The Flame Broiler, Inc., the Franchisor**, hereafter, FRANCHISOR. I intend that both you and FRANCHISOR benefit as a result. I understand that if I fail to keep the promises below, FRANCHISOR may suffer irreparable harm, and would be entitled to equitable relief to enjoin the failure.

The term "proprietary information" means information not known by actual or potential competitors of FRANCHISOR, and not generally available to the public, that has been created or developed by FRANCHISOR, or in which FRANCHISOR has acquired or been assigned property rights, having actual, or potential economic value to FRANCHISOR, now or in the future, and all improvements made thereto. Proprietary information includes all specifications, techniques, methods, systems, materials, product formulae and recipes, whether or not patented, trademarked, copyrighted, or designated a trade secret now or hereafter by FRANCHISOR, all trade secrets, including **FRANCHISOR'S signature teriyaki sauce, beef marinade and software**; all actual and demonstrably anticipated research and development by FRANCHISOR; and all data, results, and discoveries therefrom. The term "improvements" includes all modifications, alterations, and enhancements made to, or derived from FRANCHISOR'S proprietary information, whether made by FRANCHISOR or by you and/or your agents, alone or with one or more others.

All proprietary information is owned exclusively by FRANCHISOR. I promise to refer to, and use FRANCHISOR'S proprietary information, only. **At no time during, nor at any time after** the end of my relationship with the Franchisee, will I claim any right, title or interest in or to the proprietary information of FRANCHISOR. **At all times during, and for a period of one year** after the termination of my relationship to the Franchisee, I promise to:

- a. disclose all improvements that I, alone, or with one or more others, learned of, made to, or developed from FRANCHISOR'S proprietary information, to both you and to FRANCHISOR;
- b. assign, and do hereby assign to FRANCHISOR all right, title and interest in and to all improvements, and waive all rights thereto under law, except those improvements, if any, excluded under California Labor Code, Section 2870, developed by me, as an EMPLOYEE of the Franchisee, on my own time, not resulting from work done for the Franchisee, without Franchisee's facilities, equipment, supplies or proprietary information, and having no relation at the time of conception or reduction to practice to Franchisee's business or research;
- c. execute and/or file all documents necessary to perfect and maintain FRANCHISOR'S rights in and to each improvement, and I do hereby irrevocably appoint FRANCHISOR and its officers and directors as my attorney-in fact, to act in that limited capacity on my behalf.

No promise, above, may be modified without the written consent of FRANCHISOR. Any later determination that a term or provision hereof is invalid or unenforceable, will not affect the rights under the remaining terms. The prevailing party in any dispute to enforce the terms hereof shall be entitled to reasonable attorneys fees.

Dated _____ / _____ / _____ Signature: _____

EXHIBIT I

RELEASE AND WAIVER OF RIGHTS

EXHIBIT I TO THE DISCLOSURE DOCUMENT

THE FLAME BROILER, INC.

RELEASE AND WAIVER OF RIGHTS

RELEASE AND WAIVER OF RIGHTS
[Transfer or Renewal]

This instrument is executed this ___ day of _____, _____, at _____, California by _____ hereafter, FRANCHISEE, for, and in consideration of the consent by the Franchisor, THE FLAME BROILER, INC, hereafter, FRANCHISOR, to the transfer of the FRANCHISEE'S interest in the franchise or a renewal of an existing Franchise agreement. By signing below, the FRANCHISEE intends to release, and to extinguish all rights and claims it may have against FRANCHISOR, in accordance with paragraph XVIII(B)(2)(d)(2) of the Franchise Agreement between them.

The FRANCHISEE, on its behalf, and on behalf of its agents, successors, assigns and personal representatives, as applicable, hereby fully releases and discharges FRANCHISOR and its agents, successors, assigns and personal representatives, as applicable, from all rights, obligations, claims, demands, liabilities and actions, which it, and its successors, above, may now have, or hereafter acquire after the signing hereof, against the FRANCHISOR, arising out of, or in any manner connected with: (1) the Franchise Agreement entered into on _____, by and between FRANCHISOR and FRANCHISEE, as renewed and amended from time to time, and all ancillary or related agreements between the parties that were signed thereunder, and (2) the operation of the Franchise.

With full knowledge of, and despite the fact that California Civil Code, Section 1542 expressly provides that:

A general release does not extend to claims which the creditor or releasing party does not know or suspect to exist in his favor at the time of executing the release, which if known by him or her, would must have materially affected his settlement with the debtor or released party, the FRANCHISEE releases FRANCHISOR and its agents, successors, assigns and personal representatives, as applicable, of all duties, obligations, claims, demands, liabilities and actions, whether known, unknown, foreseen, unforeseen, patent or latent, suspected or unsuspected, which FRANCHISEE, and its successors above, may now have, or hereafter acquire after the signing hereof, against FRANCHISOR, arising out of, or in any manner connected with said Franchise Agreement, or operation of the franchise, above.

This release is freely and voluntarily made by the FRANCHISEE. The FRANCHISEE understands and agrees to assume all loss, damage and liability for injury arising out of the relationship of the parties under the Franchise Agreement, above, that has occurred, or may occur to said party at any time after the execution hereof.

The FRANCHISEE intends that this Release and Waiver of Rights constitutes a full and final resolution of all claims it may have, or may hereafter acquire against FRANCHISOR, except those claims which may not be waived by law. **Notwithstanding its release of the Franchisor, the Franchisee herewith acknowledges, and promises to observe all obligations of the Franchise Agreement, Proprietary Information and Non—Disclosure Agreement, and the Release and Assignment of Rights to Improvements Agreement, executed by the Franchisee, that expressly survive the transfer or renewal of the Franchisee's interest in the Franchise.**

This release expressly excludes claims arising from representations in the Franchise Disclosure Document and its exhibits and amendments.

Should any action or other proceeding be instituted to enforce the terms hereof, the prevailing party shall be entitled to reimbursement of reasonable attorneys fees from the other.

FRANCHISEE —Signature	Name	Title	Date
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FRANCHISEE —Signature	Name	Title	Date
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EXHIBIT J

STATE SPECIFIC ADDENDA

EXHIBIT J

**RIDER TO STATE ADDENDUM TO FLAME BROILER®
FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT
FOR THE FOLLOWING STATES ONLY: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND,
MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA,
VIRGINIA, WASHINGTON, WISCONSIN**

This Rider to State Addendum to FLAME BROILER Franchise Disclosure Document (“FDD”) and Franchise Agreement is entered into by and between Flame Broiler, Inc. (“we” or “us”) and _____ (“you”).

A. This Rider is being signed because you are a resident of one of the states listed in the heading of this Rider (the “Applicable Franchise Registration State”) or a non-resident who is acquiring franchise rights permitting the location of a FLAME BROILER business in the Applicable Franchise Registration State.

B. We and you have contemporaneously herewith entered into a Franchise Agreement (the “Agreement”) and wish to amend the Agreement as provided herein.

NOW, THEREFORE, for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Agreement is hereby amended as follows:

1. The following language is hereby added to the end of the FDD and Agreement: “No statement, questionnaire, or acknowledgment signed or agreed 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.”

2. Except as provided in this Rider, the Agreement remains in full force and effect in accordance with its terms. This Rider shall be effective only to the extent that the jurisdictional requirements of the franchise law of the Applicable Franchise Registration State are met independently without reference to this Rider.

FRANCHISEE: _____
By _____
Title _____
Date _____

FRANCHISOR: FLAME BROILER, INC.
By _____
Title _____
Date _____

STATE LAW ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT

CALIFORNIA

Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE TO BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION at www.corp.dfp.gov.

In California, the highest interest rate permitted by law is 10%.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement 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.

Item 3 is revised to include the following:

Neither the Franchisor nor any person disclosed in Item 2 of the DISCLOSURE DOCUMENT is subject to any currently effective order of any national securities association or national securities exchange, and defined in the Securities Exchange Act of 1934, 15 U.S.C. A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

Item 17 is revised to include the following:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Section 101 and following).

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600

You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 3100 Through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

The registration of this franchise offering by the California Department of Financial Information and Innovation does not constitute approval, recommendation or endorsement by the commissioner.

ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED FOR CALIFORNIA FRANCHISEES

This Addendum to the Franchise Agreement (“Franchise Agreement”) dated _____ between The Flame Broiler, Inc. (“Franchisor”) and _____ (“Franchisee”) is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: (a) Franchisee is a resident of the State of California; and/or (b) the Franchised Business will be located or operated in the State of California.
2. California Business and Professions Code Sections 20000 through 20043, the California Franchise Relations Act, provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.
3. The second sentence of Section XXVI, all of Section XXXIII and paragraphs A, B and D of Section XXXIII are hereby deleted in their entirety.
4. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.
5. No statement, questionnaire, or acknowledgment signed or agreed 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.
6. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
7. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

FRANCHISOR:
The Flame Broiler Inc.

FRANCHISEE:

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT
REQUIRED FOR CALIFORNIA FRANCHISEES

This Addendum to the Area Development Agreement (“Franchise Agreement”) dated _____ between The Flame Broiler, Inc. (“Franchisor” or “We”) and _____ (“Developer” or “You”) is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Area Development Agreement. This Addendum is being executed because: (a) Developer is a resident of the State of California; and/or (b) the Franchised Business will be located or operated in the State of California.
2. California Business and Professions Code Sections 20000 through 20043, the California Franchise Relations Act, provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.
3. Background paragraph B and Section 13 of the Area Development Agreement are hereby deleted.
4. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.
5. No statement, questionnaire, or acknowledgment signed or agreed 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.
6. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Area Development Agreement.
7. Except as expressly modified by this Addendum, the Area Development Agreement remains unmodified and in full force and effect.

FRANCHISOR:
The Flame Broiler Inc.

DEVELOPER:

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT K

LIST OF FRANCHISEES

THE FLAME BROILER

**LIST OF FRANCHISEES
AS OF DECEMBER 31, 2023**

(* indicates Area Developer)

Name	Address	City	ST	Zip	Phone
ARIZONA					
Brock Olson	1800 South Milton Road	Flagstaff	AZ	86001	(928) 226-1875
Robert Minor	2231 McCulloch Blvd.	Lake Havasu City	AZ	86406	(928) 505-2695
DJMAC LLC (Rafael Macias)	1342 W. Warner Avenue	Tempe	AZ	85284	(480) 961-7776
CALIFORNIA					
KS High Desert, Inc. (Keunwoo Lee)	14148 Highway #395	Adelanto	CA	92301	(760) 246-3100
J & S International, LLC (Soon Nam Choi)	1151 N. Euclid Ave.	Anaheim	CA	92801	(714) 772-8261
Jung Im Kim	751 S. Weir Canyon Road	Anaheim	CA	92808	(714) 282-0604
FB of Southern California, LP (Fouad Tarazi & Haig Zaher)	1009 N. State College Blvd.	Anaheim	CA	92804	(714) 687-0114
Healthy Meals, Inc. (Amina Lalani)	109 E. Ball Road	Anaheim	CA	92805	(714) 905-5446
FB of Southern California, LP (Fouad Tarazi & Haig Zaher)	1039 N. Tustin Ave.	Anaheim	CA	92807	(714) 632-1213
FB of Southern California, LP (Fouad Tarazi & Haig Zaher)	1675 W. Katella Ave.	Anaheim	CA	92802	(657) 208-1223
RJB Capital Management, LLC (Reuben Behlihomji)	18975 Bear Valley Road	Apple Valley	CA	92308	(760) 961-7100
AK Restaurants, Inc. (Andrew Kim)	3505 Coffee Road	Bakersfield	CA	93308	(661) 588-7888
AK Restaurants, Inc. (Andrew Kim)*	5600 California Ave.	Bakersfield	CA	93309	(661) 322-1010
AK Restaurants, Inc. (Andrew Kim)*	4701 White Lane	Bakersfield	CA	93309	(661) 831-0080
AK Restaurants, Inc. (Andrew Kim)*	9815 Panama Lane, Suite 100	Bakersfield	CA	93311	661-436-1242
Kim Family Restaurants, Inc. (Andrew Kim)	2630 Mt. Vernon Avenue	Bakersfield	CA	93306	(661) 871-2000
Kim Family Restaurants, Inc. (Andrew Kim)	12918 Brimhall Road, Suite 200	Bakersfield	CA	93314	(661)587-2020
Healthy 4 You Flame Broiler LLC (Christopher Arana, Angelica Arana)	4200 Gosford Road, Suite 107	Bakersfield	CA	93313	(661)564-8531)
Wholelands, Inc. (Hyun Chul Shin)	275 W. Birch St.	Brea	CA	92821	(714) 482-0313
Tien Hsiang Steve Kuo, Eric Dupre'	7941 Beach Blvd.	Buena Park	CA	90620	(714) 522-2400
Joseph Changwoo Kim	152 E. Sepulveda Blvd.	Carson	CA	90745	(310) 830-0118
Austin Mahr	11891 Del Amo Blvd.	Cerritos	CA	90703	(562) 860-6417
Simran Sekhon Foods LLC (Simranjit Sekhon)	10364 Mason Ave	Chatsworth	CA	91311	(818) 772-9888
Nextgen Mgmt, Inc. (Jihoon Youn)	2260 Otay Lakes Road	Chula Vista	CA	91915	(619) 216-4388
C2K, Inc. (Abbas Ali)	21750 Valley Blvd.	City of Industry	CA	91785	(909) 598-5777
SeeCee Inc. (Harpreet & Ritu Chopra)	440 River Road	Corona	CA	92880	(951) 734-8762

Name	Address	City	ST	Zip	Phone
Vik&Karan LLC (Vikramjeet Brar)	1297 E. Ontario Ave.	Corona	CA	92881	(951) 520-8331
Chong Yi	2200 Harbor Blvd.	Costa Mesa	CA	92627	(949) 631-2555
FB of Southern California, LP (Fouad Tarazi & Haig Zaher)	1175 E. Baker St.	Costa Mesa	CA	92626	(714) 540-5850
Cho & Lee Enterprises, LLC (Myung Sook Lee)	3195 Harbor Blvd.	Costa Mesa	CA	92626	(714) 241-1650
J&J Grill, Inc. (Arsalan Azizollahi)	10758 Jefferson Blvd.	Culver City	CA	90230	(424) 361-5041
FB of Southern California, LP (Fouad Tarazi & Haig Zaher)	9206 Lakewood Blvd.	Downey	CA	90240	(562) 862-8282
Flame Broiler Downey, LLC (Gary Rollins)	8855 Apollo Way	Downey	CA	90242	(562) 803-4200
Topiq Enterprises, Inc. (Abid Abdeali)	10619 Valley Blvd.	El Monte	CA	91731	(626) 416-5749
Anwar & Sons, Inc. (Anwar Ali)	2261 E. Maple Ave.	El Segundo	CA	90245	(310) 607-9849
SMC Food, LLC (Sang Mee Cho)	1203 E. Chapman Ave.	Fullerton	CA	92831	(714) 526-1128
James Pak	2720 Nutwood Avenue	Fullerton	CA	92831	(714) 526-2720
V & M Brar LLC (Vik Brar)	3352 Yorba Linda Blvd.	Fullerton	CA	92831	(714) 993-3944
FB of Southern California, LP (Fouad Tarazi & Haig Zaher)	1117-A N. Harbor Blvd.	Fullerton	CA	92832	(714) 578-5099
Soo Chul Huh	6032 E. Chapman Ave.	Garden Grove	CA	92845	(714) 898-6800
Joseph Changwoo Kim	1252 W. Redondo Beach	Gardena	CA	90247	(310) 516-1550
Luke Park	1500 Canada Blvd.	Glendale	CA	91208	(818) 242-5742
FB of Southern California, LP (Fouad Tarazi & Haig Zaher)	5942 E. Edinger Ave.	Huntington Beach	CA	92649	(714) 625-3442
Cho & Lee Coastal Enterprises, Inc. (Myung Sook Lee)	7971 Talbert Ave.	Huntington Beach	CA	92647	(714) 847-2255
Tien Hsiang Steve Kuo, Somroj Chaiyakham	7251 Warner Avenue, Suite G	Huntington Beach	CA	92647	(657)301-3033
Jennifer Del Toro	82170 Highway 111	Indio	CA	92201	(760) 863-2388
Rathod Corporation (Rashim & Rupa Rathod)	3384 W. Century Blvd.	Inglewood	CA	90303	(310) 412-0786
Topiq Enterprises, Inc. (Abid Abdeali)	17929 MacArthur Blvd.	Irvine	CA	92614	(949) 752-7770
Sama Group (Iwona Chojnacki)	6368 Irvine Blvd.	Irvine	CA	92620	(949) 788-1240
Nixad, Inc. (Saeed Nikza)	8689A Irvine Center Drive	Irvine	CA	92618	(949) 450-0088
Waraich & Sons, LLC (Iqbal Waraich)	6205 Pat's Ranch Road	Jurupa Valley	CA	91752	(951) 279-1170
Ciel Blue Corp (Daniel Youn)	8867 Villa La Jolla Dr.	La Jolla	CA	92037	(858) 587-8989
Sama Group (Iwona Chojnacki)	38 Centerpointe Drive	La Palma	CA	90623	(714) 562-1072
Lee & Chae, Inc (Kwang Ken Lee & Hyun Ju Lee)	22972 Moulton Pkwy	Laguna Hills	CA	92653	(949) 951-1655
Abedini's Stores, Inc. (Nasser Abedinnedjad)	27020 Alicia Parkway.	Laguna Niguel	CA	92677	(949) 643-2444
Atal Global, Inc. (Mickaiel Kamran)	28121 Crown Valley Pkwy	Laguna Niguel	CA	92677	(949) 362-7480
Bakuli, Inc. (Munir Dhalla)	22485 El Toro Road	Lake Forest	CA	92630	(949) 380-0370

Name	Address	City	ST	Zip	Phone
Sam Lee	4633 Candlewood Street	Lakewood	CA	90712	(562) 633-9333
Nga Srun & Sophek Yoeun	43403 10th Street West, Suite E	Lancaster	CA	93534	(661) 941-4340
Irma Arevalo-Torres & Galindo Calderon-Hernandez	6528 E. Spring St.	Long Beach	CA	90815	(562) 420-6201
Abid Abdeali	1851 Ximeno Ave.	Long Beach	CA	90815	(562) 498-0600
FB of Southern California, LP (Fouad Tarazi & Haig Zaher)	3821 Lakewood Blvd.	Long Beach	CA	90808	(562) 425-8100
Abid & Mariam Abdeali	421 W. Broadway	Long Beach	CA	90802	(562) 436-3470
FB of Southern California, LP (Fouad Tarazi & Haig Zaher)	11182 Los Alamitos Blvd.	Los Alamitos	CA	90720	(562) 296-5573
Farid and Shaida Kanji	27774 Newport Road	Menifee	CA	92586	(951) 672-3777
RNA Operations LLC (Roman Ramirez & Sanjuana Vargas)	25276 Marguerite Pkwy	Mission Viejo	CA	92691	(949) 951-1800
Abedini's Stores, Inc. (Nasser Abedinnedjad)	24451 Alicia Parkway	Mission Viejo	CA	92691	(949) 380-7866
Nga Srun & Sophek Yoeun	15954-15964 Sierra Highway	Mojave	CA	93501	(661) 584-9111
FC Hospitality, Inc. (Daniel Hong)	23550 Alessandro Blvd.	Moreno Valley	CA	92553	(951) 653-7900
Korean Fast 1 Food Corporation (Vikramjeet Brar)	40444 Murrieta Hot Springs Road	Murrieta	CA	92563	(951) 461-2200
Sameer Sheikh	3601 Jamboree Road	Newport Beach	CA	92660	(949) 852-0222
Sama Group (Iwona Chojnacki)	4525-B West Coast Hwy.	Newport Beach	CA	92663	(949) 574-4954
Tatlex Enterprises, Inc. (Joseph Karamian)	5160 Vineland Ave.	North Hollywood	CA	91601	(818) 508-6767
Ricky Sood	19350 Nordhoff St.	Northridge	CA	91324	(818) 734-7300
Kiki Event, Inc. (Junghee Lee)	2407 S. Vineyard Avenue	Ontario	CA	91761	(909) 930-3848
Jessica Kim	4880 Motor Lane, Suite C	Ontario	CA	91761	(909) 390-0070
Pastrol (Haoxuan Zhang, Cinthya J. Ramirez Ibarra)	2316 W. Chapman Ave.	Orange	CA	92868	(714) 938-1156
FB of Southern California, LP (Fouad Tarazi & Haig Zaher)	3533 E. Chapman Ave.	Orange	CA	92869	(714) 516-9979
HAZD, Inc. (Amina & Zain Lalani)	745 S. Main St.	Orange	CA	92868	(714) 568-0223
Himplsmith, LLC (Joshua Smith)	2139 Tustin Ave.	Orange	CA	92865	(714) 279-9970
Freedom Investment Corp. (Keith Moore & Joshua Smith)	770 N. Tustin	Orange	CA	92867	(714) 602-9992
Rylee & Mason, Inc. (Dalsup Oh)	2335 Colorado Blvd.	Pasadena	CA	91107	(626) 405-8888
Joanne Kim	2001A E. Orangethorpe	Placentia	CA	92870	(714) 579-7585
Khobas, Inc. (Farnaz Kohan)	1153 E. Imperial Hwy.	Placentia	CA	92870	(714) 572-2828
LJMS Corporation (Lily Shin)	101 W. Mission Blvd.	Pomona	CA	91766	(909) 623-8909
Healthy Dhaba, Inc. (Munir Dhalla)	4051 Inglewood Ave.	Redondo Beach	CA	90278	(310) 675-2786
Hae Y. Chung	1201 University Ave.	Riverside	CA	92507	(951) 276-0014
Chenda Lim	6059 Magnolia Ave.	Riverside	CA	92506	(951) 779-1228

Name	Address	City	ST	Zip	Phone
Loy Yam, Kelly V. Yam, Sean Yam. Kelly Ly	10303-A Magnolia Avenue	Riverside	CA	92505	(951) 509-2590
Arina Nedulcu	4950 La Sierra Avenue	Riverside	CA	92505	(951) 525-3434
CBRR, LLC (Alnaz Dhalla & Sergio Sanchez)	30622 Santa Margarita Parkway	RSM	CA	92688	(949) 459-2058
Kang's Family Enterprise, Inc. (Brian & Ok Yo Kang)	2535 N. Del Rosa Avenue	San Bernardino	CA	92404	(909) 882-1775
Ciel Blue Corp (Daniel Youn)	9450 Scranton Rd.	San Diego	CA	92121	(858) 458-9941
Young Shik Kim	5618 Mission Center Dr.	San Diego	CA	92108	(619) 299-0118
Hollywood FBS International, Inc. (Mike Cho)	8250 Mira Mesa Blvd.	San Diego	CA	92126	(858) 860-5886
Daniel & Indigo Chung's Food, Inc. (Jong Sun Yoon)	1059 West Arrow Highway	San Dimas	CA	91773	(909) 599-0202
Rathod Corporation (Rashim & Rupa Rathod)	31878 Del Obispo Street	San Juan Capistrano	CA	92675	(949) 429-7241
Dyeun, Inc. (Daniel Yeun)	980 N. Western Ave.	San Pedro	CA	90732	(310) 221-0098
CSY Holy Group, Inc. (Chong Yi)	3320 S. Bristol Street	Santa Ana	CA	92704	(714) 549-0221
Overland Restaurant Group LLC (Ghazi Zaidi, Syed Zaidi)	122 E. 17th St.	Santa Ana	CA	92706	(714) 667-0065
Hyo Suk Lee	13242 Imperial Hwy	Santa Fe Springs	CA	90670	(562) 802-3578
Young Ho & Sonyong Lee	10633 Carmenita Road	Santa Fe Springs	CA	90670	(562) 906-5252
Tatlex Enterprises, Inc. (Joseph Karamian)	4954 Van Nuys Blvd.	Sherman Oaks	CA	91403	(818) 784-3000
FB of Southern California, LP (Fouad Tarazi & Haig Zaher)	5840 Firestone Blvd.	South Gate	CA	90280	(562) 469-4411
David Choi	2024 Carson St.	Torrance	CA	90501	(310) 618-8233
Joseph Changwoo Kim	24427 Crenshaw Blvd.	Torrance	CA	90505	(310) 530-1262
Matthew Tae Song	20016 Hawthorne Blvd.	Torrance	CA	90503	(310) 921-2200
D & M Sarang, Inc. (Daniel Yeun)	1400 West 190th Street, Suite C	Torrance	CA	90501	(424)340-2302
Namoo, Inc. (Han Sin Kim)	2935 El Camino Real	Tustin	CA	92782	(714) 368-7517
V & M Brar LLC (Vik Brar)	110 S. Mountain Ave.	Upland	CA	91786	(909) 949-6881
RJB Capital Management, LLC (Reuben Behlihomji)	12127 Mall Blvd.	Victorville	CA	92392	(760) 951-0888
Roberto & Noreen Yap	3295 Business Park Drive	Vista	CA	92081	(760) 842-8771
Kiki Event, Inc. (Junghee Lee)	6777 Westminster Blvd.	Westminster	CA	92683	(714) 891-8170
Sam Lee	15638 Whittwood Lane	Whittier	CA	90603	(562) 947-1800
FLORIDA					
West Comes East, Inc. (Jackie Grzebin)	9822 Tapestry Park Circle	Jacksonville	FL	32246	(904) 619-2786
West Comes East, Inc. (Jackie Grzebin)	7159 Phillips Hwy.	Jacksonville	FL	32256	(904) 337-0007
West Comes East, Inc. (Jackie Grzebin)	1539 San Marco Blvd.	Jacksonville	FL	32207	(904) 900-1614

Name	Address	City	ST	Zip	Phone
West Comes East, Inc. (Jackie Grzebin)	9711 Applecross Road	Jacksonville	FL	32222	(904) 683-8441
NORTH CAROLINA					
ROTK, Inc. (Ted Carrier)	3606-H North Elm Street	Greensboro	NC	27455	(336) 676-5652
OKLAHOMA					
Kyoung Ha Lee	5355 E. 41st St	Tulsa	OK	74135	(918) 728-8900

*Area Developer

**Franchisees Who Have Signed Franchise Agreements
But Were Not Yet Operational
As of December 31, 2023**

CALIFORNIA	
Sam Hyon Lee and Ester Lee	(562) 693-9898
AK Restaurants, Inc. (Andrew Kim)	(661) 588-7888
Wholesome 4 You Inc. (Chris Arana)	(661) 564-8531
FLORIDA	
West Comes East, Inc. (Jackie Grzebin)	(904) 900-1614
TEXAS	
Healthy Eating LLC (Joshua & Dawn Sipera)	(619) 302-0154

**Franchisees Who Were Terminated, Canceled, Not Renewed
or Otherwise Ceased to Do Business As of December 31, 2023**

CALIFORNIA	
Not renewed:	
Y & J Ventures, Inc. (Katrina Brookshear, Matthew Bowen)	714-356-3915
Jessica Kim	909-390-0070
Sam Lee	562-633-9333
FB DTLA, LLC (Kifishia & Dennis Kawachi)	
Ceased to do business:	
Aslam Sheikh, Sameer Sheikh	949-852-0222
Ali Fawaz	714-788-7389
Atal Global, Inc. (Mickaiel Kamran)	818-489-1745
KS High Desert, Inc. (Keunwoo Lee)	267-982-0671
Ablaze Inc. (Jaime Garcia)	310-619-6448
New Regeneration LLC (Anil Khatri, Deena Khatri)	909-917-4095
Healthy Meals, Inc. (Amina Lalani)	714-905-5446

**Franchisee Who Transferred a Franchised Restaurant
As of December 31, 2023**

CALIFORNIA	
Great Taste, Inc. (Kenneth Chung, Anita Chung)	949-261-7700
Ralph Bautista	949-422-2357
Juguo Investment, LLC (Zheng Wabs, Judy Huang)	909-376-7191
BJK Bistro, Inc. (Brian Kang)	909-882-1775
Silverwood Enterprises, Inc. (Steve Chu, Roy M. Lee)	949-981-1426

EXHIBIT L

DIRECT DEBIT AUTHORIZATION

DIRECT DEBIT AUTHORIZATION

AUTHORIZATION TO HONOR ELECTRONIC FUNDS TRANSFERS DRAWN BY AND PAYABLE TO:

- (x) THE FLAME BROILER, INC. ROYALTIES
- (x) THE FLAME BROILER, INC. ADVERTISING FUND
- (x) THE FLAME BROILER, INC. ANY ADDITIONAL FUNDS

BANK ACCOUNT IN THE NAME OF: STORE NUMBER: BANK ACCOUNT NUMBER:

ROUTING NUMBER (9 NUMBERS)

RESTAURANT ADDRESS CITY STATE ZIP

To the Bank Designated:

You are hereby requested and authorized to honor and to charge to the account described, electronic funds transfers drawn on such account which are payable to the above named Payee. It is agreed that your rights with respect to each such electronic funds transfer shall be the same as if it were a check bearing a signature authorized for such account. It is further agreed that if any such electronic funds transfer is not honored, whether with or without cause, you shall be under no liability whatsoever. This authorization shall continue in force until revocation in writing is received by you.

DATE: _____

SIGNATURE OF FRANCHISEE

NAME OF FRANCHISEE (please print)

FULL NAME OF BANK

STREET ADDRESS

CITY, STATE, ZIP CODE

Drawee Bank Please Note: There is an indemnification Agreement below.

Indemnification Agreement

To the Bank Designated:

In consideration of your compliance with the request and authorization printed on the Authorization Form hereof, the Payee agrees with respect to any such action:

- (1) To indemnify you and hold you harmless from any loss you may suffer as a consequence of your actions resulting from or in connection with the execution and issuance of any electronic funds transfer, whether, or not genuine, purporting to be executed by the payee and received by you in the regular course of business for the purposes of payment, including any costs or expenses reasonably incurred in connection therewith.
- (2) To indemnify you for any loss arising in the event that any such electronic funds transfer shall be dishonored, whether with or without cause and whether intentionally or inadvertently.
- (3) To defend at our own cost and expense any action which might be brought by any depositor or any other persons because of your actions taken pursuant to the foregoing request, or in any manner arising by reason of your participation.

EXHIBIT M

ASSIGNMENT & ASSUMPTION AGREEMENT (RESALES)

ASSIGNMENT AND ASSUMPTION OF FRANCHISE AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION OF FRANCHISE AGREEMENT (this "Assignment") is between THE FLAME BROILER, INC. (the "Franchisor"), _____, _____ (the "Assignor"), and _____, a _____ (the "Assignee" or "you" or "your").

BACKGROUND INFORMATION

The Assignor entered into a Franchise Agreement with the Franchisor dated _____ (the "Prior Agreement"), to operate a THE FLAME BROILER THE RICE BOWL KING Franchise (the "Franchised Business") located at _____. The Assignor wants to transfer its interest in the Prior Agreement and the Franchised Business to the Assignee, and the Assignee wants to assume all of the Assignor's rights and duties under the Prior Agreement and interests in the Franchised Business. The Franchisor is willing to consent to such assignment and assumption as long as the transfer conditions of the Prior Agreement are met and the Assignee signs the Franchisor's current form of Franchise Agreement (the "New Agreement") and ancillary agreements. In addition, each of the Assignee's owners must sign the Franchisor's standard form of Continuing Guaranty.

OPERATIVE TERMS

Accordingly, the parties agree as follows:

1. **Assignment.** The Assignor assigns and transfers all of its right, title and interest in and to the Franchised Business and the Prior Agreement to the Assignee, as of the Effective Date (defined below). After the Effective Date: (a) the Assignee has all of the rights, powers and privileges under the New Agreement, as amended by this Assignment, to operate the Franchised Business in accordance with the terms of the New Agreement; and (b) the Assignor no longer has any rights to operate the Franchised Business under the Prior Agreement and relinquishes any rights it may have had to do so.

2. **Assumption.** As of the Effective Date: (a) the Assignee assumes all of the obligations of the Assignor under the Prior Agreement; and (b) the Assignee executed and delivered to Franchisor the New Agreement and any ancillary agreements, which will then replace the Prior Agreement. The New Agreement, including any ancillary agreements and addenda, will then govern the relationship between the Franchisor and the Assignee. The Prior Agreement is cancelled, except those provisions which expressly survive termination including, without limitation, the franchise terms, which are incorporated into this Assignment by this reference and will continue to bind the Assignor.

3. **Acceptance and Consent.** In reliance on all of the foregoing, and on the Franchisor's receipt of the fully signed Assignment, the New Agreement (including all ancillary agreements and addenda), the general release attached as Exhibit A (the "Release") and Franchisor's receipt of the transfer fee in the amount of **\$17,500.00** (the "Transfer Fee"), the Franchisor hereby waives its right of first refusal under Section XX of the Prior Agreement and consents to the following:

- (a) this Assignment;
- (b) the assignment of the Prior Agreement and the Franchised Business to

the Assignee;

- (c) the Assignee's assumption of the Prior Agreement and all of Assignor's obligations under it; and
- (d) the termination of the Prior Agreement.

4. **Post-Termination Compliance.** The Assignor agrees to comply with all post-termination obligations and other provisions of the Prior Agreement that expressly survive the termination of the Prior Agreement and continue to bind the Assignor, including, without limitation, all: (a) indemnification obligations for anything that occurred prior to (and including) the Effective Date of this Assignment; and (b) post-term competitive restrictions and confidentiality requirements of the Prior Agreement.

5. **Certain Conditions.** Notwithstanding anything to the contrary contained herein, this Assignment will not become effective unless and until:

- (a) The Assignor has (i) paid all outstanding amounts owed to the Franchisor, including, but not limited to, royalties, marketing fees, any unspent local advertising amounts and any other amounts due the Franchisor under the Prior Agreement as of and through the Effective Date; (ii) paid all amounts owed to third party suppliers and creditors of the Franchised Business as of and through the Effective Date; (iii) submitted to the Franchisor all required reports and statements required under the Prior Agreement; (iv) no outstanding breach of the terms and conditions under the Prior Agreement; and (v) at the Assignor's expense brought the Franchised Business up to the then-current standards for THE FLAME BROILER THE RICE BOWL KING Restaurant and complied with any applicable updating or remodeling requirements;
- (b) The Franchisor has received this fully signed Assignment;
- (c) The Franchisor has received the fully signed New Agreement, together with all ancillary agreements and addenda, from the Assignee;
- (d) The Franchisor has received payment in full of the Transfer Fee; and
- (e) The Franchisor has received the Release signed by the Assignor.
- (f) The Assignor and the Assignee have fully satisfied any other terms, conditions and/or requirements under the Sections XVIII through XX of the Prior Agreement.

6. **Incorporation of Terms and Precedence.** This Assignment is an integral part of, and is incorporated into, the New Agreement. Nevertheless, this Assignment governs, controls and supersedes any inconsistent or conflicting provisions of the New Agreement. Terms not otherwise defined in this Assignment have the meanings as defined in the New Agreement. Otherwise, the remaining terms of the New Agreement remain in full force and effect and are binding on the Franchisor and the Assignee.

7. **Background Information.** The background information is true and correct and is incorporated into this Assignment.

8. **Counterparts.** This Assignment may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument. Facsimile signatures and electronic (scanned) signatures shall have the same force and effect as originals.

9. **Effectiveness.** This Assignment is effective as of _____ (the "**Effective Date**"), regardless of the actual date of signature. However, it will not become effective until all conditions for effectiveness specified in this Assignment have been fully satisfied.

Intending to be bound, the parties sign below:

THE "ASSIGNEE":

(Entity Name)

By: _____
Print Name: _____
Title: _____
Date: _____

By: _____
Print Name: _____
Title: _____
Date: _____

By: _____
Print Name: Click here to enter text.,
an individual
Date: _____

THE "ASSIGNOR":

(Entity Name)

By: _____
Print Name: _____
Title: _____
Date: _____

By: _____
Print Name: _____
Title: _____
Date: _____

By: _____
Print Name: Click here to enter text.,
an individual
Date: _____

THE "FRANCHISOR":

THE FLAME BROILER, INC.

By: _____
Print Name: Young R. Lee
Title: CEO & President
Date: _____

EXHIBIT N

SUPPLIER/TRAINING AGREEMENTS

Merchant Processing Application and Agreement



Please review the information below and sign if everything looks right. If you have any questions please contact your representative.

BUSINESS DETAILS

CONTACT INFORMATION

First Name	<input type="text"/>	Last Name	<input type="text"/>
Email	<input type="text"/>	Phone Number	<input type="text"/>

BUSINESS INFORMATION

NOTE: Failure to provide accurate information may result in a withholding of merchant funding per IRS regulations. (See Part IV, Section A.4 of your Program Guide for further information.)

Business Legal Name	<input type="text"/>	DBA Name	<input type="text"/>
Tax Filing Name	<input type="text"/>	Tax Filing Method	<input type="checkbox"/> EIN <input type="checkbox"/> SSN
Tax ID (EIN)	<input type="text"/>		
Type of Ownership	<input type="checkbox"/> Government <input type="checkbox"/> Individual / Sole Proprietor <input type="checkbox"/> LLC <input type="checkbox"/> Non-Profit Org <input type="checkbox"/> Private Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Public Corporation <input type="checkbox"/> Tax Exempt		
Stock Exchange (Only applicable for Public Corporations)	<input type="checkbox"/> NYSE or NASDAQ <input type="checkbox"/> Other/Not Applicable		Stock Ticker Symbol <input type="text"/> (NYSE or NASDAQ)
Industry (MCC)	<input type="text"/>	Business Description	<input type="text"/>
Industry Options	<input type="checkbox"/> Quasi Cash	Business Start Date	<input type="text"/>
Website	<input type="text"/>	Business Phone	<input type="text"/>

BUSINESS ADDRESS

Street Address 1	<input type="text"/>		
Street Address 2	<input type="text"/>	City	<input type="text"/>
State	<input type="text"/>	ZIP	<input type="text"/>
Country	<input type="text"/>		

BUSINESS LEGAL MAILING ADDRESS

Street Address 1	<input type="text"/>		
Street Address 2	<input type="text"/>	City	<input type="text"/>
State	<input type="text"/>	ZIP	<input type="text"/>
Country	<input type="text"/>		

OWNER INFORMATION

Please provide the following information for each individual who owns, directly or indirectly, 25% or more of the equity interest of your business, or who have significant responsibility to control, manage, or direct your business.

BUSINESS OWNER INFORMATION

First Name	<input type="text"/>	Last Name	<input type="text"/>	Street Address 1	<input type="text"/>		
Title	<input type="checkbox"/> CEO <input type="checkbox"/> CFO <input type="checkbox"/> COO <input type="checkbox"/> LLC Member <input type="checkbox"/> Owner <input type="checkbox"/> Partner <input type="checkbox"/> President <input type="checkbox"/> Secretary <input type="checkbox"/> Treasurer <input type="checkbox"/> Vice President			Street Address 2	<input type="text"/>	City	<input type="text"/>
% Ownership	<input type="text"/>	%	Personal Guarantee	<input type="checkbox"/> Yes	State	<input type="text"/>	ZIP
SSN	<input type="text"/>	Date of Birth	<input type="text"/>	Country	<input type="text"/>		
Mobile Phone	<input type="text"/>						
Email	<input type="text"/>						

ADDITIONAL BUSINESS OWNER (1)

First Name	<input type="text"/>	Last Name	<input type="text"/>	Street Address 1	<input type="text"/>		
% Ownership	<input type="text"/>	%	SSN	<input type="text"/>	Street Address 2	<input type="text"/>	City
Date of Birth	<input type="text"/>	Mobile Phone	<input type="text"/>	State	<input type="text"/>	ZIP	<input type="text"/>
				Country	<input type="text"/>		

ADDITIONAL BUSINESS OWNER (2)

First Name	<input type="text"/>	Last Name	<input type="text"/>	Street Address 1	<input type="text"/>	
% Ownership	<input type="text"/> %	SSN	<input type="text"/>	Street Address 2	<input type="text"/>	City <input type="text"/>
Date of Birth	<input type="text"/>	Mobile Phone	<input type="text"/>	State	<input type="text"/>	ZIP <input type="text"/>
				Country	<input type="text"/>	

ADDITIONAL BUSINESS OWNER (3)

First Name	<input type="text"/>	Last Name	<input type="text"/>	Street Address 1	<input type="text"/>	
% Ownership	<input type="text"/> %	SSN	<input type="text"/>	Street Address 2	<input type="text"/>	City <input type="text"/>
Date of Birth	<input type="text"/>	Mobile Phone	<input type="text"/>	State	<input type="text"/>	ZIP <input type="text"/>
				Country	<input type="text"/>	

ADDITIONAL BUSINESS OWNER (4)

First Name	<input type="text"/>	Last Name	<input type="text"/>	Street Address 1	<input type="text"/>	
% Ownership	<input type="text"/> %	SSN	<input type="text"/>	Street Address 2	<input type="text"/>	City <input type="text"/>
Date of Birth	<input type="text"/>	Mobile Phone	<input type="text"/>	State	<input type="text"/>	ZIP <input type="text"/>
				Country	<input type="text"/>	

BANKING AND PROCESSING

DEPOSIT BANK ACCOUNT

Bank Name	<input type="text"/>		
Account Type	<input type="checkbox"/> Checking	<input type="checkbox"/> Savings	
Routing Number	<input type="text"/>	Account Number	<input type="text"/>

WITHDRAWAL BANK ACCOUNT

Withdrawal account is not required if it is the same as the Deposit account.

Bank Name	<input type="text"/>		
Account Type	<input type="checkbox"/> Checking	<input type="checkbox"/> Savings	
Routing Number	<input type="text"/>	Account Number	<input type="text"/>

PROCESSING VOLUME

Average Monthly Card Volume	<input type="text"/> \$	/ month
Average Transaction Amount	<input type="text"/> \$	

PRODUCT / SERVICE DELIVERY WINDOWS

On average, Products / Services are delivered in

0-7 Days 8-14 Days 15-30 Days 30+ Days

MODE OF TRANSACTION

In Person	<input type="text"/> %
Telephone	<input type="text"/> %
Online	<input type="text"/> %
Must total 100%	

THIRD PARTY PROVIDER

Do you use any third party provider (TPP) to store, process or transmit cardholder data? (Examples include but are not limited to web hosting companies, Electronic Data Capture, Loyalty programs, software)

Yes No

If so, please provide third party provider information:

TPP Name	<input type="text"/>
TPP Email	<input type="text"/>
TPP Phone	<input type="text"/>

EQUIPMENT

NEW ORDERS

Product Name	Network	Qty	Price *	Frequency
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> \$	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> \$	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> \$	<input type="text"/>

Clover Menu Requested

* Price does not include tax and shipping & handling.

SHIP EQUIPMENT TO

Ship To Attention	<input type="text"/>	Ship To Email	<input type="text"/>
Street Address 1	<input type="text"/>		
Street Address 2	<input type="text"/>	City	<input type="text"/>
State	<input type="text"/>	ZIP	<input type="text"/>
Country	<input type="text"/>		

MERCHANT SERVICES

AMERICAN EXPRESS

Amex Program Amex OptBlue Amex ESA

Amex ESA SE IATA/ARC Number

DISCOVER

Discover Program Discover Full ACQ Discover EASI

Discover EASI SE

Discover Industry Options

Enable Incremental Authorizations

Debt Repayment Program

PRICING INFORMATION

PRICING

Discount Frequency Monthly Daily

Funding Rollup Net Fees and Deposits Separate Fees and Deposits Individual Batches

DUES & ASSESSMENTS

Dues & Assessments

In addition to the fees described in this Merchant Application and Agreement, you must pay us all Card Organization Charges. "Card Organization Charges" means all fees, charges, liabilities, or obligations that a Card Organization imposes on us (1) in connection with your acceptance of its payment types, (2) in connection with the transactions processed under your MID, (3) as a result of your acts or omissions, or (4) as a result of the acts or omissions of others that act on your behalf or that provide services to you. Card Organization Charges are not subject to the consequential damages exclusion in Section 28 of the Program Guide and include but are not limited to: assessments (including but not limited to dues, issuer reimbursements, fines, penalties, and fraud recovery losses); fees established by the Card Organizations (including but not limited to access fees, switch fees, and file fees); adjustments; and Chargebacks.

PROGRAM

Merchant Surcharge Program

A Surcharge is an additional fee that you add to relevant transactions as permitted by the Card Organization Rules and applicable laws (together, *Applicable Laws*). By choosing to assess a Surcharge and participate in this "Merchant Surcharge Program" (MSP), you agree that you are solely responsible for: (1) complying with all Applicable Laws and the Your Payments Acceptance Guide (which is contained in your Program Guide); (2) properly and clearly disclosing the existence and amount of any Surcharge to Cardholders in accordance with Applicable Laws; and (3) ensuring any Surcharge you add to a transaction does not exceed the limit provided in the Card Organization Rules. MSP is provided to you only by Processor and not by Bank.

You also agree that: (1) you are assessing a Surcharge on Cardholders for certain Credit Card transactions in an amount equal to the Surcharge Rate reflected below; (2) you will pay us the Discount Fees for Credit Card and Debit Card transactions on gross sales for all of the transactions that you submit (without reduction for refunds, returns, or chargebacks); (3) you will pay us the Transaction Fee (the fixed charge per transaction reflected below for each Debit Card transaction) for each sale and refund that you submit, as well as any other fees or charges reflected in this merchant processing agreement and which are not replaced by the MSP; (4) you will not assess a Surcharge for the portion of the transaction that is tip on paper, and you will be responsible to pay us the Discount Fee for the gross amount of all tips on paper; (5) you will be responsible to refund Cardholders any Surcharge you assess in the amount billed on such transaction; (6) you will not assess a Surcharge for card not present transactions on cardholders whose billing ZIP code corresponds to states or US territories where Surcharging is prohibited by Applicable Law (including but not limited to, Connecticut, Massachusetts, Puerto Rico), you will be responsible to pay us the Discount Fee for such transactions, and you will comply with Applicable Laws any time you apply the MSP; and (7) we may change or cancel this Merchant Surcharge Program upon notice to you. We disclaim all warranties regarding the MSP; it is provided to you on an "as-is, with all faults" basis. Your use of the MSP does not: (1) guarantee compliance with any laws, Card Organization Rules, or applicable standards (including the PCI DSS), (b) affect your obligation to comply with laws, Card Organization Rules, and applicable standards (including the PCI DSS), or (3) guarantee protection against a Data Incident.

Visa Credit Card Discount Fee	<input type="text"/>	%	Consumer Surcharge Rate Billed by Merchant	<input type="text"/>	%
Mastercard Credit Card Discount Fee	<input type="text"/>	%	Debit Card Transaction Fee	<input type="text"/>	/ Each
Discover Credit Card Discount Fee	<input type="text"/>	%			
Amex Credit Card Discount Fee	<input type="text"/>	%			
Debit Card Discount Fee	<input type="text"/>	%			

TIERED

Discount Fees	Credit	Non-PIN Debit	Discount Fees	Credit	Non-PIN Debit
Visa Qualified	<input type="text"/> %	<input type="text"/> %	Discover Qualified	<input type="text"/> %	<input type="text"/> %
Visa Mid-Qualified	<input type="text"/> %	<input type="text"/> %	Discover Mid-Qualified	<input type="text"/> %	<input type="text"/> %
Visa Non-Qualified	<input type="text"/> %	<input type="text"/> %	Discover Non-Qualified	<input type="text"/> %	<input type="text"/> %
Mastercard Qualified	<input type="text"/> %	<input type="text"/> %	Amex Qualified	<input type="text"/> %	
Mastercard Mid-Qualified	<input type="text"/> %	<input type="text"/> %	Amex Mid-Qualified	<input type="text"/> %	
Mastercard Non-Qualified	<input type="text"/> %	<input type="text"/> %	Amex Non-Qualified	<input type="text"/> %	

INTERCHANGE PLUS

Pass Through Interchange — You will be charged the applicable interchange rate from Mastercard, Visa, Discover and American Express as well as the Discount Fees listed below. Interchange Rates are variable and are determined by how your transactions clear, and are subject to change.

Passthrough Interchange Costs Gross Interchange Net Interchange

Discount Fees	Credit / Non-PIN Debit
Visa Qualified	<input type="text"/> %
Mastercard Qualified	<input type="text"/> %
Discover Qualified	<input type="text"/> %
Amex Qualified	<input type="text"/> %

BILL BACK

Non-Qualified Surcharge Fee (excluding interchange pass-through fees, see Section 26.1) Applies to Non-qualified MC, Visa, Discover, American Express OptBlue Credit and/or Non-PIN Debit Transactions.

%

Discount Fees	Credit	Non-PIN Debit
Visa Qualified	<input type="text"/> %	<input type="text"/> %
Mastercard Qualified	<input type="text"/> %	<input type="text"/> %
Discover Qualified	<input type="text"/> %	<input type="text"/> %
Amex Qualified	<input type="text"/> %	

SWIPED/NON-SWIPED

(If selected, the discount fees below apply to all payment types and brands accepted unless otherwise noted in this agreement)

Swiped or Dipped Discount Fee (% of gross transactions)	<input type="text"/> %
Swiped or Dipped Transaction Fee	<input type="text"/> \$
Non-Swiped or Non-Dipped Discount Fee (% of gross transactions)	<input type="text"/> %
Non-Swiped or Non-Dipped Transaction Fee	<input type="text"/> \$

FLAT RATE

Discount Fees	Credit / Non-PIN Debit
Visa Qualified	<input type="text"/> %
Mastercard Qualified	<input type="text"/> %
Discover Qualified	<input type="text"/> %
Amex Qualified	<input type="text"/> %

AUTHORIZATION & TRANSACTION FEES

Authorization Fees (All Card Types)	<input type="text"/> \$	/ Each
ACH Batch Fee	<input type="text"/> \$	/ Each
Voice Authorization Fee	<input type="text"/> \$	/ Each
Address Verification Fee (AVS)	<input type="text"/> \$	/ Each
Transaction Fees (All Card Types)**	<input type="text"/> \$	/ Each

**Transaction Fees (All Card Types) and Gateway Transaction Fee will be added together and billed on your merchant statement as "Trans Fee".

PIN DEBIT

Discount Fee	<input type="text"/> %
Transaction Fee	<input type="text"/> \$ / Each

CLOVER FEES

Clover Platform Fee	<input type="text"/> \$ / Monthly
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EBT

FNS#	<input type="text"/>
Transaction Fee	<input type="text"/> \$ / Each

VOYAGER

Authorization Fee	<input type="text"/> \$ / Each
Sales Discount	<input type="text"/> %

WRIGHT EXPRESS

Discount Fee	<input type="text"/>	%
Transaction Fee	\$ <input type="text"/>	/ Each
Chargeback Fee	\$ <input type="text"/>	/ Each
Retrieval Fee	\$ <input type="text"/>	/ Each

CARDPOINTE AND GATEWAY FEES

Setup Fee	\$ <input type="text"/>	(One Time)
CardPointe Monthly Platform Fee	\$ <input type="text"/>	/ Monthly
Gateway Monthly Fee	\$ <input type="text"/>	/ Monthly
Gateway Transaction Fee**	\$ <input type="text"/>	/ Each

**Gateway Transaction Fee and Transaction Fees (All Card Types) will be added together and billed on your merchant statement as "Trans Fee".

TRANSARMOR

TransArmor Data Protection

TransArmor Monthly Fee \$ / Monthly

MONTHLY AND MISCELLANEOUS FEES

Application Fee	\$ <input type="text"/>	(One Time)	Regulatory Product Fee	\$ <input type="text"/>	/ Monthly
Minimum Processing Fee	\$ <input type="text"/>	/ Monthly	PCI Non-Compliance Fee	\$ <input type="text"/>	/ Monthly
DDA Rejects	\$ <input type="text"/>	/ Each	Wireless Fee	\$ <input type="text"/>	/ Monthly
Statement Fee	\$ <input type="text"/>	/ Monthly	Wireless Activation Fee	\$ <input type="text"/>	(One Time)
Chargeback Fee	\$ <input type="text"/>	/ Each	PCI Annual Fee	\$ <input type="text"/>	/ Annual
Retrieval Fee	\$ <input type="text"/>	/ Each	PCI Concierge Monthly Fee	\$ <input type="text"/>	/ Monthly
Annual Security Bundle Fee	\$ <input type="text"/>	/ Annual			

CONFIRMATION

EARLY TERMINATION FEE

The initial term of this Agreement is three years from the date of your approval by our Credit Department (the Initial Term). If you terminate this Agreement before the end of the then current term or otherwise stop processing your transactions with us, you will be charged this Early Termination Fee. After the Initial Term, subject to Part IV, Section A.3, this Agreement shall automatically extend for an additional period of one year each (each an Extended Term).

Early Termination Fee \$

Client Initials 

PERSONAL GUARANTEE

In exchange for CardConnect LLC, PNC Bank, N.A., (a member of Visa USA, Inc. and Mastercard International, Inc.), and TeleCheck Services, LLC (the Guaranteed Parties) acceptance of, as applicable, the Agreement, and/or the Equipment Agreement and/or the TeleCheck/TRS Solutions Agreement, the undersigned unconditionally and irrevocably guarantees the full payment and performance of Client's obligations under the foregoing agreements, as applicable, as they now exist or as modified from time to time, whether before or after termination or expiration of such agreements and whether or not the undersigned has received notice of any amendment of such agreements. The undersigned waives notice of default by Client and agrees to indemnify the Guaranteed Parties for any and all amounts due from Client under the foregoing agreements. The Guaranteed Parties shall not be required to first proceed against Client to enforce any remedy before proceeding against the undersigned. This is a continuing personal guaranty and shall not be discharged or affected for any reason. The undersigned understands that this is a Personal Guaranty of payment and not of collection and that the Guaranteed Parties are relying upon this Personal Guaranty in entering into the foregoing agreements, as applicable.

Signature  Date

AGREEMENT APPROVAL

Client certifies that all information set forth in this completed Merchant Processing Application is true and correct and that Client has received a copy of the Program Guide and Confirmation Page, which is part of this Merchant Processing Application, and by this reference incorporated herein. Client acknowledges and agrees that we, our Affiliates and our third party subcontractors and/or agents may use automatic telephone dialing systems to contact Client at the telephone number(s) Client has provided in this Merchant Processing Application and/or may leave a detailed voice message in the event that Client is unable to be reached, even if the number provided is a cellular or wireless number or if Client has previously registered on a Do Not Call list or requested not to be contacted Client for solicitation purposes. Client hereby consents to receiving commercial electronic mail messages from us, our Affiliates and our third party subcontractors and/or agents from time to time. Client further agrees that Client will not accept more than 20% of its card transactions via mail, telephone or Internet order. However, if your Application is approved based upon contrary information stated in Banking and Processing section above, you are authorized to accept transactions in accordance with the percentages indicated in that section. This signature page also serves as a signature page to the TeleCheck Solutions Agreement appearing in the Third Party Section of the Program Guide, if selected, the undersigned Client being "You" and "Your" for the purposes of the TeleCheck Solutions Agreement.

By signing below, each of the undersigned authorizes us, our Affiliates and our third party subcontractors and/or agents to verify the information contained in this Application and to request and obtain from any consumer reporting agency and other sources, including bank references, personal and business consumer reports and other information and to disclose such information amongst each other for any purpose permitted by law. If the Application is approved, each of the undersigned also authorizes us, our Affiliates and our third party subcontractors and/or agents to obtain subsequent consumer reports and other information from other sources, including bank references, in connection with the review, maintenance, updating, renewal or extension of the Agreement or for any other purpose permitted by law and disclose such information amongst each other. Each of the undersigned furthermore agrees that all references, including banks and consumer reporting agencies, may release any and all personal and business credit financial information to us, our Affiliates and our third party subcontractors and/or agents. Each of the undersigned authorizes us, our Affiliates and our third party subcontractors and/or agents to provide amongst each other the information contained in this Merchant Processing Application and Agreement and any information received subsequent thereto from all references, including banks and consumer reporting agencies for any purpose permitted by law. It is our policy to obtain certain information in order to verify your identity while processing your account application.

As part of our approval, processing services, continuing fraud prevention and account review processes, the undersigned consents to the use of information gathered online or that you submit to us, and/or automated electronic computer security screening, by us or our third party vendors.

Client authorizes FDMS and Bank and their affiliates to debit Client's designated bank account via Automated Clearing House (ACH) for costs associated with equipment hardware, software and shipping.

You further acknowledge and agree that you will not use your merchant account and/or the Services for illegal transactions, for example, those prohibited by the Unlawful Internet Gambling Enforcement Act, 31 U.S.C. Section 5361 et seq, as may be amended from time to time, or processing and acceptance of transactions in certain jurisdictions pursuant to 31 CFR Part 500 et seq. and other laws enforced by the Office of Foreign Assets Control (OFAC). To help the government fight the funding of terrorism and money laundering activities, Services obtain, verify, and record certain information including your full name, physical address, and any other information needed for identity verification purposes while processing this MPA, as described in the USA Patriot Act.

Client certifies, under penalties of perjury, that the federal taxpayer identification number and corresponding filing name provided herein are correct. Client agrees to all the terms of this Merchant Processing Application and Agreement. This Merchant Processing Application and Agreement will not take effect until Client has been approved and this Agreement has been accepted by Processor and Bank. Acceptance by Processor and Bank will occur upon the earlier of the execution of this Merchant Processing Application and Agreement by Processor and Bank, or the commencement of the provision of the Services by Processor and Bank.

SIGN YOUR AGREEMENT

Signature 
Date

CARDCONNECT LLC

Application Approved By:
Signature
Title Date

(SERVICER): FOR CARDCONNECT LLC, PNC BANK N.A. (A MEMBER OF VISA USA, INC. AND MASTERCARD INTERNATIONAL INC.).

By: First Data Merchant Services LLC, pursuant to a limited power of attorney
Signature

PROCESSOR INFORMATION

Name	CardConnect LLC
Address	1000 Continental Drive, Suite 300, King of Prussia PA, 19406
URL	www.cardconnect.com
Customer Service (Phone)	1-877-828-0720

PROCESSOR INFORMATION:

Name:

CardConnect LLC

Address:

1000 Continental Drive, Suite 300, King of Prussia, PA 19406

URL:

www.cardconnect.com

Customer Service #:

1-877-828-0720

Please read the Program Guide in its entirety. It describes the terms under which we will provide merchant processing Services to you.

From time to time you may have questions regarding the contents of your Agreement with Bank and/or Processor or the contents of your Agreement with TeleCheck. The following information summarizes portions of your Agreement in order to assist you in answering some of the questions we are most commonly asked.

- Your Discount Rates are assessed** on transactions that qualify for certain reduced interchange rates imposed by Mastercard, Visa, Discover and PayPal. Any transactions that fail to qualify for these reduced rates will be charged an additional fee (see Section 26 of the Program Guide).
- We may debit your bank account** (also referred to as your Settlement Account) from time to time for amounts owed to us under the Agreement.
- There are many reasons why a Chargeback may occur.** When they occur we will debit your settlement funds or Settlement Account. For a more detailed discussion regarding Chargebacks see Section 15 of the Your Payments Acceptance Guide or see the applicable provisions of the TeleCheck Solutions Agreement.
- If you dispute any charge or funding,** you must notify us within 60 days of the date of the statement where the charge or funding appears for Card Processing or within 30 days of the date of a TeleCheck transaction.
- The Agreement limits our liability to you.** For a detailed description of the limitation of liability see Section 28, 38.3, and 40.10 of the Card General Terms; or Section 17 of the TeleCheck Solutions Agreement.
- We have assumed certain risks** by agreeing to provide you with Card processing or check services. Accordingly, we may take certain actions to mitigate our risk, including termination of the Agreement, and/or hold monies otherwise payable to you (see Card Processing General Terms in Section 31, Term; Events of Default and Section 32, Reserve Account; Security Interest), (see TeleCheck Solutions Agreement in Section 7), under certain circumstances.
- By executing this Agreement with us** you are authorizing us and our Affiliates to obtain financial and credit information regarding your business and the signers and guarantors of the Agreement until all your obligations to us and our Affiliates are satisfied.
- The Agreement contains a provision** that in the event you terminate the Agreement prior to the expiration of your initial three (3) year term, you will be responsible for the payment of an early termination fee as set forth in Part IV, A, 3 under "Additional Fee Information" and Section 16.2 of the TeleCheck Solutions Agreement.

9. Card Organization Disclosure**Visa and Mastercard Member Bank Information: PNC Bank, N.A.**

The Bank's mailing address is 300 Fifth Avenue, Pittsburgh, PA 15222 The Tower at PNC Plaza, and its phone number is 1-412-803-7711.

Important Member Bank Responsibilities:

- The Bank is the only entity approved to extend acceptance of Visa and Mastercard products directly to a merchant.
- The Bank must be a principal (signer) to the Agreement.
- The Bank is responsible for educating merchants on pertinent Visa and Mastercard rules with which merchants must comply; but this information may be provided to you by Processor.
- The Bank is responsible for and must provide settlement funds to the merchant.
- The Bank is responsible for all funds held in reserve that are derived from settlement.
- The Bank is the ultimate authority should a merchant have any problems with Visa or Mastercard products (however, Processor also will assist you with any such problems).

Important Merchant Responsibilities:

- Ensure compliance with Cardholder data security and storage requirements.
- Maintain fraud and Chargebacks below Card Organization thresholds.
- Review and understand the terms of the Merchant Agreement.
- Comply with Card Organization Rules and applicable law and regulations.
- Retain a signed copy of this Disclosure Page.
- You may download "Visa Regulations" from Visa's website at: <https://usa.visa.com/dam/VCOM/download/about-visa/visa-rules-public.pdf>
- You may download "Mastercard Regulations" from Mastercard's website at: www.mastercard.us/content/dam/mccom/global/documents/mastercard-rules.pdf.
- You may download "American Express Merchant Operating Guide" from American Express' website at: www.americanexpress.com/us/merchant.

Print Client's Business Legal Name:

By its signature below, Client acknowledges that it has received the Merchant Processing Application, Program Terms and Conditions [version GenCP-PNC-2602_PG_02.28.23] consisting of 44 pages [including this Confirmation Page and the applicable Third Party Agreement(s)].

Client further acknowledges reading and agreeing to all terms in the Program Terms and Conditions. Upon receipt of a signed facsimile or original of this Confirmation Page by us, Client's Application will be processed.

NO ALTERATIONS OR STRIKE-OUTS TO THE PROGRAM TERMS AND CONDITIONS WILL BE ACCEPTED.

Client's Business Principal:

Signature (Please sign below):

Title

Date

Please Print Name of Signer

SCHEDULE D

FRANCHISEE ADOPTION AGREEMENT

By executing this ADOPTION AGREEMENT effective _____, ____ the undersigned Franchisee of The Flame Broiler, Inc. ("Franchisee") agrees to be bound by the terms and conditions of the Equipment, Installation Services and Advance Exchange Services (Exhibit A-1), Training and Installation (Exhibit A-2), Subscription Services Agreement (Exhibit B-1) and Helpdesk Support Services (Exhibit B-2), as agreed upon between ParTech, Inc. and The Flame Broiler, Inc. in the Master Sale and Purchase Agreement dated April _____, 2018, for purposes of using or purchasing Equipment, Subscription Software Services and related Services, all as defined in the Master Sale and Purchase Agreement. Franchisee understands that if Franchisee purchases direct from ParTech, ParTech will bill it directly for such Equipment, Subscription Software Services and related Services. Further, ParTech and Franchisee agree that The Flame Broiler, Inc. does not guarantee Franchisee's performance and is not liable for Franchisee's breach under any of its agreement with ParTech or a third party.

Unit Number	City	State	Zip
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Franchisee: _____

ParTech, Inc.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT A-1
TO SCHEDULE D



**EQUIPMENT, INSTALLATION SERVICES AND ADVANCED EXCHANGE SERVICES
TERMS & CONDITIONS OF SALE**

1. Terms and Conditions. These Terms and Conditions of Sale (“Terms”) shall apply to the sale by ParTech of the Equipment and the Installation Services and Advanced Exchange Services to Customer. These Terms constitute the agreement between ParTech and Customer with respect to Customer’s purchase and ParTech’s sale of the Equipment and/or the Services, to the exclusion of any pre-printed or contrary terms of any purchase order (or similar document) and supersedes and cancels any prior discussions, understandings, or representations between ParTech and Customer. No addition to or modification of these Terms shall be binding upon ParTech unless expressly agreed to by ParTech in writing, and, if these Terms are deemed an offer, acceptance is expressly limited to these Terms. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in Section 7(g) below.

2. Sales Order/Purchase Orders. Customer will purchase the Equipment and/or the Services from ParTech by submitting ParTech’s Sales Quote/Agreement for Equipment Sale, Products & Services (including the Assignment as defined therein) (“Sales Order”) or a written purchase order (“Purchase Order”) to ParTech. These Terms will apply to the Sales Order or any Purchase Order and supersedes any different or additional terms on Customer’s Purchase Orders. Purchase Orders issued by Customer to ParTech are solely for the purpose of identifying the Equipment and/or Services to be purchased, requesting delivery dates and quantities, specifying the ship-to and bill-to addresses, and specifying the applicable price for the Equipment and/or the Services; all other terms on such Customer Purchase Order shall have no force or effect. Sales Orders/Purchase Orders are subject to acceptance by ParTech (which acceptance may be evidenced by ParTech’s shipment of the Equipment or performance of Services).

3. Purchase & Sale of Equipment.

(a) Sale of Equipment. ParTech will sell Customer the Equipment described in the Sales Order/Purchase order (the “Equipment”).

(b) Equipment Purchase Price. The purchase price for the Equipment shall be the purchase price set forth in the Sales Order/Purchase Order (the “Purchase Price”).

(c) Shipping. ParTech shall ship the Equipment to the location identified on the Sales Order/Purchase Order. ParTech shall have the option of selecting the carrier, the route and method of shipment. Notwithstanding anything to the contrary contained in this Agreement, for each shipment of the Equipment or any replacement shipment thereof, ParTech shall pay for the shipping insurance at its cost.

(d) Title and Risk of Loss. The Equipment is delivered F.O.B. Origin (ParTech’s applicable warehouse or facility) per UCC (EXW Origin (ParTech’s applicable warehouse or facility) per IncoTerms). Title to and risk of loss of the Equipment shall pass to Customer at delivery, and delivery shall mean at the time the Equipment is placed in the possession of the carrier after loading. PAR will cooperate with and assist the Customer as necessary to address with the carrier any Equipment lost or damaged during shipment.

(e) Taxes and Other Fees. Customer shall be responsible for the payment of all taxes, withholding, duties and other governmental assessments upon or with respect to the sale, purchase, use, receipt or shipment of the Equipment (other than taxes based solely on ParTech’s net income), including, without limitation, sales or use tax or similar taxes, provided that ParTech will not invoice Customer for taxes to the extent Customer has provided ParTech with evidence that Customer is exempt from paying and/or ParTech is exempt from collecting such tax.

(f) Invoice. Prior to the date of shipment of the Equipment, ParTech will issue its invoice for the Purchase Price of the Equipment; in addition to the Equipment Purchase Price, such invoice shall include cost(s) (if any) of: installation of the Equipment set forth in the Sales Order/Purchase Order, shipment, together with the required shipping insurance charge (as contemplated by subsection (c) above) and taxes and other fees (as contemplated by subsection (e) above). All amounts invoiced shall be paid 30 days from invoice date. All sums not paid when due will accrue interest daily at the lesser of an annual rate of 18% (1.5% per month), or the highest rate permissible by law on the unpaid balance until paid in full.

4. Equipment and Equipment Installation Services.

(a) Embedded Operating System. If the Equipment contains an embedded operating system, the licensed attached to these Terms as Appendix A is incorporated into and made a part of these Terms, and shall be applicable to Customer, and Customer hereby accepts such license and the terms thereof.

(b) Installation Services. ParTech will provide the Installation Services set forth in the Sales Order/Purchase Order (the "Installation Services") as follows: the Equipment will be installed by ParTech or by an installation subcontractor(s) certified by ParTech at the location identified on the Sales Order/Purchase Order. Installation of the Equipment shall be deemed to be complete when ParTech or its installation subcontractor notifies Customer that the Equipment has been properly installed and is ready for use. ParTech will use commercially reasonable efforts to perform the Installation Services in accordance with the time schedule set forth in the Sales Order/Purchase Order.

(c) Customer Responsibilities. If the Sales Order/Purchase Order includes Installation Services, the Customer agrees that Customer is responsible for the preparation of the space in which the Equipment will be installed, including confirming the space satisfies ParTech's specifications as to environment, power, HVAC, and other requirements as described in ParTech's pre-installation guide (the "Pre-Installation Checklist"). Site preparation, in accordance with the Pre-Installation Checklist, must be completed prior to installation or the Equipment Warranty will be void. Additionally, Customer shall be responsible for the payment of all fees for electrical work that must be performed by a licensed electrician, required by law in connection with the Installation Services, or any fees to comply with applicable government imposed environmental regulations including but not limited to elimination of certain chemical content and recycling fees. ParTech reserves the right to the extent required to cover ParTech's increased costs, to add a supplemental surcharge to the price of any Installation Services that are impacted by any prices for regular unleaded gasoline in excess of \$4 per gallon. If ParTech or its certified installation subcontractor(s) arrives at the site at which the Equipment is to be installed and the site is not prepared for installation in accordance with the Pre- Installation Checklist, the Customer will be charged an abort fee as provided in Exhibit A-2.

5. Advance Exchange Service.

(a) Advance Exchange Service. ParTech will provide the Advance Exchange Service as to the Equipment ("AE Equipment") identified and set forth in the Sales Order/Purchase Order (the "AE Service") as follows: ParTech will provide 24/7 support, tracking and dispatch services and fully operational replacement Equipment for the AE Equipment, in accordance with this Section 5. The AE Service includes parts, labor, and materials to maintain, repair and replace the AE Equipment under normal use and service, and is provided for AE Equipment during the Advance Exchange Warranty Period (define in Section 6(b)(i) below), except New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the Friday after Thanksgiving Day and Christmas Day.

(b) Request for AE Service. To request AE Services and fully operational replacement Equipment, Customer must submit a request in accordance with Section 6(d) below and, in addition to the information required to be provided to ParTech pursuant to Section 6(d), Customer must provide ParTech with: (i) all configuration requirements for the replacement Equipment, (ii) the failed AE Equipment's model and serial number, and (iii) the address that the replacement Equipment is to be shipped ("ship-to address").

(c) Shipment of Replacement Equipment. ParTech will ship replacement Equipment to Customer's ship-to address, freight prepaid, with next day delivery within the United States for requests received prior to 4:00 p.m. (Mountain Time), Monday through Friday. Replacement Equipment will be shipped by a

premium air freight carrier when ParTech determines such method of shipment is appropriate. Customer must acknowledge receipt of replacement Equipment by signing the freight carrier air bill or similar shipping/delivery documentation accompanying the replacement Equipment.

(d) Return of Defective AE Equipment. ParTech will provide Customer with a pre-paid shipping label and packaging instructions for the return of the defective AE Equipment to ParTech. Customer will return the defective AE Equipment to ParTech using the corresponding replacement Equipment packaging (ParTech will ship replacement Equipment in reusable packaging). Customer should be prepared to return ship the defective AE Equipment within two (2) business days of Customer's receipt of the replacement Equipment; however, the defective AE Equipment must be returned to ParTech no later than 14 days of Customer's receipt of the replacement Equipment. If Customer fails to return the defective AE Equipment within such 14-day period, Customer shall purchase the replacement Equipment and pay a 15% restocking fee; and, if Customer fails to pay the invoice for such replacement Equipment, then the Equipment Warranty on the replacement Equipment will be ineffective until Customer's account is current. ParTech reserves the right to charge Customer ParTech's then-current time-and-materials rates for AE Services provided to Customer when ParTech determines that the root cause of the defective AE Equipment was as a result of events or circumstances described in Section 6(b)(ii) below. If ParTech determines that more than 10% of the AE Equipment returned by Customer in any consecutive three (3) month period was not defective, Customer will be invoiced diagnostic and handling fees for each subsequent defective AE Equipment returned where no defect is found.

6. General Terms.

(a) New or Equivalent. The Equipment shall contain only new parts unless it is provided as a repair or replacement Equipment, in which case any parts ParTech furnishes may not be newly manufactured and may contain used components; the forgoing does not impact the Equipment Warranty. Equipment that has been replaced (or parts thereof) shall be ParTech property.

(b) Limited Warranty; Limitation of Liability. (i) ParTech warrants to Customer that (A) (1) for a period of three (3) years from date of shipment of AE Equipment (the "Advance Exchange Warranty Period") and (2) for a period of one (1) year from date of shipment of Equipment that is not AE Equipment (the "Depot Warranty Period", and collectively with the Advance Exchange Warranty Period, the "Equipment Warranty Period") the Equipment will be free of defects in materials and workmanship normal use and service (the "Equipment Warranty"), and (B) for a period of 30 days from the completion of installation (the "Installation Warranty Period"), the installation was performed in accordance with ParTech's then current installation procedures and will be free from defect in workmanship normal use and service (the "Installation Warranty"). EXCEPT AS EXPRESSLY SET FORTH IN THE IMMEDIATELY PRECEDING SENTENCE, PARTECH DISCLAIMS ANY AND ALL WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NONINFRINGEMENT OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS. IN NO EVENT SHALL PARTECH BE LIABLE TO CUSTOMER OR TO ANY OTHER THIRD PARTY FOR ANY CONSEQUENTIAL OR INDIRECT DAMAGES WHATSOEVER INCLUDING WITHOUT LIMITATION DAMAGES FOR LOSS OF BUSINESS, LOST PROFITS, DAMAGE TO GOODWILL OR REPUTATION, BUSINESS INTERRUPTION, OTHER INDIRECT PECUNIARY LOSS OR OTHER INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES, WHETHER ARISING OUT OF BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING WITHOUT LIMITATION NEGLIGENCE, FAILURE TO WARN OR STRICT LIABILITY), CONTRIBUTION, INDEMNITY, SUBROGATION OR OTHERWISE, EVEN IF PARTECH HAS BEEN ADVISED OF THE LIKELIHOOD OF SUCH DAMAGES. CUSTOMER ASSUMES ALL RISKS AND LIABILITIES FOR ANY LOSS, DAMAGE OR INJURY TO PERSONS OR PROPERTY RESULTING FROM THE USE OF THE EQUIPMENT, EITHER ALONE OR IN COMBINATION WITH OTHER PRODUCTS.

(ii) Without limiting the foregoing, (A) the Equipment Warranty shall be rendered null and void if: (1) the Equipment (including AE Equipment) is placed in an operating environment that is not in compliance with the requirements specified by ParTech or the original equipment manufacturer; (2) the Equipment

(including the AE Equipment) or any component part is installed, relocated, repaired, maintained or otherwise serviced by a person other than ParTech or a certified ParTech installation subcontractor or authorized representative; (3) the Equipment (including the AE Equipment) was not used under normal operating conditions or in accordance with any labels, instructions or specifications of ParTech or the original equipment manufacturer; (4) the Equipment (including the AE Equipment) is used with third-party equipment or components or software that has not been approved for such use by ParTech in advance; or (5) the Equipment (including the AE Equipment) is subject to misuse, neglect, negligence, accident or vandalism, or deliberate act, including but not limited to: (w) objects or substance falling or leaking onto/into the Equipment (including the AE Equipment); (x) damage due to steam; (y) improper handling, shipping or storage of the Equipment (including the AE Equipment) prior to or after installation; or (z) disaster, which shall include but not be limited to, fire, water, wind, flood, lightning, electrical disturbance, power surges, civil disturbance, war, terrorism or other catastrophes or similar causes; and (B) ParTech shall not be liable for any damage resulting from the failure of the Equipment (including AE Equipment) and/or installation services to comply with local laws or regulations.

(c) Exclusive Remedy. Customer's exclusive remedies and ParTech's sole liability with respect to the Equipment and/or Services provided hereunder, including, without limitation, for breach of the limited warranty set forth in subsection (b) above, is expressly limited to repair or replacement of the Equipment and/or re-performance of the Installation Services. These exclusive remedies shall not be deemed to have failed in their essential purpose so long as ParTech is willing to repair or replace the defective Equipment and/or re-perform the Installation Services. These exclusive remedies are not limited to defects in hardware, software and/or services, but "defects" includes defects/mistakes in firmware, preset data programmed by ParTech, and defects in documentation. CUSTOMER ACKNOWLEDGES AND AGREES THAT THE REMEDIES HEREUNDER ARE CUSTOMER'S SOLE AND EXCLUSIVE REMEDIES WITH RESPECT TO ANY CLAIM BY CUSTOMER IN CONNECTION WITH OR RELATING TO THE EQUIPMENT AND THE SERVICES PROVIDED HEREUNDER.

(d) Warranty Claims. To make a claim for a breach of Warranty (a "Warranty Claim"), Customer must notify ParTech of a defect or breach during the applicable Warranty Period by calling 1-800-458-6898. No return of the Equipment (including AE Equipment) will be accepted without a Return Material Authorization ("RMA") number provided by ParTech's Sales Administration Department (at 800-448-6505). If the defect or breach is not discovered and the Warranty Claim made within the applicable Warranty Period, the Warranty Claim shall be waived. The required notice of defect or breach must specify the facts constituting the defect or breach and the existence of the defect or breach must be verified by ParTech. Customer agrees to return any allegedly defective Equipment to ParTech, and ParTech will, at its option and expense (including shipment via ground transportation), either replace the defective Equipment or repair the defective Equipment at ParTech's facility (depot repair). Customer agrees to be responsible for the proper packing of any Equipment returned to ParTech for repairs and to assume the entire risk of loss or damages during return of any allegedly defective or defective Equipment to ParTech; however, ParTech shall be responsible for the subsequent return to Customer of the repaired or replacement Equipment. Any replacement Equipment supplied by ParTech in connection with the Equipment Warranty is subject to the same warranty for the remaining original Equipment Warranty Period.

(e) Force Majeure. ParTech shall not be liable for, and shall not be deemed to have breached these Terms in the event of, any failure or delay in performance when such failure or delay is caused by conditions beyond ParTech's reasonable control, including without limitation war, strike, labor dispute, fire, flood, earthquake, tornado, hurricane, government action or intervention, embargo or blockade, explosion, terrorist threats or acts, civil unrest, shortage of raw materials, breakdown, shortage or non-availability of transportation facilities or equipment or any other national or regional emergency or act of God. If ParTech declares a force majeure event hereunder, the Sales Order/Purchase Order shall continue in effect for a period of 60 days from such declaration. After the expiration of such 60-day period, ParTech may cancel any unperformed portion of the Sales Order/Purchase Order upon written notice to Customer without liability to Customer.

(f) Default. If Customer (i) fails to tender any payment when due in accordance with these Terms and the

terms of the applicable invoice, (ii) fails or refuses to accept the Equipment properly tendered (iii) fails in any other respect to perform its obligations in accordance with these Terms, or (iv) becomes insolvent or, if any bankruptcy, insolvency, reorganization, or liquidation proceeding or other proceeding or relief under any bankruptcy law or any law for the relief of debtors is instituted by Customer for relief thereunder, or is instituted against Customer, the occurrence of any of the events specified in clauses (i) – (iv) above being deemed to constitute a material breach hereof, ParTech may, in addition to any other remedies ParTech may have at law or in equity, (y) with or without demand or notice to Customer declare the entire amount unpaid immediately due and payable and/or (z) enter upon the premises where the Equipment may be found and remove it and resell any of the Equipment, the Purchase Price of which has not been fully paid or which has been shipped and which Customer has wrongfully failed or refused to accept, and receive from Customer the difference between the Purchase Price with respect to any such Equipment and the price obtained on resale (if less), as well as any incidental costs and expenses incurred by ParTech. All rights and remedies of ParTech shall be cumulative and not exclusive of any other rights or remedies which ParTech would otherwise have at law or in equity. Customer shall cooperate with ParTech in ParTech's enforcement of its rights and remedies hereunder, including granting ParTech access to Customer's facilities for the purpose of retaking possession of the Equipment, and shall indemnify ParTech for all costs and expenses incurred by ParTech in connection with the repossession, transport and/or disposal of the Equipment that is damaged or otherwise is unsalable as a direct or indirect result of Customer's default hereunder. In addition, ParTech may terminate, without liability to Customer, any other agreement between Customer and ParTech.

(g) Confidential Information; Duty Note to Disclose. Customer agrees that it shall not use or disclose, or permit the use or disclosure of, ParTech Confidential Information, except as required by these Terms. All use or disclosure of ParTech Confidential Information shall be for the sole and exclusive benefit of ParTech. Customer shall not disclose the terms of any Sales Order/Purchase Order accepted by ParTech other than to such of Customer's employees who have a need to know such information in the ordinary course of Customer's business.

(h) Intellectual Property Rights. All Intellectual Property of either party hereto, and all modifications thereto, shall

at all times be and remain the sole and exclusive property of such party, and neither these Terms nor any Sales Order/Purchase Order submitted by Customer hereunder shall constitute a license to either party to use or display the Intellectual Property of the other party, except as expressly provided in Section 4(a) above.

(i) Export Laws. Customer acknowledges that the sale of the Equipment may be subject to export and import control laws, restrictions and regulations imposed by the United States or other jurisdictions. Customer shall comply with all applicable export laws, restrictions and regulations of the United States, the European Union or other foreign agency or authority, and Customer agrees not to import, export or re-export, or allow the import, export, or re-export of, any Equipment in violation of any such laws, restrictions, or regulations. Customer certifies to ParTech that neither it, nor any of its customers, is on any U.S. government restricted parties list or similar list, and Customer shall be solely responsible for obtaining any and all necessary licenses in connection with the import, export or re-export of the Equipment.

7. Miscellaneous

(a) Survival. Notwithstanding the expiration or termination of these Terms, any rights, and obligations which by their nature extend beyond such expiration or termination shall survive such expiration or termination, including the provisions of Sections 6(b), 6(c), 6(f), 6(g), 6(h) and this subsection (a).

(b) Applicable Law and Interpretation. These Terms and the Sales Order/Purchase Order will be construed in accordance with, and all disputes will be governed by, the laws of the State of New York, United States of America, without regard to its conflict of laws principles or rules. The English language version of these Terms and the Sales Order/Purchase Order shall govern and control any translation of these Terms and the Sale Order into any other language. The parties specifically waive application of the United Nations Convention on Contracts for the International Sale of Goods (CISG). The word "including" shall mean including without limitation.

(c) Notice. Any notice to be given under these Terms will be in writing and addressed to the party at the

address stated in the front of the Sales Order/Purchase Order. Notices will be deemed given and effective (i) if personally delivered, upon delivery, (ii) if sent by an overnight service with tracking capabilities, upon receipt; (iii) if sent by facsimile or electronic mail, at such time as the party which sent the notice receives confirmation of receipt by the applicable method of transmittal; or (iv) if sent by certified or registered mail, within five (5) days of deposit in the mail.

(d) Severability. If any court of competent jurisdiction holds that any provision of these Terms or of any Sales Order/Purchase Order is illegal, invalid, or unenforceable, the legality, validity, and enforceability of the remaining provisions of these Terms and/or of the Sales Order/Purchase Order will not be affected or impaired, and all remaining terms hereof or of the Sales Order/Purchase Order shall remain in full force and effect, provided that this provision shall not be applied to defeat the intent of the parties.

(e) Prior Dealings. No course of dealing or failure by either party to strictly enforce any term, right or condition of these Terms or a Sales Order/Purchase Order will be construed as a waiver thereof. Any purported waiver by a party will only be enforceable if in writing signed by such party, and will not be deemed to waive any later breach of the same or any other term, right or condition. These Terms and the Sales Order/Purchase Order may not be amended except by written agreement of Customer and ParTech expressly referring thereto.

(f) Assignment. Customer shall not assign or transfer, by operation of law or otherwise, the Sales Order/Purchase Order or any interest therein without ParTech's prior written Consent, which shall not be unreasonably conditioned, withheld or delayed; and the Customer may not assign or transfer, by operation of law or otherwise, their respective rights and obligations hereunder. Any attempted assignment in violation of the foregoing shall be void and of no force or effect.

(g) Definitions. All capitalized terms used in these Terms, to the extent not defined elsewhere in these Terms, shall have the following meanings: "**Customer**" means the Customer identified in the Sales Order/Purchase Order and any assignee of the Customer consented to by ParTech. "**Equipment and/or Services**" means the "**Equipment**" or the "**Services**" described in the Sales Order/Purchase Order to which these Terms apply; "**IncoTerms**" means the International Commercial Terms. "**Intellectual Property Rights**" means any and all tangible and intangible: (i) copyrights and other rights associated with works of authorship throughout the world, including moral rights and mask works, and all derivative works thereof; (ii) trademark, service mark and trade name rights and similar rights; (iii) trade secret rights; (iv) patents, designs, algorithms, utility models, and other industrial property rights, and all improvements thereto; (v) all other intellectual and industrial property rights (of every kind and nature throughout the world and however designated) whether arising by operation of law, contract, license, or otherwise; and (vi) all registrations, applications, renewals, extensions, continuations, divisions, or reissues thereof now or hereafter in force (including any rights in any of the foregoing). "**ParTech**" means ParTech, Inc., a New York corporation. "**ParTech Confidential Information**" means ParTech's commercial, business and/or technical information, such as its business plans (including, its contemplated future business and prospects), operations, computer code, specifications, inventions, concepts, ideas, applications, know-how, discoveries, technology, intended use or sale of products, capabilities, systems, pricing, controls, standards, customers, suppliers and any other information that ParTech regards as confidential, proprietary or private in nature, all of which is the valuable property of ParTech, including ParTech's trade secrets and certain proprietary, technical and business information furnished to ParTech by third parties on a confidential basis. ParTech Confidential Information includes all ParTech Confidential Information to which Customer may become privy, whether in writing, oral, by visual observation, or any other form, even if not marked as confidential, restricted, proprietary or other similar designation. ParTech Confidential Information supplied by ParTech to Customer prior to the issuance of the Sales Order/Purchase Order shall be considered in the same manner and be subject to the same treatment as the ParTech Confidential Information made available after the issuance of the Sales Order/ Purchase Order. ParTech Confidential Information shall not include information that (i) was in Customer's lawful possession prior to its receipt of the same from ParTech and is not otherwise subject to non-disclosure or agreement of confidentiality; (ii) is now or becomes available to the public through no illegal or unauthorized act or omission on the part of Customer or Customer's employees or agents; (iii) was received by Customer without restriction from a third party who was lawfully

in possession of such information and who was not in breach of any agreement or any confidential relationship, direct or indirect, with ParTech; or (iv) is or was independently developed by Customer's employee(s) to whom ParTech Confidential Information was not divulged or available. "UCC" means the New York Uniform Commercial Code. "Warranty" means collectively, the Equipment Warranty and the Installation Warranty. "Warranty Period" means, collectively the Advance Exchange Warranty Period, the Depot Repair Warranty Period and the Installation Warranty Period.

(h) Subsequent Purchases. These Terms shall apply to subsequent purchases of Equipment and/or Software unless expressly superseded by a document of later date that has been expressly agreed to in writing by ParTech.

Agreed:

Company Date

Signature

Printed Name

Title

APPENDIX A

MICROSOFT END USER LICENSE AGREEMENT (AS APPLICABLE)

WINDOWS 10 IOT (“software”)

This Microsoft End User License Agreement (“License Agreement”) is between the end-user Customer (“you”) and ParTech, Inc., sub-licensee (“ParTech”). Please read this License Agreement carefully, as you are subject to the terms and conditions of this License Agreement as the end-user Customer of the software included on the point-of-sale terminal (the “device”) constituting Equipment in the Terms & Conditions of Sale (“Terms”) to which this License Agreement is attached. The software covered by this License Agreement also includes any separate media on which you received the software.

The software on the device includes software licensed from Microsoft Corporation or its affiliate.

The terms also apply to any Microsoft updates, supplements, Internet-based services, and support services for the software, unless other terms accompany those items. If so, those terms apply.

If you obtain updates or supplements directly from Microsoft, then Microsoft, and not ParTech, licenses those to you.

As described below, using the software also operates as your consent to the transmission of certain computer information for Internet-based services.

By using the software, you accept these terms. If you do not accept them, do not use the software. Instead, contact ParTech to determine its return policy for a refund or credit.

If you comply with the terms and conditions of this License Agreement, you have the rights below.

1. USE RIGHTS

Use. This License Agreement and the software licensed hereby is permanently assigned to the device (physical hardware system) with which you acquired the software. You may only use the software on the device.

2. ADDITIONAL LICENSING REQUIREMENTS AND/OR USE RIGHTS

a. Specific Use. You may use the software with a point of service “POS” application.

A POS System means an Embedded System that performs functions substantially similar to that of a point of sale, kiosk (informational or transactional), digital signage, or similar types of devices; and is designed for use solely with a POS Application.

A POS application is a software application which provides any of the following functions;

- process sales and service transactions
- scan and track inventory
- record or transmit customer information
- perform related management functions
- provide information directly and indirectly to customers about available products and services

b. Other Software. You may use other programs with the software as long as the other programs

- directly supports the manufacturer’s specific use for the device, or
- provide system utilities, resource management, or anti-virus or similar protection.
- Software that provides consumer or business tasks or processes may not be run on the device. This includes email, word processing, spreadsheet, database, scheduling and personal finance software. The device may use terminal services protocols to access such software running on a server.

c. Storage/Network Use. You may also store or install one (1) copy of the software on a storage device, such as network server, used only to install or run the software on your other POS Systems over an internal network; however, you must acquire and dedicate an additional license for each separate POS System on or from which the software is installed, used, accessed, displayed or run. Except as otherwise permitted by

Remote Assistance features described below, a license for the software may not be shared or used concurrently on different POS Systems.

d. Device Connections. You may use terminal services protocols to connect the device to a server running business task or processes software such as email, word processing, scheduling or spreadsheets.

You may permit a maximum of twenty (20) computers or other electronic devices (each a “device”) to connect via Server Message Bloc (SMB) to the POS System to utilize one or more of the following services of the software: File Services, Print Services, Internet Information Services, Internet Connection Sharing and telephony services. The twenty connection maximum includes any indirect connections made through “multiplexing” or other software or hardware which pools or aggregates connections. Unlimited inbound connections are allowed via TCP/IP (Transmission Control Protocol (“TCP”) and the Internet Protocol (“IP”)

e. Remote Desktop/Remote Assistance. The software may contain Remote Assistance and Remote Desktop technologies that enable the software or other applications installed on the POS System to be used remotely between two or more computing devices, even if the software or application is installed on only one POS System. You may use Remote Assistance and Remote Desktop with all Microsoft products; provided however, use of these technologies with certain Microsoft products may require an additional license. For both Microsoft products and non-Microsoft products you should consult the license agreement accompanying the applicable product or contact the applicable licensor to determine whether use of Remote Assistance or Remote Desktop is permitted without an additional license.

f. Font Components. While the software is running, you may use its fonts to display and print content. You may only

- embed fonts in content as permitted by the embedding restrictions in the fonts; and
- temporarily download them to a printer or other output device to print content.

g. Icons, images and sounds. While the software is running, you may use but not share its icons, images, sounds, and media.

h. VHD BOOT. Additional copies of the software created using the software’s Virtual Hard Disk functionality (“VHD Image”) may be pre-installed on the physical hard disk of the device. These VHD Images may only be used for maintaining or updating the software installed on the physical hard disk or drive. If the VHD Image is the only software on your device, it may be used as the primary operating system but all other copies of the VHD Image may only be used for maintenance and updating.

i. Multiplexing. Hardware or software you use to pool connections,

reroute information, or

reduce the number of devices or users that directly access or use the software

(sometimes referred to as “multiplexing” or “pooling”), does not reduce the number of licenses of any type that you need.

19. INTERNET-BASED SERVICES. Microsoft provides Internet-based services with the software. It may change or cancel them at any time.

Consent for Internet-Based Services. The software features described below connect to Microsoft or service provider computer systems over the Internet. In some cases, you will not receive a separate notice when they connect. You may switch off these features or not use them. For more information about these features, see <http://windows.microsoft.com/en-US/windows7/windows-7-privacy-statement-highlights>. **By using these features, you consent to the transmission of this information.** Microsoft does not use the information to identify or contact you.

Computer Information. The following features use Internet protocols, which send to the appropriate systems computer information, such as your Internet protocol address, the type of operating system, browser and name and version of the software you are using, and the language code of the device where you installed the software. Microsoft uses this information to make the Internet-based services available to you.

- **Auto Root Update.** The Auto Root Update feature updates the list of trusted certificate authorities. You can switch off the Auto Root Update feature.

- Digital Certificates. The software uses digital certificates. These digital certificates confirm the identity of Internet users sending X.509 standard encrypted information. They also can be used to digitally sign files and macros to verify the integrity and origin of the file contents. The software retrieves certificates and updates certificate revocation lists using the Internet, when available.
- IPv6 Network Address Translation (NAT) Traversal service (Teredo). This feature helps existing home Internet gateway devices transition to IPv6. IPv6 is next generation Internet protocol. It helps enable end-to-end connectivity often needed by peer-to-peer applications. To do so, each time you start up the software the Teredo client service will attempt to locate a public Teredo Internet service. It does so by sending a query over the Internet. This query only transfers standard Domain Name Service information to determine if your computer is connected to the Internet and can locate a public Teredo service. If you use an application that needs IPv6 connectivity or configure your firewall to always enable IPv6 connectivity by default standard Internet Protocol information will be sent to the Teredo service at Microsoft at regular intervals. No other information is sent to Microsoft. You can change this default to use non-Microsoft servers. You can also switch off this feature using a command line utility named “netsh”.
- Information Rights Management. The software contains a feature that allows you to create content that cannot be printed, copied or sent to others without your permission. You may need to connect to Microsoft to use this feature for the first time. Once a year, you may need to re-connect to Microsoft to update it. For more information, go to www.office.microsoft.com/en-us/assistance/HA010397891033.aspx. You may choose not to use this feature.
- Windows Media Digital Rights Management. Content owners use Windows Media digital rights management technology (WMDRM) to protect their intellectual property, including copyrights. This software and third party software use WMDRM to play and copy WMDRM-protected content. If the software fails to protect the content, content owners may ask Microsoft to revoke the software’s ability to use WMDRM to play or copy protected content. Revocation does not affect other content. When you download licenses for protected content, you agree that Microsoft may include a revocation list with the licenses. Content owners may require you to upgrade WMDRM to access their content. Microsoft software that includes WMDRM will ask for your consent prior to the upgrade. If you decline an upgrade, you will not be able to access content that requires the upgrade. You may switch off WMDRM features that access the Internet. When these features are off, you can still play content for which you have a valid license.
- Windows Media Player. When you use Windows Media Player, it checks with Microsoft for compatible online music services in your region; new versions of the player; and codecs if your computer does not have the correct ones for playing content. You can switch off this last feature. For more information, go to go.microsoft.com/fwlink/?LinkId=51331.
- Windows (or Microsoft) Update Feature. Windows Update Feature. This is an optional feature that you can enable by selecting the “Opt In” dialogue box. Once enabled, this feature automatically connects to Microsoft or service provider computer systems over the internet to provide updates from Microsoft to your software and Runtime. In some cases, you will not receive a separate notice when they connect. Standard information about your computer is sent each time the feature connects. Standard computer information may include your Internet Protocol address, the type of operating system, browser and name and version of the software you are using and the language code of the device where you installed the software. Microsoft uses this information to make the Internet based service available to you. You may switch off this feature or not use it. **By**

using this feature, you consent to the transmission of this information. Microsoft does not use the information to identify or contact you.

- 20. BENCHMARK TESTING.** You must obtain Microsoft's prior written approval to disclose to a third party the results of any benchmark test of the software. However, this does not apply to the Microsoft .NET Framework (see below).
- 21. MICROSOFT .NET FRAMEWORK BENCHMARK TESTING.** The software includes one or more components of the .NET Framework (“.NET Components”). You may conduct internal benchmark testing of those components. You may disclose the results of any benchmark test of those components, provided that you comply with the conditions set forth at go.microsoft.com/fwlink/?LinkID=66406. Notwithstanding any other agreement you may have with Microsoft, if you disclose such benchmark test results, Microsoft shall have the right to disclose the results of benchmark tests it conducts of your products that compete with the applicable .NET Component, provided it complies with the same conditions set forth at go.microsoft.com/fwlink/?LinkID=66406.
- 22. SCOPE OF LICENSE.** The software is licensed, not sold. This License Agreement only gives you some rights to use the software. Microsoft reserves all other rights. Unless applicable law gives you more rights despite this limitation, you may use the software only as expressly permitted in this License Agreement. In doing so, you must comply with any technical limitations in the software that only allow you to use it in certain ways. For more information, see www.microsoft.com/licensing/userights. You may not
- work around any technical limitations in the software;
 - reverse engineer, decompile or disassemble the software, except and only to the extent that applicable law expressly permits, despite this limitation;
 - make more copies of the software than specified in this agreement or allowed by applicable law, despite this limitation;
 - publish the software for others to copy;
 - rent, lease or lend the software; or
 - use the software for commercial software hosting services.
- 23. BACKUP COPY.** You may make one backup copy of the software. You may use it only to reinstall the software.
- 24. DOCUMENTATION.** Any person that has valid access to your computer or internal network may copy and use the documentation for your internal, reference purposes.
- 25. NOTICE ABOUT THE H.264/AVC VISUAL STANDARD, THE VC-1 VIDEO STANDARD, THE MPEG-4 VISUAL STANDARD AND THE MPEG-2 VIDEO STANDARD.** This software includes H.264/AVC, VC-1, MPEG-4 Part 2, and MPEG-2 visual compression technology. MPEG LA, L.L.C. requires this notice:

THIS PRODUCT IS LICENSED UNDER THE AVC, THE VC-1, THE MPEG-4 PART 2 VISUAL, AND THE MPEG-2 VIDEO PATENT PORTFOLIO LICENSES FOR THE PERSONAL AND NON-COMMERCIAL USE OF A CONSUMER TO DECODE AVC, VC-1, MPEG-4 PART 2 AND MPEG-2 VIDEO THAT WAS ENCODED BY A CONSUMER ENGAGED IN A PERSONAL AND NON-COMMERCIAL ACTIVITY OR WAS OBTAINED FROM A VIDEO PROVIDER LICENSED TO PROVIDE SUCH VIDEO. NONE OF THE LICENSES EXTEND TO ANY OTHER PRODUCT REGARDLESS OF WHETHER SUCH PRODUCT IS INCLUDED WITH THIS PRODUCT IN A SINGLE ARTICLE. NO LICENSE IS GRANTED OR SHALL BE IMPLIED FOR ANY OTHER USE. ADDITIONAL INFORMATION MAY BE OBTAINED FROM MPEG LA, L.L.C. SEE WWW.MPEGLA.COM.

- 26. PRODUCT SUPPORT.** Contact ParTech for support options. Refer to the support number provided with the device.
- 27. PROOF OF LICENSE.** If you acquired the software on the device, or on a disc or other media, a genuine Certificate of Authenticity label with a genuine copy of the software identifies licensed software. To be valid, this label must be affixed to the device, or included on or in ParTech’s

software packaging. If you receive the label separately, it is not valid. You should keep the label on the device or packaging to prove that you are licensed to use the software. To identify genuine Microsoft software, see <http://www.howtotell.com>.

- 28. TRANSFER TO A THIRD PARTY.** You may transfer the software only with the device, the Certificate of Authenticity label, and these license terms directly to a third party. Before the transfer, that party must agree that these license terms apply to the transfer and use of the software. You may not retain any copies of the software including the backup copy.
- 29. NOT FAULT TOLERANT.** The software is not fault tolerant. ParTech installed the software on the device and is responsible for how it operates on the device.
- 30. NO WARRANTIES FOR THE SOFTWARE.** The software is provided “as is”. You bear all risks of using it. Microsoft gives no express warranties, guarantees or conditions. Any warranties you receive regarding the device or the software do not originate from, and are not binding on, Microsoft or its affiliates. When allowed by your local laws, ParTech and Microsoft exclude implied warranties of merchantability, fitness for a particular purpose and non-infringement.
- 31. LIABILITY LIMITATIONS.** You can recover from Microsoft and its affiliates only direct damages up to two hundred fifty U.S. Dollars (U.S. \$250.00). You cannot recover any other damages, including consequential, lost profits, special, indirect or incidental damages.

This limitation applies to:

- anything related to the software, services, content (including code) on third party internet sites, or third party programs, and
- claims for breach of contract, breach of warranty, guarantee or condition, strict liability, negligence, or other tort to the extent permitted by applicable law.

It also applies even if Microsoft should have been aware of the possibility of the damages. The above limitation may not apply to you because your country may not allow the exclusion or limitation of incidental, consequential or other damages.

- 32. EXPORT RESTRICTIONS.** The software is subject to United States export laws and regulations. You must comply with all domestic and international export laws and regulations that apply to the software. These laws include restrictions on destinations, end users and end use. For additional information, see www.microsoft.com/exporting.
- 33. ENTIRE AGREEMENT.** This License Agreement, additional terms (including any printed-paper license terms that accompany the software and may modify or replace some or all of these terms), and the terms for supplements, updates, Internet-based services and support services that you use, are the entire agreement for the software and support services.
- 34. APPLICABLE LAW**

a. United States. If you acquired the software in the United States, Washington state law governs the interpretation of this agreement and applies to claims for breach of it, regardless of conflict of laws principles. The laws of the state where you live govern all other claims, including claims under state consumer protection laws, unfair competition laws, and in tort.

b. Outside the United States. If you acquired the software in any other country, the laws of that country apply.

**MICROSOFT END USER LICENSE AGREEMENT
(AS APPLICABLE)**

**MICROSOFT SOFTWARE LICENSE TERMS
WINDOWS 10 IOT ENTERPRISE (ALL EDITIONS)**

Last updated [July 2015]

IF YOU LIVE IN (OR IF YOUR PRINCIPAL PLACE OF BUSINESS IS IN) THE UNITED STATES, PLEASE READ THE BINDING ARBITRATION CLAUSE AND CLASS ACTION WAIVER IN SECTION 9. IT AFFECTS HOW DISPUTES ARE RESOLVED.

Thank you for choosing Microsoft!

Depending on how you obtained the Windows software, this is a license agreement between (i) you and the device manufacturer or software installer that distributes the software with your device; or (ii) you and Microsoft Corporation (or, based on where you live or if a business where your principal place of business is located, one of its affiliates) if you acquired the software from a retailer. Microsoft is the device manufacturer for devices produced by Microsoft or one of its affiliates, and Microsoft is the retailer if you acquired the software directly from Microsoft.

This agreement describes your rights and the conditions upon which you may use the Windows software. You should review the entire agreement, including any printed-paper license terms that accompany the software and any linked terms, because all of the terms are important and together create this agreement that applies to you. You can review linked terms by pasting the (aka.ms/) link into a browser window.

By accepting this agreement or using the software, you agree to all of these terms, and consent to the transmission of certain information during activation and during your use of the software as per the privacy statement described in Section 3. If you do not accept and comply with these terms, you may not use the software or its features. You may contact the device manufacturer or installer, or your retailer if you purchased the software directly, to determine its return policy and return the software or device for a refund or credit under that policy. You must comply with that policy, which might require you to return the software with the entire device on which the software is installed for a refund or credit, if any.

1. Overview.

a. Applicability. This agreement applies to the Windows software that is preinstalled on your device, or acquired from a retailer and installed by you, the media on which you received the software (if any), any fonts, icons, images or sound files included with the software, and also any Microsoft updates, upgrades, supplements or services for the software, unless other terms come with them. It also applies to Windows apps developed by Microsoft that provide functionality such as mail, calendar, contacts, and news that are included with and are a part of Windows. If this agreement contains terms regarding a feature or service not available on your device, then those terms do not apply.

b. Additional terms. Depending on your device's capabilities, how it is configured, and how you use it, additional Microsoft and third party terms may apply to your use of certain features, services and apps.

(i) Some Windows apps provide an access point to, or rely on, online services, and the use of those services is sometimes governed by separate terms and privacy policies, such as the Microsoft Services Agreement at (aka.ms/msa). You can view these terms and policies by looking at the service terms of use or the app's settings, as applicable; please read them. The services may not be available in all regions.

(ii) The manufacturer or installer may also preinstall apps, which will be subject to separate license terms.

(iii) The software may include third party software such as Adobe Flash Player that is licensed under its own terms. You agree that your use of Adobe Flash Player is governed by the license terms for Adobe Systems Incorporated at (aka.ms/adobeflash). Adobe and Flash are either registered trademarks or trademarks of Adobe Systems Incorporated in the United States and/or other countries.

(iv) The software may include third party programs that Microsoft, not the third party, licenses to you under this agreement. Notices, if any, for the third party program are included for your information only.

2. Installation and Use Rights.

a. License. The software is licensed, not sold. Under this agreement, we grant you the right to install and run one instance on your device (the licensed device), for use by one person at a time, so long as you comply with all the terms of this agreement. Updating or upgrading from non-genuine software with software from Microsoft or authorized sources does not make your original version or the updated/upgraded version genuine, and in that situation, you do not have a license to use the software.

b. Device. In this agreement, “device” means a physical hardware system with an internal storage device capable of running the software. A hardware partition or blade is considered to be a device.

c. Restrictions. The manufacturer or installer and Microsoft reserve all rights (such as rights under intellectual property laws) not expressly granted in this agreement. For example, this license does not give you any right to, and you may not:

- (i) use or virtualize features of the software separately;
- (ii) publish, copy (other than the permitted backup copy), rent, lease, or lend the software;
- (iii) transfer the software (except as permitted by this agreement);
- (iv) work around any technical restrictions or limitations in the software;
- (v) use the software as server software, for commercial hosting, make the software available for simultaneous use by multiple users over a network, install the software on a server and allow users to access it remotely, or install the software on a device for use only by remote users;
- (vi) reverse engineer, decompile, or disassemble the software, or attempt to do so, except if the laws where you live (or if a business where your principal place of business is located) permit this even when this agreement does not. In that case, you may do only what your law allows; and
- (vii) when using Internet-based features you may not use those features in any way that could interfere with anyone else’s use of them, or to try to gain access to or use any service, data, account, or network, in an unauthorized manner.

d. Multi use scenarios.

- (i) **Multiple versions.** If when acquiring the software you were provided with multiple versions (such as 32-bit and 64-bit versions), you may install and activate only one of those versions at a time.
- (ii) **Multiple or pooled connections.** Hardware or software you use to multiplex or pool connections, or reduce the number of devices or users that access or use the software, does not reduce the number of licenses you need. You may only use such hardware or software if you have a license for each instance of the software you are using.
- (iii) **Device connections.** You may allow up to 20 other devices to access the software installed on the licensed device for the purpose of using the following software features: file services, print services, Internet information services, and Internet connection sharing and telephony services on the licensed device. The 20 connection limit applies to devices that access the software indirectly through “multiplexing” or other software or hardware that pools connections. You may allow any number of devices to access the software on the licensed device to synchronize data between devices. This section does not mean, however, that you have the right to install the software, or use the primary function of the software (other than the features listed in this section), on any of these other devices.
- (iv) **Remote access.** Users may access the licensed device from another device using remote access technologies, but only on devices separately licensed to run the same or higher edition of this software.
- (v) **Remote assistance.** You may use remote assistance technologies to share an active session without obtaining any additional licenses for the software. Remote assistance allows one user to connect directly to another user’s computer, usually to correct problems.
- (vi) **Specific Use.** The manufacturer designed the licensed device for a specific use. You may only use the software for that use.
- (vii) **POS application.** If the software is installed on a retail point of service device, you may use the software with a point of service application (“POS Application”). A POS Application is a software application that provides only the following functions: (i) process sales and service transactions, scan and track inventory, record and/or transmit customer information, and perform related management functions, and/or (ii) provide information directly and indirectly to customers about available products and services.

For clarification purposes, an automated teller machine (“ATM”) is not a retail point of service device.

(viii) **Cloud Computing Devices.** If your device uses Internet browsing functionality to connect to and access cloud hosted applications: (i) no desktop functions may run locally on the device, and (ii) any files that result from the use of the desktop functions may not be permanently stored on the industry system. “Desktop functions,” as used in this agreement, means a consumer or business task or process performed by a computer or computing device. This includes word processing, spreadsheets, database, scheduling, and personal finance.

(ix) **Other Programs.** You may use other programs with the software as long as the other programs: (i) directly support the manufacturer’s specific use for the device, or (ii) provide system utilities, resource management, or anti-virus or similar protection.

e. Backup copy. You may make a single copy of the software for backup purposes, and may use that backup copy to transfer the software if it was acquired as stand-alone software, as described below.

3. Privacy; Consent to Use of Data. Your privacy is important to us. Some of the software features send or receive information when using those features. Many of these features can be switched off in the user interface, or you can choose not to use them. By accepting this agreement and using the software you agree that Microsoft may collect, use, and disclose the information as described in the Microsoft Privacy Statement available at (aka.ms/privacy), and as may be described in the user interface associated with the software features.

4. Transfer to a Third Party.

a. Software preinstalled on device. If you acquired the software preinstalled on a device, you may transfer the license to use the software directly to another user, only with the licensed device. The transfer must include the software and, if provided with the device, an authentic Windows label including the product key. Before any permitted transfer, the other party must agree that this agreement applies to the transfer and use of the software.

b. Stand-alone software. If you acquired the software as stand-alone software, you may transfer the software to another device that belongs to you. You may also transfer the software to a device owned by someone else if (i) you are the first licensed user of the software and (ii) the new user agrees to the terms of this agreement. You may use the backup copy we allow you to make or the media that the software came on to transfer the software. Every time you transfer the software to a new device, you must remove the software from the prior device. You may not transfer the software to share licenses between devices.

5. Authorized Software and Activation. You are authorized to use this software only if you are properly licensed and the software has been properly enabled and activated with a genuine product key or by other authorized method. When you connect to the Internet while using the software, the software will automatically contact Microsoft or its affiliate to confirm the software is genuine and the license is associated with the licensed device. You can also activate the software manually by Internet or telephone. In either case, transmission of certain information will occur, and Internet, telephone and SMS service charges may apply. During activation (or reactivation that may be triggered by changes to your device’s components), the software may determine that the installed instance of the software is counterfeit, improperly licensed or includes unauthorized changes. If activation fails, the software will attempt to repair itself by replacing any tampered Microsoft software with genuine Microsoft software. You may also receive reminders to obtain a proper license for the software. You may not bypass or circumvent activation. To help determine if your software is genuine and whether you are properly licensed, see (aka.ms/genuine). Certain updates, support, and other services might only be offered to users of genuine Microsoft software.

6. Updates. You may obtain updates only from Microsoft or authorized sources, and Microsoft may need to update your system to provide you with those updates. The software periodically checks for system and app updates, and may download and install them for you. To the extent automatic updates are enabled on your device, by accepting this agreement, you agree to receive these types of automatic updates without any additional notice.

7. Geographic and Export Restrictions. If your software is restricted for use in a particular geographic region, then you may activate the software only in that region. You must also comply with all domestic and international export laws and regulations that apply to the software, which include restrictions on

destinations, end users, and end use. For further information on geographic and export restrictions, visit (aka.ms/georestrict) and (aka.ms/exporting).

8.Support and Refund Procedures. For the software generally, contact the device manufacturer or installer for support options. Refer to the support number provided with the software. For updates and supplements obtained directly from Microsoft, Microsoft may provide limited support services for properly licensed software as described at (aka.ms/mssupport). If you are seeking a refund, contact the manufacturer or installer to determine its refund policies. You must comply with those policies, which might require you to return the software with the entire device on which the software is installed for a refund.

9.Binding Arbitration and Class Action Waiver if You Live in (or if a Business Your Principal Place of Business is in) the United States.

We hope we never have a dispute, but if we do, you and we agree to try for 60 days to resolve it informally. If we cannot, you and we agree to **binding individual arbitration before the American Arbitration Association (“AAA”) under the Federal Arbitration Act (“FAA”), and not to sue in court in front of a judge or jury.** Instead, a neutral arbitrator will decide and the arbitrator’s decision will be final except for a limited right of appeal under the FAA. **Class action lawsuits, class-wide arbitrations, private attorney-general actions, and any other proceeding where someone acts in a representative capacity are not allowed. Nor is combining individual proceedings without the consent of all parties.** “We,” “our,” and “us” includes Microsoft, the device manufacturer, and software installer.

a.Disputes covered—everything except IP. The term “dispute” is as broad as it can be. It includes any claim or controversy between you and the manufacturer or installer, or you and Microsoft, concerning the software, its price, or this agreement, under any legal theory including contract, warranty, tort, statute, or regulation, **except disputes relating to the enforcement or validity of your, your licensors’, our, or our licensors’ intellectual property rights.**

b.Mail a Notice of Dispute first. If you have a dispute and our customer service representatives cannot resolve it, send a Notice of Dispute by U.S. Mail to the manufacturer or installer, ATTN: LEGAL DEPARTMENT. If your dispute is with Microsoft, mail it to Microsoft Corporation, ATTN: LCA ARBITRATION, One Microsoft Way, Redmond, WA 98052-6399. Tell us your name, address, how to contact you, what the problem is, and what you want. A form is available at (aka.ms/disputeform). We will do the same if we have a dispute with you. After 60 days, you or we may start an arbitration if the dispute is unresolved.

c.Small claims court option. Instead of mailing a Notice of Dispute, and if you meet the court’s requirements, you may sue us in small claims court in your county of residence (or if a business your principal place of business) or our principal place of business—King County, Washington USA if your dispute is with Microsoft. We hope you will mail a Notice of Dispute and give us 60 days to try to work it out, but you do not have to before going to small claims court.

d.Arbitration procedure. The AAA will conduct any arbitration under its Commercial Arbitration Rules (or if you are an individual and use the software for personal or household use, or if the value of the dispute is \$75,000 USD or less whether or not you are an individual or how you use the software, its Consumer Arbitration Rules). For more information, see www.adr.org or call 1-800-778-7879. To start an arbitration, submit the form available at (aka.ms/arbitration) to the AAA; mail a copy to the manufacturer or installer (or to Microsoft if your dispute is with Microsoft). In a dispute involving \$25,000 USD or less, any hearing will be telephonic unless the arbitrator finds good cause to hold an in-person hearing instead. Any in-person hearing will take place in your county of residence (of if a business your principal place of business) or our principal place of business—King County, Washington if your dispute is with Microsoft. You choose. The arbitrator may award the same damages to you individually as a court could. The arbitrator may award declaratory or injunctive relief only to you individually to satisfy your individual claim.

e.Arbitration fees and payments.

(i) **Disputes involving \$75,000 USD or less.** The manufacturer or installer (or Microsoft if your dispute is with Microsoft) will promptly reimburse your filing fees and pay the AAA’s and arbitrator’s fees and expenses. If you reject our last written settlement offer made before the arbitrator was appointed, your dispute goes all the way to an arbitrator’s decision (called an “award”), and the arbitrator awards you more

than this last written offer, the manufacturer or installer (or Microsoft if your dispute is with Microsoft) will: (1) pay the greater of the award or \$1,000 USD; (2) pay your reasonable attorney's fees, if any; and (3) reimburse any expenses (including expert witness fees and costs) that your attorney reasonably accrues for investigating, preparing, and pursuing your claim in arbitration. The arbitrator will determine the amounts unless you and we agree on them.

(ii) **Disputes involving more than \$75,000 USD.** The AAA rules will govern payment of filing fees and the AAA's and arbitrator's fees and expenses.

(iii) **Disputes involving any amount.** If you start an arbitration, we will not seek our AAA or arbitrator's fees and expenses, or your filing fees we reimbursed, unless the arbitrator finds the arbitration frivolous or brought for an improper purpose. If we start an arbitration, we will pay all filing, AAA, and arbitrator's fees and expenses. We will not seek our attorney's fees or expenses from you in any arbitration. Fees and expenses are not counted in determining how much a dispute involves.

f. Must file within one year. You and we must file in small claims court or arbitration any claim or dispute (except intellectual property disputes — see Section 9.a.) within one year from when it first could be filed. Otherwise, it is permanently barred.

g. Severability. If the class action waiver is found to be illegal or unenforceable as to all or some parts of a dispute, those parts will not be arbitrated but will proceed in court, with the rest proceeding in arbitration. If any other provision of Section 9 is found to be illegal or unenforceable, that provision will be severed but the rest of Section 9 still applies.

h. Conflict with AAA rules. This agreement governs if it conflicts with the AAA's Commercial Arbitration Rules or Consumer Arbitration Rules.

i. Microsoft as party or third party beneficiary. If Microsoft is the device manufacturer or if you acquired the software from a retailer, Microsoft is a party to this agreement. Otherwise, Microsoft is not a party but is a third-party beneficiary of your agreement with the manufacturer or installer to resolve disputes through informal negotiation and arbitration.

10. Governing Law. The laws of the state or country where you live (or if a business where your principal place of business is located) govern all claims and disputes concerning the software, its price, or this agreement, including breach of contract claims and claims under state consumer protection laws, unfair competition laws, implied warranty laws, for unjust enrichment, and in tort, regardless of conflict of law principles, except that the FAA governs all provisions relating to arbitration.

11. Consumer Rights, Regional Variations. This agreement describes certain legal rights. You may have other rights, including consumer rights, under the laws of your state or country. You may also have rights with respect to the party from which you acquired the software. This agreement does not change those other rights if the laws of your state or country do not permit it to do so. For example, if you acquired the software in one of the below regions, or mandatory country law applies, then the following provisions apply to you:

a. Australia. References to "Limited Warranty" are references to the express warranty provided by Microsoft or the manufacturer or installer. This warranty is given in addition to other rights and remedies you may have under law, including your rights and remedies in accordance with the statutory guarantees under the Australian Consumer Law.

In this section, "goods" refers to the software for which Microsoft or the manufacturer or installer provides the express warranty. Our goods come with guarantees that cannot be excluded under the Australian Consumer Law. You are entitled to a replacement or refund for a major failure and compensation for any other reasonably foreseeable loss or damage. You are also entitled to have the goods repaired or replaced if the goods fail to be of acceptable quality and the failure does not amount to a major failure.

b. Canada. You may stop receiving updates on your device by turning off Internet access. If and when you re-connect to the Internet, the software will resume checking for and installing updates.

c. European Union. The academic use restriction in Section 12.d (i) below does not apply in the jurisdictions listed on this site: (aka.ms/academicuse).

d. Germany and Austria.

(i) **Warranty.** The properly licensed software will perform substantially as described in any

Microsoft materials that accompany the software. However, the manufacturer or installer, and Microsoft, give no contractual guarantee in relation to the licensed software.

(ii) **Limitation of Liability.** In case of intentional conduct, gross negligence, claims based on the Product Liability Act, as well as, in case of death or personal or physical injury, the manufacturer or installer, or Microsoft is liable according to the statutory law.

Subject to the preceding sentence, the manufacturer or installer, or Microsoft will only be liable for slight negligence if the manufacturer or installer or Microsoft is in breach of such material contractual obligations, the fulfillment of which facilitate the due performance of this agreement, the breach of which would endanger the purpose of this agreement and the compliance with which a party may constantly trust in (so-called "cardinal obligations"). In other cases of slight negligence, the manufacturer, installer, or Microsoft will not be liable for slight negligence.

12. Additional Notices.

a. Networks, data and Internet usage. Some features of the software and services accessed through the software may require your device to access the Internet. Your access and usage (including charges) may be subject to the terms of your cellular or internet provider agreement. Certain features of the software may help you access the Internet more efficiently, but the software's usage calculations may be different from your service provider's measurements. You are always responsible for (i) understanding and complying with the terms of your own plans and agreements, and (ii) any issues arising from using or accessing networks, including public/open networks. You may use the software to connect to networks, and to share access information about those networks, only if you have permission to do so.

b.H.264/AVC and MPEG-4 visual standards and VC-1 video standards. The software may include H.264/MPEG-4 AVC and/or VC-1 decoding technology. MPEG LA, L.L.C. requires this notice:

THIS PRODUCT IS LICENSED UNDER THE AVC, THE VC-1, AND THE MPEG-4 PART 2 VISUAL PATENT PORTFOLIO LICENSES FOR THE PERSONAL AND NON-COMMERCIAL USE OF A CONSUMER TO (i) ENCODE VIDEO IN COMPLIANCE WITH THE ABOVE STANDARDS ("VIDEO STANDARDS") AND/OR (ii) DECODE AVC, VC-1, AND MPEG-4 PART 2 VIDEO THAT WAS ENCODED BY A CONSUMER ENGAGED IN A PERSONAL AND NON-COMMERCIAL ACTIVITY AND/OR WAS OBTAINED FROM A VIDEO PROVIDER LICENSED TO PROVIDE SUCH VIDEO. NO LICENSE IS GRANTED OR SHALL BE IMPLIED FOR ANY OTHER USE. ADDITIONAL INFORMATION MAY BE OBTAINED FROM MPEG LA, L.L.C. SEE WWW.MPEGLA.COM.

c. Malware protection. Microsoft cares about protecting your device from malware. The software will turn on malware protection if other protection is not installed or has expired. To do so, other antimalware software will be disabled or may have to be removed.

d.Limited rights versions. If the software version you acquired is marked or otherwise intended for a specific or limited use, then you may only use it as specified. You may use other programs with the software as long as the other programs directly support the manufacturer's specific use for the device, or provide system utilities, resource management, or anti-virus or similar protection.

(i) **Academic.** For academic use, you must be a student, faculty or staff of an educational institution at the time of purchase.

(ii) **Evaluation.** For evaluation (or test or demonstration) use, you may not sell the software, use it in a live operating environment, or use it after the evaluation period. Notwithstanding anything to the contrary in this Agreement, evaluation software is provided "AS IS".

(iii) **NFR.** You may not sell software marked as "NFR" or "Not for Resale".

13. Entire Agreement. This agreement (together with the printed paper license terms or other terms accompanying any software supplements, updates, and services that are provided by the manufacturer or installer, or Microsoft, and that you use), and the terms contained in web links listed in this agreement, are the entire agreement for the software and any such supplements, updates, and services (unless the manufacturer or installer, or Microsoft, provides other terms with such supplements, updates, or services). You can review this agreement after your software is running by going to microsoft.com/useterms or going to Settings - System - About within the software. You can also review the terms at any of the links in this agreement by typing the URLs into a browser address bar, and you agree to do so. You agree that you will

read the terms before using the software or services, including any linked terms. You understand that by using the software and services, you ratify this agreement and the linked terms. There are also informational links in this agreement. The links containing notices and binding terms are:

- [Windows 10 Privacy Statement \(aka.ms/privacy\)](https://aka.ms/privacy)
- [Microsoft Services Agreement \(aka.ms/msa\)](https://aka.ms/msa)
- [Adobe Flash Player License Equipment Terms \(aka.ms/adobeflash\)](https://aka.ms/adobeflash)

**EXHIBIT A-2
TO SCHEDULE D**

TRAINING AND INSTALLATION

1. Training. The training program will include:
 - c. Front of House Operations:
 - 1)How to View Closed Orders/Reopen an order
 - 2)How to Adjust Payment
 - 3)How to Edit Shifts for current business date
 - 4)How to Manage Drawers (public vs assigned cashier)
 - 5)How to Reprint a Checkout
 - 6)How to Undo a Checkout
 - 7)How to Edit a Checkout
 - 8)How to manually open the drawer w/o entering an order
 - 9)How to run reports
 - 10) Load Brink Portal on Mobile Devices
 - 11) Set-Up Scheduled Reports & Alerts
 - d. Back of House Operations
 - 1)How to Edit Shifts for previous business date
 - 2)How to enter VAR Information (credit card processor settings) into Settings Editor
 - 3)How to change the Price of an Item in Settings Editor
 - 4)How to Add an Employee into Settings Editor
 - 5)How to Edit an Employee in Settings Editor
 - 6)Pulling Up Previous Day Orders and Search Methodology
 - 7)End or Beginning of Day Procedures
2. Installations.
 - a. Any installation that is aborted without 48 hours' prior notice from the scheduled installation will incur \$750 fee at Customer's expense.
 - b. Customer will be required to follow best POS practices with store level networks & internet connectivity
 - c. ParTech will require a 4-5-week lead time for all installations
 - d. All contracts signed with less than 4-week lead time will be addressed on a case by case basis. ParTech will not guarantee installation without 4-week lead time.
 - e. All Customer-provided hardware must go through ParTech's Validation & certification process prior to contract signing or delays can incur.

**EXHIBIT B-1
TO SCHEDULE D**



Subscription Services Agreement

This agreement is between ParTech, Inc., a New York corporation (**PAR**), and the entity or individual agreeing to these terms (**Customer**). It is dated as of the date Customer signs below.

1) RESTAURANT POINT OF SALE SOFTWARE SERVICE.

- a)** This agreement provides Customer with a license right to access PAR's proprietary web-based restaurant point of sale software service, with the main functionality located at <https://admin.brinkpos.net>:
- b)** PAR will provide this functionality through hosted server environment under the terms below (**Service**) and through a licensed desktop software client (**Licensed Software**) that will act as the interface to the Service. PAR hereby grants Customer a personal, non-transferable, and non-exclusive right and limited license to use the Licensed Software in connection with the Services solely for the purpose of managing Customer's internal business.

2) USE OF SERVICES.

- a) PAR Customer Support.** PAR must provide customer support for the Services under the terms of PAR's Help Desk Support Services as set forth on Exhibit B-2.
- b) Employee and Contractor Access and Use.** Customer may allow its employees and contractors to access the Services in compliance with the terms of this agreement, which access must be for the sole benefit of Customer. Customer is responsible for its employees and contractors compliance with this agreement. Each employee, contractor and client, as the case may be, must agree to PAR's end user license agreement before using the PAR desktop software.
- c) Customer Responsibilities.** Customer (i) is solely responsible for Customer Data (defined below) and all activity in its account in the Service, (ii) must use commercially reasonable efforts to prevent unauthorized access to its account in the Service, and notify PAR promptly of any such unauthorized access, (iii) may use the Services only in accordance

with the Services online documentation and applicable law, and (iv) is responsible for determining the applicability of any local laws or regulations with respect to use of products supplied by PAR including any employment laws relating to employee wage and hour. If Customer is a franchisee of Franchisor, PAR and Customer agree that Franchisor is not responsible for Customer's obligations provided herein and is not liable for any claim or action arising out of such obligations.

d) Restrictions: Customer *may not* (i) directly or indirectly access or use the Licensed Software or the Services to process data or information for any person or entity other than Customer, and neither Customer nor its authorized users shall use or permit the desktop software client or the Services to be used as a service bureau, (ii) sell, resell, sublicense, loan, rent or lease the Licensed Software or the Service, (iii) use the Services to store or transmit infringing, unsolicited marketing emails, libelous, or otherwise unlawful or tortious material, or to store or transmit material in violation of third-party rights, (iv) interfere with or disrupt the integrity or performance of the Services, or (iv) attempt to gain unauthorized access to the Services or their related systems or networks.

3) **PAYMENT TERMS.** Customer must pay all fees as specified on the order, but if not specified then within 30 days of receipt of an invoice. Customer is responsible for the payment of all sales, use, VAT and other similar taxes. There is no separate fee for the license to the desktop software.

4) **SERVICE LEVEL AGREEMENT, DISCLAIMER OF WARRANTIES AND LIMITATION OF LIABILITY.**

a) Services Availability Warranty. PAR warrants to Customer, (i) that commercially reasonable efforts will be made to maintain the online availability of the Services for a minimum of availability in any given month as provided in the chart below (**Availability Warranty**), (ii) the functionality or features of the Services may change but will not materially decrease during a paid term, and (iii) that the Help Desk Support Services may change but will not materially degrade during any paid term.

b) The following outages and downtime shall be excluded from the Availability Warranty: (a) requested by Customer; (b) caused by Customer or Customer contractors and agents; (c) scheduled maintenance and upgrade purposes; (d) caused by Customer's computer system, web browser, hardware or software applications not provided by PAR; (e) power failures; (f) service failures caused by a service provider other than PAR or PAR's agents; (g) acts of vandalism, computer hacking, or damage to systems or telecommunication facilities outside of PAR's control, other than acts taken by or caused by PAR personnel; (h) outages and downtime that arises as a result of Customer's failure to upgrade or refresh required hardware and equipment where such non-compliance was communicated by PAR with adequate notice and where compliance is consistent with good business practices; and (i) other causes beyond PAR's reasonable control.

c) PAR shall issue a credit equal to the pro-rated portion of the monthly Service Fees for the downtime period attributable to PAR below the 99% threshold per month in accordance with the table below:

Availability Warranty	Credit/Refund
99 - 95%	10% of monthly fee
94.99 - 90%	20% of monthly fee
Less than 90%	50% of monthly fee

Any credit due shall be refunded to you on a yearly basis and will be applied to your account. At the end of the Initial Term of the Agreement in the event of non-renewal, if a credit is due to you, a cash credit will be issued to you within sixty (60) days.

d) DISCLAIMER OF WARRANTIES. EXCEPT FOR THE WARRANTIES SET FORTH ABOVE, PAR MAKES NO WARRANTY AS TO THE SERVICES, THE LICENSED SOFTWARE OR THE RESULTS TO BE OBTAINED FROM CUSTOMER'S USE OF THE SERVICES OR THE LICENSED SOFTWARE. THE SERVICES AND THE USE OF THE LICENSED SOFTWARE ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS WITHOUT WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, ALL OTHER WARRANTIES ARE DISCLAIMED AND EXCLUDED INCLUDING BUT NOT LIMITED TO WARRANTIES OF TITLE, NON-INFRINGEMENT OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. CUSTOMER ASSUMES FULL RESPONSIBILITY AND RISK FOR USE OF THE SERVICES, THE LICENSED SOFTWARE AND THE INTERNET. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, PAR DOES NOT WARRANT THAT THE SERVICES WILL BE UNINTERRUPTED, ERROR-FREE OR THAT UNAUTHORIZED ACCESS TO THE SERVICE BY THIRD PARTIES ("HACKING") CAN BE PREVENTED. THE EXPRESS WARRANTIES SPECIFIED IN THIS AGREEMENT OR FURNISHED WITH THE SERVICES BY US ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. WE DISCLAIM AND EXCLUDE ANY AND ALL OTHER WARRANTIES.

e) LIMITATION OF LIABILITY. CUSTOMER'S EXCLUSIVE REMEDY AND PAR'S SOLE LIABILITY FOR BREACH OF WARRANTY IN PARAGRAPH 4.(a)(i) ABOVE, WILL BE FOR PAR TO ISSUE A CREDIT AS PROVIDED IN THE CHART ABOVE (IF THIS AGREEMENT IS NOT RENEWED, THEN A REFUND), FOR THE MONTH; PROVIDED THAT CUSTOMER NOTIFIES PAR OF SUCH BREACH WITHIN 15 DAYS OF THE END OF THE MONTH IN WHICH THE BREACH OCCURRED. FAILURE TO NOTIFY OF THE BREACH WITHIN THE TIME PERIOD SPECIFIED WILL CONSTITUTE A WAIVER OF THE BREACH. EXCEPT AS PROVIDED ABOVE AND HEREIN, TO THE MAXIMUM EXTENT PERMITTED BY LAW, UNDER NO CIRCUMSTANCES AND UNDER NO LEGAL THEORY, INCLUDING WITHOUT LIMITATION TORT, CONTRACT, OR OTHERWISE, SHALL PAR OR ITS SUPPLIERS BE LIABLE TO CUSTOMER OR ANY OTHER PERSON FOR ANY MONEY DAMAGES, WHETHER DIRECT, INDIRECT, SPECIAL, INCIDENTAL, COVER, RELIANCE OR CONSEQUENTIAL DAMAGES, (INCLUDING WITHOUT LIMITATION LOSS OF BUSINESS PROFITS, LOSS OF SERVICE, BUSINESS INTERRUPTION, LOSS OF OR INCORRECT BUSINESS INFORMATION/DATA AND THE LIKE) SUFFERED OR INCURRED BY CUSTOMER OR ANY THIRD PARTY EVEN IF PAR SHALL HAVE BEEN INFORMED OF THE POSSIBILITY OF SUCH DAMAGES, OR FOR ANY CLAIM BY ANY OTHER PARTY. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, PAR AND/OR ITS SUPPLIERS SHALL BE LIABLE TO CUSTOMER FOR DIRECT DAMAGES. IN THE EVENT THAT, PAR IS FOUND LIABLE TO CUSTOMER FOR DAMAGES FROM ANY CAUSE WHATSOEVER, PAR'S MAXIMUM LIABILITY TO CUSTOMER WILL BE LIMITED TO TWO TIMES THE AMOUNT PAID FOR THE SERVICES IN THE TWELVE (12) MONTHS PRECEDING THE DATE THE CAUSE OF ACTION ACCRUED.

5) MUTUAL CONFIDENTIALITY.

- a) **Definition of Confidential Information.** Confidential Information means all confidential information disclosed by a party (**Discloser**) to the other party (**Recipient**), whether orally or in writing, that is designated as confidential or that reasonably should be understood to be confidential given the nature of the information and the circumstances of disclosure (**Confidential Information**). PAR's Confidential Information includes without limitation the Services and Licensed Software and Documentation (defined below), any part of the foregoing and PAR's pricing.
- b) **Protection of Confidential Information.** The Recipient must use the same degree of care that it uses to protect the confidentiality of its own confidential information (but in no event less than reasonable care) not to disclose or use any Confidential Information of the Disclosing Party for any purpose outside the scope of this agreement. The Recipient must make commercially reasonable efforts to limit access to Confidential Information of Discloser to those of its employees and contractors who need such access for purposes consistent with this agreement and who have signed confidentiality agreements with Recipient no less restrictive than the confidentiality terms of this agreement.
- c) **Exclusions.** Confidential Information *excludes* information that: (i) is or becomes generally known to the public without breach of any obligation owed to Discloser, (ii) was known to the Recipient prior to its disclosure by the Discloser without breach of any obligation owed to the Discloser, (iii) is received from a third party without breach of any obligation owed to Discloser, or (iv) was independently developed by the Recipient without use or access to the Confidential Information.
- d) **Disclosure Required by Law.** The Recipient may disclose Confidential Information to the extent required by law or court order, but will provide Discloser with advance notice to seek a protective order. Recipient will only disclose the limited information required to be disclosed by law or the court order.

6) PROPRIETARY RIGHTS.

- a) **Reservation of Rights by PAR.** The software, workflow processes, user interface, designs, know-how, Licensed Software and Documentation, and other technologies provided by PAR as part of the Services are the proprietary property of PAR and its licensors, and all right, title and interest in and to such items, including all associated intellectual property rights, remain only with PAR. PAR reserves all rights unless expressly granted in this agreement. PAR shall have a royalty-free, worldwide, transferable, sublicenseable, irrevocable, perpetual license to use or incorporate into the Services any suggestions, enhancement requests, recommendations or other feedback provided by Customer or its users relating to the operation of the Service.
- b) **Customer Restrictions.** Customer *may not*:
 - i) Use the Services or the Licensed Software and Documentation beyond its internal operations;
 - ii) Reverse engineer the Services or the Licensed Documentation;
 - iii) Remove or modify any proprietary marking or restrictive legends in the Service or Licensed Software and Documentation; or
 - iv) Access the Service or use the Licensed Software and Documentation to build a competitive service or product, or copy any feature, function or graphic for competitive purposes.

- c) **Customer Owned Data.** All data uploaded by Customer remains the sole property of Customer, as between PAR and Customer (**Customer Data**), subject to the other terms of this agreement. Customer grants PAR the right to use the Customer Data for purposes of performing under this agreement. Customer grants PAR the right to use non-identifiable aggregate Customer Data for purposes falling outside this agreement. Upon request, PAR will provide comma separated files containing order and customer records.
- d) **Licensed Software and Documentation.** All online documentation, training material and other documentation and material provided through the Services and by PAR, are licensed (and not sold) to Customer as follows: PAR grants Customer a non-exclusive, license during the Term (defined below) to such items for use solely with the Services, with the right to make additional copies as necessary for such duration and purpose (**Licensed Software and Documentation**).

7) **TERM, TERMINATION, SUSPENSION OF SERVICE AND RETURN OF DATA.**

- a) **Term and Renewal.** The term of this agreement shall expire on the last day of each calendar month, but automatically shall be renewed for the succeeding calendar month unless Customer in its sole and absolute discretion has delivered written notice of cancellation to PAR at least 30 days prior to the first day of such succeeding calendar month. In PAR's discretion, it may upon 60 days prior notice suspend automatic renewal of the Service and further renewal subject to acceptance by Customer of updates to these terms and conditions.
- b) **Mutual Termination for Material Breach.** If either party is in breach of any material term of this agreement, the other party may terminate this agreement at the end of a written 30-day notice/cure period, if the breach has not been cured.
 - i) Actions upon Termination for Material Breach.
 - (a) *Upon any termination as provided in 7(b) above by Customer, PAR must refund any prepaid and unused fees covering the remainder of the Term.*
 - (b) *Upon any termination as provided in 7(b) above by PAR, Customer must pay any unpaid fees covering the remainder of the Term. The Services will also be terminated.*
- c) **Upon Termination or Expiration (for any reason).** Upon termination or expiration of this agreement (for any reason), Customer must destroy or return all Software and Licensed Documentation and all other property of PAR. Customer will confirm its compliance with this requirement in writing upon request of PAR.
- d) **Return of Customer Data.**
 - i) *Within 60-days after termination, upon request PAR will make the Customer Data available for no charge, in the format specified in Section 6(c).*
 - ii) *After such 60-day period, PAR has no obligation to maintain the Customer Data and may destroy it.*

8) **FEES, INVOICES AND LATE PAYMENTS.**

- a) **Service Fees.** To subscribe to the Services, Customer shall pay the monthly subscription fees (collectively, "Service Fees") as set forth on the Subscription Services Order. The Service Fees shall be non-refundable, except as otherwise provided herein. PAR will

provide you with thirty (30) days' notice of any change in the Service Fees prior to any Renewal Term.

b) Invoices. Invoices for Service Fees shall be submitted to Customer on a monthly basis and shall be payable in advance, as applicable.

c) Payment. Customer agrees to pay invoices, including any taxes that apply to Customer within thirty (30) days from date of invoice. Any delay in the transmission of the invoice from PAR to Customer, resulting from any cause arising after dispatch of the invoice by PAR and over which PAR has no control, shall not extend the period of payment. An interest charge of 1.5% per month, or the maximum applicable under State law, shall be paid on all overdue accounts to the extent permitted by law.

9) **GOVERNING LAW.** This Agreement shall be construed and interpreted in accordance with the laws of the State of New York. Customer hereby agrees to submit to the jurisdiction and venue of the United States District Court for the Northern District of New York and the Supreme Court of the State of New York for the purposes of adjudicating any dispute or action arising out of or in connection herewith. Customer consents to the personal jurisdiction of such courts and waives any claim that it is an inconvenient forum. The prevailing party in litigation is entitled to recover its reasonable attorneys' fees and reasonable costs from the other party.

10) INDEMNITY.

a) By PAR. If a third-party alleges that Customer's use of the Services (other than related to the Customer Data) infringes that party's patent, copyright or other proprietary right, PAR shall defend Customer against that claim at PAR' expense and pay all costs, damages, and attorney's fees, that a court finally awards or that are included in a settlement approved by PAR, provided that Customer:

(1) promptly notifies PAR in writing of the claim; and

(2) allows PAR to control, and cooperates with PAR in, the defense and any related settlement.

If such a claim is made, PAR could continue to enable Customer to use the Services or to modify it. If PAR determines that these alternatives are not reasonably available, PAR may terminate the Services (without any liability to Customer) upon notice to Customer and with the return of any prepaid and unused fees.

b) By Customer. If a third-party alleges that the Customer Data infringes or violates a right of that third-party, Customer shall defend PAR against that claim at Customer's expense and pay all costs, damages, and attorney's fees, that a court finally awards or that are included in a settlement approved by Customer, provided that PAR:

(1) promptly notifies Customer in writing of the claim; and

(2) allows Customer to control, and cooperates with Customer in, the defense and any related settlement.

11) MISCELLANEOUS OTHER TERMS.

a) Money Damages Insufficient. Any breach by a party of this agreement or violation of the other party's intellectual property rights could cause irreparable injury or harm to the other party. The other party may seek a court order to stop any breach or avoid any future breach.

- b) **Force Majeure.** PAR shall not be liable for any delay in performance under this Agreement resulting from any cause beyond our reasonable control, including without limitation, any act of God, fires, storms, floods, explosions, strikes, work stoppages or slowdowns, or other industrial disputes, legal action, failure or delay of supplies from ordinary sources, accidents, riots, war or civil disturbances, or acts of civil or military authorities. The sole terms and conditions governing the purchase of the Services from PAR are contained in this Agreement and any terms or conditions contained on the face or back of any Customer purchase order or other document shall be without effect.
- c) **Entire Agreement and Changes.** This agreement and the order constitute the entire agreement between the parties, and supersede all prior or contemporaneous negotiations, agreements and representations, whether oral or written, related to this subject matter. No modification or waiver of any term of this agreement is effective unless both parties sign it.
- d) **No Assignment.** Neither party may assign or transfer this agreement or an order to a third party, except that this agreement with all orders may be assigned as part of a merger, or sale of all or substantially all of the business or assets, of a party.
- e) **Independent Contractors.** The parties are independent contractors with respect to each other.
- f) **Enforceability.** If any term of this agreement is invalid or unenforceable, the other terms remain in effect.
- g) **No Additional Terms.** PAR rejects additional or conflicting terms of any Customer form-purchasing document.
- h) **Survival of Terms.** Any terms that by their nature survive termination or expiration of this agreement, will survive.
- i) **CISG Not Apply.** The Convention on Contracts for the International Sale of Goods does not apply.
- j) **Notices.** Notices shall be deemed given upon receipt. Any notices required to be given shall be in writing and in the case of notice to Customer, shall be sent to the billing address or fax number on the Software Subscription Sales Order. In the case of notice to PAR, such notice shall be sent via postage prepaid certified mail or by overnight courier to: ParTech, Inc. (Attn: Legal Department); PAR Technology Park; 8383 Seneca Turnpike; New Hartford, NY 13413-4991.
- k) **Press Releases.** INTENTIONALLY DELETED.
- l) **Consumer Mobile/On-line Ordering, Payment Processing & Restaurant Reservation.** (Applicable to use within the U.S. only). PAR currently has a License Agreement with Ameranth, Inc. Your use of the Licensed Software or Service to process mobile/on-line ordering for food/beverage orders, payment processing, restaurant reservations and the processing of such transactions on a wireless handheld computing device and on internet web pages is covered by PAR's License Agreement with Ameranth, as long as you are using the Licensed Software or Service to process these transactions, and you are paying PAR a transaction processing fee. If you are using your own proprietary software or third party software integrated to the Licensed Software or Service to process these transactions, your use is not covered by PAR's License Agreement with Ameranth, and you would need a separate license Agreement (or other authorization) from Ameranth to you or a third party that you license from to process such transactions. If you have questions about the

application of the Ameranth patents to your own proprietary software or any third party software, you should obtain legal advice before you develop any integration.

Agreed:

Company

Date

Signature

Printed Name

Title

**EXHIBIT B-2
TO SCHEDULE D**

HELP DESK SUPPORT SERVICES

1. SERVICES PROVIDED

- a. We will provide a toll-free number and trained technical staff, available 24 hours a day, 7 days a week to respond to your requests for telephone support.
- b. We will provide the level of service subscribed to on the first page of this Agreement, hardware diagnostic and operational/procedural telephone support to assist in identifying and resolving your Equipment problems.
- c. Help Desk Support covers the following types of requests:
 - o Resolution or explanation of PAR application generated error messages.
 - o Assistance with user or operational problems that occur during normal system operations.
 - o Guidance with procedural and system functionality or capability questions.
 - o Research, identification and escalation of PAR software defects.
 - o Assistance with the identification of programming issues or changes necessary to correct functionality or reporting issues.
 - o Recommendations for proper system maintenance.
 - o Explanation and suggested resolution of operating system generated error messages.
 - o Root cause analysis of crashes and/or problems using software.
 - o Resolution of supported printer or other peripheral problems directly related to PAR applications.
 - o Referral to 3rd parties after the PAR system is ruled out as the possible cause of the problem.
 - o General information concerning PAR interface specifications and capability.
- d. We will use our best reasonable efforts to respond to all your requests for telephone support within our then current standard response times. Our current standard response times are:

<u>Severity</u>	<u>Description</u>	<u>Response Time</u>
Urgent (P1)	PAR licensed programs cannot be used at all, or disrupt the functionality of the Customer's system to the extent that the system cannot be used	90% responded to within 15 minutes
Medium (P2)	Problem requires circumvention or workaround of documented functionality, but the overall system functionality is still	90% within 30 minutes for Level 1 support.

<u>Severity</u>	<u>Description</u>	<u>Response Time</u>
	maintained.	
Low (P3)	Issue is operational/procedural and can be readily worked around.	90% within 120 minutes for Level 1 support. Any e-support ticket is responded to by next business day, during business hours. 90% response within 120 minutes.
After Hours support 6pm to 6 am Mountain Time	All system down, Priority 1, urgent/emergency, after hours requests dispatched to Level 1 agent ----- All non-urgent/emergency after hours support requests, dispatched to Level 1 team for next business day	90% responded to within 30 minutes ----- Response within 120 minutes of business start at 6am Mountain Time

2. CUSTOMER RESPONSIBILITIES. In addition to the Responsibilities stated in Section E.4., you agree to:

- Designate a knowledgeable “property expert” responsible for maintaining the system, including such duties as; primary contact for resolving technical issues, maintaining site configurations, establishing processes and procedures for change management, etc.
- Perform regularly scheduled system and database backups and ensure that they are available when required.
- Maintain a working dedicated phone line or broadband connection that allows for remote diagnosis of the PAR system. The customer is responsible for providing a working phone line, support modem and remote connection method.
- Customer is responsible for maintaining and managing adequate firewall and virus protection.
- Maintain access to all required software, including operating system installation media, PAR application software and applicable service pack, system specific driver files and any applicable license or key codes.
- Maintain appropriate disaster recovery software, backups, boot disks, etc.
- Assist with the resolution of all system related problems. The customer can expect to be required to dedicate some time to assist the PAR support representative in resolving problems.
- Be prepared to provide all information needed including error codes, process or procedures leading up to the error and any other information that may be relevant and might help to expedite the resolution.
- Plan and schedule ahead of time any services that are not normally covered under the terms of your support contract. PAR Customer Support will not perform any

services not covered by a contract without having been previously authorized and scheduled in advance.

3. EXCLUSIONS FROM COVERAGE. The following items are excluded from the coverage under the Telephone Support offerings and may be provided as a “special” offering:

- In-depth training. If the support request is a request to provide system functionality training and will require an extended amount of the technical support engineer’s time, the customer may be referred to our Professional Services department for consulting and training services.
- Assistance with configuration, installation or addition of new hardware or peripherals, where the operation requires a certified PAR installation or Professional Services specialist.
- Resolution of problems related to 3rd party applications or hardware devices not sold by PAR.
- Issues related to the installation, administration and use of technologies that may be connected to the PAR system, but were not originally sold or ‘certified’ as PAR supported products.
- Resolution of problems or issues related to a customer installed and maintained network, including any Wi-Fi solution.
- Resolution of problems or issues related to virus or firewall management.
- Reinstallation of Operating System from scratch, assisting with loading of operating system upgrades, patches or release supplements or restoration of files.
- Copying images onto any machine other than the machine that originated the image or correcting issues on a system where a ghost image, backup or hard disk from another system was installed.
- Support and resolution of issues with any non-PAR hardware is delivered on a best effort basis.
- Performing system administration tasks including but not limited to adding users, maintaining file system or database integrity, monitoring system resource, performing backup and storing software.
- Performing system configuration changes as a result of the client’s decision to change internet or credit card processing providers.
- Programming of database files and scripts required for back office applications or other interfaces and generally any changes, testing or installation of interface scripts or files not part of the PAR standard installation.
- Programming of new reports or reprinting of reports and journals from archive.
- Audit accounting or balancing of transactional detail. Issues related to cash or credit imbalances are not covered under any support agreement and are the responsibility of the customer. While technical advice regarding a specific report may be given, it is not the responsibility of the PAR agent to determine whether a cash or credit imbalance exists or to determine the cause of the alleged imbalance. PAR agents will refrain from any manipulation of statistics or investigation of deposits or other financial transaction detail related to the customer’s request.
- Rebuilding of database tables, totals files, reposting of totals or any manual manipulation of database files, when the root cause of the issue lies with the customer or customer environment.

- Reposting of any sales totals or transactions, including credit card sales or transactions.
- Assistance with or correction of issues that are caused by the user environment. If PAR personnel conclude that a problem being reported by a Customer is due to defects in the user's environment, PAR personnel will notify the Customer. Examples of defects in the user's environment would include: electrical disturbance due to sub-standard electrical system installation or poor electrical supply, software failures that result from the installation of other 3rd party software or viruses contracted via the internet or loading of other software, incorrectly installed equipment which creates electrical disturbance or natural disasters created by fire, flood or any other 'acts of god'. Additional support by PAR personnel to remedy performance issues due to the user environment are categorized as Consulting Services or "out of scope" services, which are provided on a fee basis. This would also apply to any request to recover or settle an inordinate amount of credit sales transactions, due to the failure to address any credit transaction errors in a timely manner.
- Other special projects or out of scope work. Please contact your Sales representative to obtain a quote for any special projects related to your PAR product implementation or use. Programs for items such as change management, asset management, data management, etc. can be tailored to suit the needs of the specific customer organization and priced accordingly. Special training and consulting needs can be handled by our Professional Services department.

Exhibit D-1 to Master Service Agreement: [SAMPLE] MERCHANT AGREEMENT

This MERCHANT AGREEMENT (the “*Agreement*”) is made by and between the merchant identified below (“*Merchant*”), also [] **the franchisor** (“*Franchisor*”) OR [] **a franchisee** (“*Franchisee*”) of the Flame Broiler brand, and Spendgo, Inc. (“*Service Provider*”), a Delaware corporation with its principal place of business located at 2196 3rd Street, San Francisco CA 94107. This Agreement is effective as of _____ (the “*Effective Date*”).

MERCHANT INFORMATION:	
BUSINESS LEGAL NAME:	PRINCIPAL CONTACT PERSON:
	PHONE:
	EMAIL:
MAILING ADDRESS (FOR BILLING AND NOTICES):	BILLING CONTACT PERSON:
	PHONE:
	EMAIL:

1. DEFINITIONS.

1.1 “*Deliverables*” means any deliverables resulting from Professional Services, as set forth and described in an MSS or on **Exhibit A**.

1.2 “*Documentation*” means text and/or graphical documentation, whether in the Online Platform or printed format, that describe the features, functions and operation of the Service Provider Services, which materials are designed to facilitate use of the Service Provider Services and which are made available by Service Provider to the Merchant.

1.3 “*Local Software*” means any software, other than the Online Platform, made available by Service Provider to the Merchant, including any mobile application and any API, solely in object code form.

1.4 “*Loyalty and Digital Receipt Services*” means, to the extent purchased by Merchant as set forth in an MSS, the loyalty and digital receipt services set forth and described on **Exhibit A**.

1.5 “*Identity Management Services*” means, to the extent purchased by Merchant as set forth in an MSS, the identity management services set forth and described on **Exhibit A**.

1.6 “*Merchant Content*” means, with the approval of Franchisor, photographs, texts, images, videos, incentives and rewards program content and any other content made available by Merchant to Service Provider for use by Service Provider in accordance with this Agreement.

1.7 “*Merchant Marks*” means, with the approval of Franchisor, trademarks, service marks and logos owned and made available by Merchant to Service Provider for use by Service Provider in accordance with this Agreement.

1.8 “*Merchant Transaction Data*” means Transaction Information that that Service Provider collects, at the point of sale, related to a transaction within a Merchant’s retail location, as well as any other data that Merchant directly provides to Service Provider (including purchase data and prior purchase or loyalty program data). To the extent allowed under the applicable laws, the Parties agree that Merchant shall be the owner of the Merchant Transaction Data.

1.9 “*Messaging Services*” means, to the extent purchased by Merchant as set forth in an MSS, the messaging services set forth and described on **Exhibit A**.

1.10 “*MSS*” means a merchant service summary entered into by the parties in substantially the form set forth in **Exhibit C-1 or Exhibit C-2**.

1.11 “*Online Platform*” means the online, web-based applications or platform provided by Service Provider for the SaaS Services.

1.12 “*Professional Services*” means, to the extent purchased by Merchant as set forth in an MSS, development and other professional services set forth and described on **Exhibit A**.

1.13 “*Purchaser*” means an individual who is also one of Merchant’s purchasers, end users or customers.

1.14 “*Registered Purchaser*” means a Purchaser who has agreed to the Spendgo Terms of Use (whether online, through a mobile app, at the point of sale, or otherwise).

1.15 “*SaaS Services*” means the Loyalty and Digital Receipt Services, and the Identity Management Services.

1.16 “*Service Commitment*” means the initial term for which Merchant has committed to a subscription for SaaS Services as set forth in an MSS.

1.17 “*Service Provider Services*” means the Professional Services, the Messaging Services and the SaaS Services. In addition, Service Provider Services includes any Local Software, Online Platform, Deliverables, and Documentation made available by Service Provider to the Merchant in connection with the provision of Professional Services, Messaging Services or SaaS Services.

1.18 “*Spendgo Data*” shall mean any information associated with or relating to a Registered Purchaser’s Spendgo account and any information that Service Provider collects or receives from or about a Registered Purchaser, as well as aggregate or statistical information derived from Transaction Information, the Local Software, the Online Platform, or from Spendgo’s online website or mobile application. The parties acknowledge and agree that the

Spendgo Data may also include certain Merchant Transaction Data.

1.19 “*Transaction Information*” means information that Service Provider collects or receives from or about Purchasers, including transaction information, demographic information, online information, and other information it collects via the Service Provider Services.

2. SERVICE PROVIDER SERVICES.

2.1 Description of Service Provider Services. For the Merchant’s Flame Broiler restaurant location(s) (“Outlet” or “Outlets”) stated on MSS, Service Provider shall (i) perform the Professional Services, (ii) perform the Messaging Services and (iii) provide the SaaS Services set forth in each MSS. Each MSS executed by both parties is governed by this Agreement. Merchant agrees to the terms set forth on **Exhibit A** that are applicable to the Service Provider Services purchased by Merchant and the terms set forth in each MSS. The rights and obligations of the Parties under this Agreement shall be limited to the Service Provider Services provided to the Merchant Outlet(s).

2.2 Local Software. The Service Provider hereby grants to Merchant a non-exclusive, non-transferable, non-sublicensable license to use the object code version of the Local Software to access the Service Provider Services, solely for Merchant’s internal business purposes. Merchant acknowledges that the Service Provider may from time to time issue upgraded versions of the Local Software, and may automatically electronically upgrade the version of the Local Software that Merchant is using. Merchant consents to such automatic upgrading. The foregoing license grant is not a sale of the Local Software or any copy thereof, and the Service Provider and its third-party licensors or suppliers retain all right, title, and interest in and to the Local Software (and any copy of the Local Software).

2.3 Loyalty and Digital Receipt Services. If Service Provider provides Loyalty and Digital Receipt Services Merchant retains the legal obligation to redeem the program incentives for the goods and/or services promised to the users under the incentive and rewards program. Merchant will be solely responsible for ensuring that the date on which an incentive is set to expire (the “*Incentive Expiration Date*”) and the terms of Merchant’s program incentives comply with all applicable law. Merchant acknowledges and agrees that in certain jurisdictions, applicable law regulates the permitted expiration of incentives or prohibits the expiration of incentives, and may require Merchant to allow such redemption beyond the stated Incentive Expiration Date and/or to provide the user with a refund equal to the cash value of the incentive if the user requests a refund after the Incentive Expiration Date.

2.4 Merchant Content and Merchant Marks. Merchant Content and Merchant Marks are owned and/or licensed by Franchisor. Merchant shall deliver, or request Franchisor to deliver, Merchant Content and the Merchant Marks to Service Provider. The delivery of the Merchant Content and Merchant Marks shall occur as reasonably requested by Service Provider. Merchant acknowledges that Franchisor has granted to Service Provider a non-exclusive, worldwide, fully paid, royalty-free, sublicensable license to use, copy, reproduce, distribute, modify,

translate, create derivative works of, perform and display the Merchant Content and to use and display Merchant Marks for the purposes of: (a) incorporating the Merchant Content and Merchant Marks into the Online Platform and the Local Software; (b) reproducing the Merchant Content and Merchant Marks for backup and archival purposes; and (c) providing the Service Provider Services as contemplated in this Agreement. Service Provider shall be the sole and exclusive owner of any modifications to or derivative works of the Merchant Content prepared by or on behalf of Service Provider, subject to Merchant's and/or Franchisor’s underlying rights in the Merchant Content. Throughout the Term of this Agreement, in the event that Merchant reasonably believes Service Provider’s use of the Merchant Marks is not of a sufficiently high quality, Merchant may, with the approval of Franchisor, so advise Service Provider, and Service Provider will, within a reasonable time of the receipt of such written notice, change its use of the Merchant Marks to meet Merchant’s reasonable quality standards. Service Provider acknowledges that Franchisor is the owner of the Merchant Marks, to the extent that those marks are not based upon or confusingly similar to any of Service Providers Marks. The use by Service Provider of the Merchant Marks in connection with this Agreement shall not create any right, title or interest, in or to those Merchant Marks in favor of Service Provider and all goodwill associated with the use of those Merchant Marks shall inure to the benefit of Merchant. At the expiration or termination of this Agreement, Service Provider shall immediately discontinue any use of those Merchant Marks.

2.5 Use of the Service Provider Services. Merchant shall not directly or indirectly do, or permit any party to do, any of the following: (i) except for the information owned by Merchant under this Agreement, copy, modify, translate, create derivative works of, publish, sublicense, sell, market or distribute the Service Provider Services or any information provided by Service Provider to Merchant via the Service Provider Services; (ii) reverse engineer, decompile, disassemble or otherwise attempt to gain access to the source code form of the Local Software or the Online Platform; (iii) use the Service Provider Services or Documentation in violation of export control laws or regulations; (iv) unless expressly agreed upon by the Parties in this Agreement, remove any proprietary notices from the Service Provider Services, Documentation or any other Service Provider materials furnished or made available hereunder without Service Provider’s prior written consent; (v) access the Service Provider Services in order to (x) build a competitive product or service, or (y) copy any features, functions or graphics of the Service Provider Services; (vi) sell, resell, rent or lease the Service Provider Services (including any information provided by Service Provider to Merchant via the Service Provider Services that is not owned by Merchant under this Agreement), including, without limitation, use the Service Provider Services on a service bureau or time sharing basis or otherwise for the benefit of a third party; (vii) use the Service Provider Services to store or transmit infringing, libelous, or otherwise unlawful or tortious material, or to store or transmit material in violation of third-party privacy rights; (viii) use the Service Provider Services to store or transmit malicious code; (ix) interfere with or disrupt the integrity or performance of the Service Provider Services or any data contained therein; (x) attempt to gain unauthorized access to the

Service Provider Services or their related data, systems or networks; (xi) Intentionally Deleted, or (xii) Intentionally Deleted. Merchant shall use the Service Provider Services only in accordance with the Documentation and applicable laws and government regulations. During the term of this Agreement, Merchant may not use the Service Provider Services, including any data captured by the Service Provider Services, with any service or product (whether provided by Merchant or a third party) that competes with the Service Provider Services or other products or services offered by Service Provider, including any marketing or customer loyalty program, except with Service Provider's prior written consent. The provisions in this Section 2.6 shall not apply to any information or data owned by Merchant under this Agreement.

2.6 Service Provider Marks. Merchant acknowledges that Service Provider is the owner of the trademarks, service marks, logos, trade names, domain names, and other branding and identifying features, including logos, designs, or both set forth on **Exhibit B** (collectively, the "*Service Provider Marks*") used in connection with the Service Provider Services. With respect to Service Provider Services, any frontend interface with individual customers of Merchant shall not be branded under the Service Provider Marks without Franchisor's prior written consent which shall be at Franchisor's sole and absolute discretion. Subject to the terms and conditions of this Agreement, Service Provider hereby grants to Merchant a non-exclusive, non-sublicenseable, non-transferable right and license to use the Service Provider Marks during the term of this Agreement in accordance with any trademark usage guidelines that Service Provider may provide and solely in association with the Service Provider Services in connection with the marketing of such Service Provider Services. The use by Merchant of the Service Provider Marks in connection with this Agreement shall not create any right, title or interest, in or to the Service Provider Marks in favor of Merchant and all goodwill associated with the use of the Service Provider Marks shall inure to the benefit of Service Provider. Merchant agrees that it cannot use Service Provider Marks elements in association with products or services not provided by Service Provider. At the expiration or termination of this Agreement, Merchant shall immediately discontinue any use of the Service Provider Marks or any other combination of words, designs, trademarks or tradenames that would indicate that it is in any way authorized by or associated with Service Provider.

3. PAYMENT.

3.1 Charges. Merchant shall pay the charges and expenses listed in each MSS and in **Exhibit A** in accordance with the terms of this Agreement. All payments by Merchant to Service Provider pursuant to this Agreement are due and payable within 30 calendar days of the date of invoice, unless otherwise set forth in **Exhibit A** or an MSS. The SaaS Services will be billed in advance as determined in an MSS. All unpaid past-due invoices are subject to a late fee on the outstanding balance for each month that it remains unpaid equal to the lesser of 1.5% per month and the highest rate allowable by applicable law. If any amount owing by Merchant under this Agreement or any other agreement for Service Provider's services is not paid when due, such unpaid fee obligations under this Agreement and any other earned but uncollected fees shall become immediately due and payable, and Service Provider shall have the right to suspend the provision of

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Service Provider Services to Merchant until such amounts are paid in full. Only the earned fees that are paid are non-refundable.

3.2 Fee Increases. Intentionally Deleted.

3.3 Taxes. Merchant will pay any applicable sales, use or other similar federal, state or local taxes with respect to the Service Provider Services provided under this Agreement that are applicable to Merchant, excluding taxes based on Service Provider's net income.

4. ACCEPTANCE.

4.1 Acceptance. With respect to any Professional Services and/or Deliverables that are expressly identified in a single separate and distinct section within an MSS that is labeled as the "*Acceptance Testing*" section, Merchant shall have fifteen business days from the date the Deliverables and Professional Services are delivered to review and test them to confirm that they conform to their specifications and any other acceptance testing criteria expressly listed in the MSS. If during such period Merchant discovers any non-conformities, Merchant shall immediately notify Service Provider and Service Provider shall, at no cost or expense to Merchant and as the sole and exclusive remedy and Service Provider's entire liability, use commercially reasonable efforts to correct the identified non-conformities. Following completion by Service Provider of any such correction, this acceptance process of this Section will repeat. Acceptance shall occur if either Merchant fails to provide notice of any defect under this Section by the end of an acceptance testing period, if Merchant uses the Professional Services or Deliverables on a production basis, or if Merchant provides written notice of acceptance (in each case, "*Acceptance*"). Merchant shall not unreasonably withhold Acceptance. If Acceptance does not occur after two attempts by the Service Provider to correct an identified non-conformity, then either party may terminate the applicable MSS without penalty or fee upon written notice to the other party, and the Service Provider shall refund to Merchant any fees paid for the non-conforming Deliverable.

5. TERMS OF USE, PRIVACY, DATA SECURITY AND ADA.

5.1 General. To the extent allowed under any applicable laws, Service Provider will, and Merchant consents that Service Provider may, collect, use and disclose the Transaction Information, including Merchant Transaction Data, in order to provide the Service Provider Services to Merchant, and as set forth in the Spendgo Privacy Policy, located at <http://www.spendgo.com/privacy>. Purchasers that use or access any Service Provider Services must agree to Service Provider's terms of use, privacy policy and other standard terms and conditions.

5.2 Transaction Data.

(a) Registered Purchaser. Notwithstanding Section 5.2(b), Merchant agrees that a Registered Purchaser, shall own a copy of the Transaction Information that identifies that Purchaser, including any Merchant Transaction Data, and shall have the right to (i) retain such Transaction Information even after the termination of this Agreement; and (ii) grant additional rights and licenses to Service Provider, Merchant and other third parties to access, use and disclose such information. For the avoidance of

doubt, except as required by any applicable laws, including, without limitation, privacy laws such as California Consumer Privacy Act, Merchant shall have no right to require that Service Provider delete, return or otherwise alter any Transaction Information or Spendgo Data related to a Registered Purchaser, nor shall Merchant be able to prevent the Service Provider's or another third party's use or disclosure of such data as authorized by a Registered Purchaser.

(b) Merchant Transaction Data. Subject to Sections 5.2(a) and 5.2(c), Merchant shall own a copy of its Merchant Transaction Data.

(c) Spendgo Data. Notwithstanding anything above, Service Provider shall own all right, title and interest in and to the Spendgo Data, subject to the rights of Merchant in any data owned by Merchant. To the extent Spendgo shares Registered Purchaser account information with Merchant as part of the Identity Management Services and subject to Merchant's compliance with the terms and conditions of this Agreement, Spendgo grants Merchant a limited, revocable, non-transferable license, during the term of this Agreement to access and use such profile information via and as permitted by the Spendgo Merchant Portal solely for Merchant's internal use in connection with the use of the SaaS Services and Messaging Services.

(d) Return of Data. Upon request, at the termination of this Agreement, Service Provider shall return to Merchant the Merchant Transaction Data, except that Service Provider shall not be required to delete any Spendgo Data or any Transaction Information or data associated with a Registered Purchaser.

5.3. License to Data. Merchant represents, warrants and covenants that all required consents have been obtained to permit the collection, use and disclosure of Merchant Transaction Data by Service Provider in order to provide the Service Provider Services, and as set forth in the Spendgo Privacy Policy. Merchant hereby grants, and represents and warrants that it has the right to grant, to Service Provider a royalty-free, unlimited, perpetual, worldwide, irrevocable, transferrable, sublicensable license to collect, use, and disclose the Merchant Transaction Data for the provision of Service Provider Services hereunder, and as set forth in the Spendgo Privacy Policy. Service Provider agrees that it will not disclose any Merchant Transaction Data that identifies Merchant to any third parties, except: (i) as provided in Sections 5.2(a) and 5.2(c), (ii) as permitted by Merchant or Franchisor, (iii) in order to provide the Service Provider Services, (iv) to Service Provider's agents or service providers, or (v) where required by law.

5.4. Security. The Parties agree that the Service Provider Services shall not be configured or caused to transmit or send a full credit card number or CVV to Service Provider. Service Provider makes no representations that the Service Provider Services are compliant with the Payment Card Industry Data Security Standards. Service Provider shall implement and maintain commercially reasonable security measures to protect the Transaction Information it collects via the Service Provider Services.

5.5. Merchant Privacy Policy. Merchant acknowledges that, through the Franchise System's website, a privacy policy and other standard terms and conditions disclosing to Purchasers

the collection, use and disclosure of Transaction Information and other personal information via the Service Provider Services are published. Merchant's use of the Service Provider Services and the collection, use and disclosure of information collected via the Service Provider Services must comply with all applicable laws.

5.6. Text and Email. Upon Franchisor's prior written approval, if Merchant utilizes the Service Provider Services to facilitate the sending of any messages to Purchasers via SMS, email or other electronic means, provided that Franchisor utilizes a third party services to be integrated with such Service Provider Services, Merchant represents warrants and covenants that: (a) it shall get prior, express, opt-in consent from each Purchaser prior to sending any such messages, (b) it shall provide all disclosures and other content in those messages as required by applicable laws, (c) it shall comply with all unsubscribe requests as required by applicable laws, (d) it shall maintain detailed records regarding its compliance with the above obligations, and shall provide copies of those records to Service Provider upon request, and (e) that Merchant shall fully comply with all applicable laws, rules and regulations related to the drafting, but not delivery, of such messages, including but not limited to the CAN-SPAM Act and its implementing regulations and the Telephone Purchaser Protection Act and its implementing regulations. If Merchant utilizes a third party to facilitate the sending of any messages to Purchasers via SMS, email or other electronic means, or if Merchant sends such messages itself, Merchant agrees to keep Service Provider informed in real-time of the opt-in and opt-out status of each Purchaser. If the Merchant or Service Provider receives any notice from a regulator regarding a potential breach of any anti-spam legislation in connection with the Service Provider Services, the receiving Party shall: (i) promptly notify the other Party in writing of the particulars of the non-compliance and the steps the receiving Party proposes to take to address that non-compliance, (ii) fully and promptly cooperate and comply with any requests or instructions issued by the regulator; and (ii) provide reasonable assistance to the pertinent Party in responding to and addressing the regulator's concerns.

5.7. Telephone Consumer Protection Act ("TCPA") Compliance. Without limiting any of the foregoing, the TCPA requires that: (a) "prior express written consent" (as defined under the TCPA) be obtained before SMS text messages can be sent to any mobile/wireless device; and (b) evidence of such prior express written consent must be retained for the statutorily required period. In the event that Franchisor utilizes a third party messaging provider services to be integrated with such Service Provider Services, Merchant represents and warrants that it will: (i) obtain the prior express written consent of all purchasers that receive SMS text messages from Merchant and/or Merchant's third party service providers, as applicable, through use of the Services ("Merchant List"); (ii) record, collect, store and maintain the prior written consents required under this Section 5.7, whether as a sound recording (where received verbally) or in written form, as applicable (collectively, "Consent Records"), for a period of five (5) years after the date that Merchant collected each applicable Consent Record; and (iii) otherwise comply with all of the other requirements set forth within the TCPA. A Party shall provide such Consent Records to the other Party within two (2) business days of a request for same. The Consent Records shall include, at a minimum, the consent language appearing on

the mobile/online media from which the prior express written consent of the subject purchasers comprising the Merchant List was collected and the date and time stamp indicating the time that the subject purchasers' prior express written consent was collected.

5.8. Americans with Disabilities Act (“ADA”) Compliance. Service Provider represents, warrants and covenants that, without limiting the requirements of this Agreement or any separately executed MSS or any other agreement, for any consumer-facing products and/or services, except where controlled by Franchisor or third party service provider, Service Provider is and will be compliant with ADA which requires compliance with the WCAG 2.0 AA guidelines, and any future requirements or standards that may replace the WCAG 2.0 AA guidelines, at all times during the Term of this Agreement.

6. WARRANTIES; COMPLIANCE WITH LAW.

6.1 Mutual and Service Provider Warranties. Each party represents and warrants to the other that: (i) it is organized and validly existing under the laws of the jurisdiction of its formation and has full authority to enter into this Agreement, to carry out its obligations hereunder and to grant the rights and licenses granted in this Agreement; (ii) this Agreement is a legal and valid obligation binding upon it and enforceable according to its terms, except to the extent such enforceability may be limited by bankruptcy, reorganization, insolvency or similar laws of general applicability governing the enforcement of the rights of creditors or by the general principles of equity (regardless of whether considered in a proceeding at law or in equity); and (iii) its execution, delivery and performance of this Agreement does not conflict with any agreement, instrument or contract, oral or written, to which it is bound. Further, Service Provider warrants that the products and services, including, without limitation, SaaS Services, Local Software and any related support services, provided to the Franchise System under this Agreement will be timely, properly functioning for its intended purposes, complete, and free of interruption or error in a commercially reasonable manner which, should any such interruption or error occur, Service Provider shall immediately repair and/or correct. Subject to Franchisor's compliance with the terms and conditions of this Agreement, during the Term of this Agreement, Service Provider will use commercially reasonable efforts to make the Online Platform accessible to Outlets that have completed the Sign Off ninety-nine and nine/tenths percent (99.9%) of the time during Operating Hours (as defined below) throughout the Term, measured monthly, excluding scheduled maintenance and downtime attributable to the Exceptions (as defined below). “Operating Hours” shall mean 7:30 AM PST to 11 PM PST (Sunday-Saturday). A period in which the Service Provider Services Online Platform is unavailable in excess of the of the availability target during Operating Hours, shall be referred to hereinafter either as “Downtime,” or a “Downtime Period,” provided that inaccessibility caused by any of the following shall not count as Downtime: scheduled maintenance which Service Provider shall not schedule during Operating Hours, issues with Franchisor or Franchisee equipment or systems, failure of Franchisor or Franchisee to comply with Documentation requirements regarding installation and use of the Service Provider Services, issues with Franchisor or Franchisee third

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party offering or solution providers (including email messaging platforms or order ahead platforms that integrate with the Services), issues with contracted hosting providers, internet downtime out of the reasonable control of Service Provider (such as major outages or DOS attacks), or other Force Majeure event (collectively “Exceptions”).

6.2 Disclaimer. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, SECTIONS 5, 6, 9 AND SECOND AMENDMENT, SERVICE PROVIDER MAKES NO REPRESENTATIONS, WARRANTIES, CONDITIONS OR GUARANTEES OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, AND SERVICE PROVIDER SPECIFICALLY DISCLAIMS AND EXCLUDES ALL OTHER REPRESENTATIONS, WARRANTIES, CONDITIONS AND GUARANTEES, WHETHER STATUTORY, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED REPRESENTATIONS, WARRANTIES, CONDITIONS AND GUARANTEES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT OF ANY KNOWN THIRD PARTY RIGHTS. FURTHER, SERVICE PROVIDER DOES NOT WARRANT THAT THE SERVICE PROVIDER SERVICES RELYING ON THIRD PARTY INTEGRATIONS AND/OR SOLUTIONS, WHERE SERVICE PROVIDER DOES NOT HAVE ANY DIRECT CONTRACTUAL RELATIONSHIP WITH SUCH THIRD PARTY, WILL MEET MERCHANT'S NEEDS OR REQUIREMENTS OR THAT THE PROVISION OF THE SAAS SERVICES WILL BE UNINTERRUPTED OR THAT THE SAAS SERVICES WILL BE AVAILABLE AT ANY PARTICULAR TIME OR ERROR-FREE OR THAT THE INFORMATION PROVIDED BY THE SERVICE PROVIDER SERVICES WILL BE ACCURATE OR COMPLETE. FURTHER, SERVICE PROVIDER DOES NOT WARRANT THAT ALL ERRORS OR INACCURACIES IN SUCH SERVICE PROVIDER SERVICES ARE CORRECTABLE OR WILL BE CORRECTED.

7. INTELLECTUAL PROPERTY AND CONFIDENTIALITY.

7.1 Intellectual Property.

(a) Ownership. As between the parties and except for the limited express license granted to Merchant or where expressly stated otherwise under this Agreement, Service Provider reserves and owns all right, title and interest, including all related intellectual property rights, in and to the Local Software, Online Platform, Deliverables, Documentation, Service Provider Marks and all results of Service Provider Services. Merchant acknowledges that there are no licenses granted by implication under this Agreement. Service Provider reserves all rights that are not expressly granted.

(b) Feedback. If Merchant sends or transmits any communications, comments, questions, suggestions, or related materials to Service Provider, whether by letter, e-mail, telephone, or otherwise, suggesting or recommending changes to the Local Software, Online Platform, Deliverables, Documentation, Service Provider Marks or the Service Provider Services (“Feedback”), including, without limitation, new features or functionality relating thereto, all such Feedback is, and

will be exclusively owned by Service Provider; except as allowed to be used by Merchant under the agreement between Franchisor and Service Provider. Merchant hereby assigns to Service Provider all right, title and interest, including all related ideas, know-how, concepts, techniques, and intellectual property rights, in and to the Feedback.

7.2 Confidential Information. “Confidential Information” means any software, data, business, financial, operational, customer, vendor or other information disclosed by Service Provider to Merchant and not generally known by or disclosed to the public. It does not include (a) information that is not subject to any obligation of confidentiality and was lawfully in Merchant’s possession at the time of disclosure by Service Provider, (b) information that is now public or later made public not as a result of any action or inaction on Merchant’s part, or (c) information that is now or later lawfully received by Merchant from a third party entitled to disclose the information and not subject to any obligation of confidentiality. Merchant shall have the burden of proving the applicability of any of such exceptions.

7.3 Confidentiality Obligations. Merchant shall maintain all of Service Provider’s Confidential Information in confidence and will protect such information with the same degree of care that Merchant exercises with its own confidential information, but in no event less than a reasonable degree of care. If Merchant suffers any unauthorized disclosure, loss of, or inability to account for the Confidential Information of Service Provider, then Merchant shall promptly notify and cooperate with Service Provider and take such actions as may be necessary or reasonably requested by Service Provider to minimize the damage that may result therefrom. Merchant shall not use or disclose (or allow the use or disclosure of) any Confidential Information of Service Provider without the express prior written consent of Service Provider or unless required by law. Access to and use of any Confidential Information shall be restricted to those employees and persons within Merchant’s organization who have a need to use the information to exercise rights under or perform this Agreement or to make use of the Service Provider Services, and are subject to a contractual, professional or other obligation to keep such information confidential in a manner consistent with this Agreement.

7.4 Return of Confidential Information. All of Service Provider’s Confidential Information disclosed to the Merchant, and all copies thereof, are and shall remain the property of Service Provider. All such Confidential Information and any and all copies and reproductions thereof shall, upon request of the Service Provider or the expiration or termination of this Agreement, be promptly returned to the Service Provider or destroyed (and removed from Merchant’s computer systems and electronic media) at the Service Provider’s direction. In the event of any destruction hereunder, Merchant shall, if requested, provide to the Service Provider written certification of compliance therewith within 30 days after destruction.

8. TERM AND TERMINATION.

8.1 Term. This Agreement commences on the Effective Date and terminates upon the later of the date that is [REDACTED] or the date all MSSs hereunder have expired or have been terminated. Notwithstanding anything to the contrary contained in this Agreement or any MSS, after [REDACTED], except as

otherwise expressly agreed by Franchisor and Service Provider in each pertinent MSS, Franchisor shall have the right to terminate this Agreement and/or any then-existing MSS without cause upon Merchant’s payment of any and all earned outstanding fees under this Agreement and with a 90-days prior written notice to Service Provider. Upon such termination, any and all separate, independent Merchant Agreement(s), together with its corresponding MSS, entered by Franchisor or Franchisee shall be terminated concurrently unless otherwise agreed by Franchisor and Service Provider. Notwithstanding anything to the contrary contained herein, Merchant shall not be liable for any early termination damages.

8.2 Termination. Either party may, at its option, terminate this Agreement and all MSS’s immediately upon written notice to the other party in the event that the other party (i) becomes insolvent or unable to pay its debts when due; (ii) files a petition in bankruptcy, reorganization or similar proceeding, or, if such a petition is filed against the other party, such petition is not removed within ninety (90) days after such filing; (iii) discontinues its business; or in the event that (iv) a receiver is appointed or there is an assignment for the benefit of the other party’s creditors. Furthermore, In the event a party materially breaches this Agreement or an MSS, the non-breaching party may terminate this Agreement or the applicable MSS without penalty or fee upon 30 days’ advance written notice to the other party, if the breach is not cured within such the 30 day period, except the cure period is ten business days for non-payment. Additionally, a party may terminate an MSS as contemplated in Section 3.2 and Section 4. Furthermore, any date prior to [REDACTED], an MSS may be terminated by Merchant for convenience upon payment of all outstanding fees for the remaining then-current term of the MSS (including any fees for the remainder of any Service Commitments) by Franchisor. Merchant acknowledges and agrees that (i) such payment is a genuine pre-estimate of the loss that Service Provider would incur upon Merchant’s premature termination of an MSS because Service Provider will allocate substantial staff and other resources to serve Merchant, and Service Provider would incur substantial costs in reallocating such staff and other resources upon premature termination by Merchant; and (ii) such payment is not a penalty. After [REDACTED], however, except as otherwise expressly agreed by Franchisor and Service Provider in each pertinent MSS, Franchisor shall have the right to terminate an MSS without cause and without any such damages stated herein whatsoever except for the payment of any earned outstanding fees.

8.3 Effect of Termination. The termination or expiration of this Agreement or an MSS shall not affect Merchant’s or Service Provider’s rights or obligations that expressly or by their nature continue and survive (including without limitation, the payment terms and the provisions concerning ownership, confidentiality, limitation on liability, indemnity and the warranty disclaimers), and Merchant shall promptly pay all amounts owed to Service Provider for Service Provider Services and Deliverables under the terminated Agreement or MSS. Upon termination or expiration, Service Provider shall reasonably cooperate with Merchant in transitioning the system and the Service Provider Services provided to Merchant to a new third party service provider designated by Franchisor.

8.4 Termination and Non-Renewal Rights are Absolute.

The rights of termination set forth in this Agreement are absolute, and that the parties have considered the possibility of such termination and the possibility of loss and damage resulting therefrom, in making expenditures pursuant to the performance of this Agreement. Except as otherwise provided in this Agreement, neither party shall be liable to the other for damages or otherwise by reason of the termination or expiration of this Agreement or an MSS as provided for herein.

8.5 Remedies. Notwithstanding anything in this Agreement to the contrary, where a breach of certain provisions of this Agreement may cause either party irreparable injury or may be inadequately compensable in monetary damages, either party may seek equitable relief in addition to any other remedies which may be available. Except as expressly stated herein, the rights and remedies of the parties in this Agreement are not exclusive and are in addition to any other rights and remedies available at law or in equity.

8.6 Limitation on Liability. EXCEPT FOR ANY LIABILITY ARISING OUT OF SERVICE PROVIDER'S OBLIGATIONS IN SECTIONS 5, 6, 9.2 AND IN THE ADDENDUM(S) TO THIS AGREEMENT WHICH SHALL NOT EXCEED ONE (1) MILLION DOLLARS, IN NO EVENT SHALL THE AGGREGATE LIABILITY OF SERVICE PROVIDER ARISING OUT OF OR RELATED TO THIS AGREEMENT (INCLUDING ALL MSSS), WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR UNDER ANY OTHER THEORY OF LIABILITY, EXCEED THE AMOUNT PAID BY MERCHANT HEREUNDER IN THE 12 MONTHS PRECEDING THE INCIDENT, NOTWITHSTANDING ANY FAILURE OF THE ESSENTIAL PURPOSE OF THIS AGREEMENT OR ANY LIMITED REMEDY HEREUNDER.

8.7 Exclusion of Consequential and Related Damages. IN NO EVENT SHALL SERVICE PROVIDER HAVE ANY LIABILITY TO MERCHANT FOR ANY LOST PROFITS OR REVENUES OR FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, COVER OR PUNITIVE DAMAGES HOWEVER CAUSED, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR UNDER ANY OTHER THEORY OF LIABILITY, AND WHETHER OR NOT SERVICE PROVIDER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND NOTWITHSTANDING ANY FAILURE OF THE ESSENTIAL PURPOSE OF THIS AGREEMENT OR ANY LIMITED REMEDY HEREUNDER.

9. INDEMNITY.

9.1 Merchant Obligations. Merchant shall defend Service Provider and Franchisor against any cause of action, suit or proceeding (each a "Claim") made or brought against Service Provider by a third party (i) arising out of or attributable to Merchant's use of the Service Provider Services, including any breach by Merchant of Section 5 (other than Claims expressly set forth in Section 9.2 below), that are caused by Merchant or (ii) alleging that Merchant Content or the Merchant Marks infringes or misappropriates the intellectual property rights of a third party or violates applicable law, and shall indemnify Service Provider for any damages finally awarded against, and for reasonable

attorneys' fees incurred by, Service Provider in connection with such Claim, on condition that Service Provider (a) promptly gives Merchant written notice of the Claim; (b) gives Merchant sole control of the defense and settlement of the Claim (provided that Merchant may not settle any Claim unless the settlement unconditionally release Service Provider of all liability); and (c) provides reasonable assistance in connection with the defense (at Merchant's reasonable expense).

9.2 Service Provider Obligations. Service Provider represents, warrants and covenants that, under its separate, direct agreement(s) with Registered Purchasers, including, without limitations, Service Provider's Terms and Conditions, Privacy Policy and Supplemental Privacy Policy for California Residents, Service Provider shall be responsible, and not Franchisor or Merchant, to Registered Purchasers for any liability, including, without limitation, any data breach and violation of privacy law, caused by Service Provider and any resulting damages; provided that Service Provider shall not be responsible for the liabilities caused by the use of Service Provider Services by Franchisor or Merchant in a way that was not intended, the breaches as a result of integrations enabled which was not caused by Service Provider, or breaches caused by Franchisor's or Merchant's failure to properly protect access credentials to Service Provider's Online Platform. Service Provider shall indemnify, defend and hold harmless Merchant against any Claim made or brought against Merchant by a third party (i) arising out of or attributable to the Service Provider Services that are caused by Service Provider, (ii) arising out of Service Provider's failure to comply with any applicable laws, including, without limitation, any data security and privacy laws, or (iii) arising out of or attributable to Service Provider's failure to perform its obligations under this Agreement. Further, Service Provider shall defend and hold harmless Merchant against any Claim made or brought against Merchant by a third party alleging that Merchant's use of the Local Software, the Online Platform (excluding Franchisor Content and Franchisor Marks) infringes or misappropriates the intellectual property rights of a third party or violates applicable law, and shall indemnify Merchant for any damages finally awarded against, and for reasonable attorneys' fees incurred by, Merchant in connection with such Claim, on condition that Merchant (a) promptly gives Service Provider written notice of the Claim; (b) gives Service Provider sole control of the defense and settlement of the Claim (provided that Service Provider may not settle any Claim unless the settlement unconditionally release Merchant of all liability); and (c) provides reasonable assistance in connection with the defense (at Service Provider's reasonable expense). If such a Claim stated in this Section 9.2 is brought or threatened, or if Service Provider believes such a Claim is likely to occur, Service Provider may, upon Merchant's prior written consent which shall be at its sole and absolute discretion, (i) procure for Merchant the right to use the Local Software, the Online Platform (excluding Merchant Content and Merchant Marks), as applicable, (ii) replace the Local Software, the Online Platform (excluding Merchant Content and Merchant Marks), as applicable, with other suitable products, or (iii) refund any prepaid fees that have not been earned and terminate this Agreement upon notice. Notwithstanding anything to the contrary contained herein, such options provided in subsections (i) through (iii) shall not waive any additional damages incurred

by or remedies available to Merchant and, if incurred or available, Service Provider shall fully indemnify as provided in this Agreement regardless of, or in addition to, the options already procured to Merchant. Service Provider will have no liability under this Agreement or otherwise partially liable to the extent a Claim is based upon (a) use of the Service Provider Services in combination with software, hardware or technology not provided by Service Provider, if infringement would have been avoided in the absence of the combination, (b) modifications to the Service Provider Services not made by Service Provider, (c) Deliverables developed pursuant to specifications provided by Merchant, if infringement would have been avoided by the absence of the Deliverables, (d) use of any version other than a current release of the Local Software or the Online Platform, if infringement would have been avoided by use of a current release, (e) any action or omission of Merchant for which Merchant is obligated to indemnify Service Provider under this Agreement, or (f) any breach of this Agreement by Merchant.

10. MISCELLANEOUS.

10.1 Marketing. Service Provider may include and use Merchant's name on a list of customers and may refer to Merchant as a user of Service Provider Services in its advertising, marketing, promotional and investor materials; provided that Service Provider obtains Franchisor's prior written consent which shall be at Franchisor's sole and absolute discretion.

10.2 Notices. Unless otherwise provided herein, any notice, request, or other communication to be given in writing under this Agreement will be deemed to have been given by either party to the other party upon the date of receipt, if hand delivered, or two business days after deposit in the U.S. mail if mailed to the other party by registered or certified mail, properly addressed, postage prepaid, return receipt requested, or one business day after deposit with a national overnight courier for next business day delivery, or upon the date of electronic confirmation of receipt of a facsimile transmission if followed by the original copy mailed to the applicable party at its address above or other address provided in accordance herewith. A party may change its address for notices by providing written notice to the other party.

10.3 Assignment; Delegation. Service Provider may, upon written notice to Merchant, assign any of its rights or delegate any of its duties hereunder without the prior written consent of Merchant.

10.4 Amendments; Modifications. This Agreement may not be amended or modified, including, without limitation, any fee increase, except with Franchisor's prior written consent and in a writing duly executed by the party against whom enforcement of such amendment or modification is sought.

10.5 Independent Contractors. In making and performing this Agreement, Merchant and Service Provider act and shall act at all times as independent contractors, and nothing contained in this Agreement shall be construed or implied to create an agency, partnership or employer and employee relationship between them. At no time shall either party make commitments or incur any charges or expenses for, or in the name of, the other party.

10.6 Headings and Captions; Construction. Section headings are used for convenience only and shall in no way affect the construction or interpretation of this Agreement. This

Agreement has been negotiated by the respective parties hereto and their attorneys and the language hereof shall not be construed for or against any party.

10.7 Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one Agreement.

10.8 Severability. If any provision of this Agreement is invalid or unenforceable for any reason in any jurisdiction, such provision shall be construed to have been adjusted to the minimum extent necessary to cure such invalidity or unenforceability. The invalidity or unenforceability of one or more of the provisions contained in this Agreement shall not have the effect of rendering any such provision invalid or unenforceable in any other case, circumstance or jurisdiction, or of rendering any other provisions of this Agreement invalid or unenforceable whatsoever.

10.9 Waiver. No waiver under this Agreement shall be valid or binding unless set forth in writing and duly executed by the party against whom enforcement of such waiver is sought. Any such waiver shall constitute a waiver only with respect to the specific matter described therein and shall in no way impair the rights of the party granting such waiver in any other respect or at any other time. Any delay or forbearance by either party in exercising any right hereunder shall not be deemed a waiver of that right.

10.10 Force Majeure. Except with respect to payment obligations hereunder, if a party is prevented or delayed in performance of its obligations hereunder as a result of circumstances beyond such party's reasonable control, including, by way of example, war, riot, fires, floods, epidemics, or failure of public utilities or public transportation systems, such failure or delay will not be deemed to constitute a material breach of this Agreement, but such obligation will remain in full force and effect, and will be performed or satisfied as soon as reasonably practicable after the termination of the relevant circumstances causing such failure or delay, provided that if such party is prevented or delayed from performing for more than ninety (90) days, the other party may terminate this Agreement upon thirty (30) days' written notice.

10.11 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES THEREOF OR TO THE UNITED NATIONS CONVENTION ON THE INTERNATIONAL SALE OF GOODS. FOR PURPOSES OF ALL CLAIMS BROUGHT UNDER THIS AGREEMENT, EACH OF THE PARTIES HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS IN ORANGE COUNTY, CALIFORNIA.

10.12 U.S. Government End-Users. Each of the Documentation and the software components that constitute the Service Provider Services is a "commercial item" as that term is defined at 48 C.F.R. 2.101, consisting of "commercial computer software" and "commercial computer software documentation" as such terms are used in 48 C.F.R. 12.212. Consistent with 48

C.F.R. 12.212 and 48 C.F.R. 227.7202-1 through 227.7202-4, all U.S. Government end users acquire the software components that constitute the Service Provider Services and the Documentation with only those rights set forth therein.

10.13 Entire Agreement. This Agreement, the MSSs and all exhibits and addenda hereto and thereto are incorporated herein and constitute the entire agreement of the parties with respect to the subject matter hereof and thereof. This Agreement supersedes all prior negotiations, representations, promises, and agreements concerning the subject matter herein whether written or oral.

EXECUTION BY THE PARTIES:	
The parties have caused their duly authorized representatives to execute this Agreement as of the Effective Date.	
MERCHANT NAME:	SPENDGO, INC.
By (Signature):	By (Signature):
Name (Printed):	Name (Printed):
Title:	Title:
Date:	Date:

**EXHIBIT D-2 TO MASTER SERVICE AGREEMENT:
[SAMPLE] FIRST ADDENDUM TO MERCHANT AGREEMENT
CONFIDENTIAL DISCLOSURE ADDENDUM**

This Confidential Disclosure Addendum (“First Addendum”) is entered into this date _____, by and between _____ (“Merchant”) and Spendgo, Inc. (“Service Provider”), as an addendum to the Merchant Agreement between Merchant and Service Provider dated _____ (the “Agreement”). Any rights and obligations hereunder are in addition to and not in lieu of the parties’ rights and obligations set forth in the Agreement (including any Exhibits and Schedules attached thereto).

1. “Confidential Information” means any software, data, product, business, financial, operational, customer (subject to any limitation provided in the Agreement), vendor or other information disclosed by Franchisor or Merchant (collectively, the “Franchise System”) to Service Provider and not generally known by or disclosed to the public. It does not include (a) information that is not subject to any obligation of confidentiality and was lawfully in Service Provider’s possession at the time of disclosure by Merchant, (b) information that is now public or later made public not as a result of any action or inaction on Service Provider’s part, or (c) information that is now or later lawfully received by Service Provider from a third party entitled to disclose the information and not subject to any obligation of confidentiality. Service Provider shall have the burden of proving the applicability of any of such exceptions.
2. Service Provider agrees to safeguard the confidentiality of all Confidential Information and to employ measures no less stringent than those applied to Service Provider’s own confidential information, but in no event exercising less than a reasonable degree of care to prevent disclosure of any Confidential Information to any unauthorized person or entity, and not to disclose any Confidential Information to anyone other than the necessary employee(s) of Service Provider to provide the services stated in the Agreement without Merchant’s prior written consent, which may be withheld in Merchant’s sole discretion. Such steps shall include the following:
 - a. Service Provider shall advise anyone who receives Confidential Information of the existence and scope of these restrictions;
 - b. Unless already existing, Service Provider shall require anyone who receives Confidential Information to execute a separate nondisclosure agreement containing terms no less restrictive than the terms of this First Addendum; and
 - c. On termination of the Agreement or when the Confidential Information is no longer needed for the specific purposes for which it was initially disclosed, Service Provider shall request that anyone who received Confidential Information immediately return or destroy, as requested by Merchant, all tangible materials embodying any portion of the Confidential Information and cease all use of the Confidential Information.
3. If Service Provider is requested or ordered in any legal proceeding to disclose any of the Confidential Information, Service Provider shall not make any such disclosures without Merchant’s prior written authorization (in the case of a request) or, to the extent not prohibited by law, without prompt prior written notice to Merchant (in the case of an order), and any disclosure by Service Provider shall be limited to the Confidential Information specified in the request or order. Service Provider shall cooperate with Merchant to attempt to resist or narrow such requests or orders or to attempt to obtain appropriate protective orders or other assurance of nondisclosure that the other party elects.
4. No portion of Service Provider’s rights under this First Addendum may be transferred, assigned, or licensed to any other party.
5. Service Provider agree to take reasonable steps and to employ measures no less stringent than those applied to Service Provider’s own confidential information to ensure that Service Provider’s employees, agents, partners, and others to whom Service Provider may grant access to the Confidential Information do not disclose any Confidential Information to third parties and that Service Provider will be responsible and liable for any unauthorized disclosure by those parties.

- 6. The restrictions contained in this First Addendum shall be in effect in perpetuity and shall be construed in accordance with and governed by California law without regard to conflict of laws provisions thereof and will be resolved in the courts of Orange County, California or by way of an arbitration in Orange County, California.
- 7. In any litigation, arbitration, or other proceeding by which one party either seeks to enforce its rights under this First Addendum (whether in contract, tort, or both) or seeks a declaration of any rights or obligations under this First Addendum, the prevailing party will be awarded reasonable attorney fees, together with any costs and expenses, to resolve the dispute and to enforce the final judgment.
- 8. All materials delivered to Service Provider by Franchisor or its Merchant (and all copies thereof), or created by Service Provider, containing any Confidential Information are Franchisor's or Merchant's property, as the case may be, and will be returned to Franchisor or Merchant thirty (30) days after Service Provider sign this letter or at Franchisor's or Merchant's written request, whichever is later. Service Provider shall retain no copies of such materials in any form.
- 9. To the extent there is a conflict between any provision in this First Addendum and a provision in the Agreement, the provision in this First Addendum will prevail.

All Confidential Information is provided "as is," and Merchant does not make any warranty, express or implied, regarding the accuracy or completeness of the Confidential Information provided to Service Provider.

IN WITNESS WHEREOF, the parties have caused this Addendum to be executed by their duly authorized representatives as of later date below.

SPENDGO, INC.

MERCHANT:

SIGNATURE: _____
 PRINTED NAME: _____
 TITLE: _____
 DATE: _____

SIGNATURE: _____
 PRINTED NAME: _____
 TITLE: _____
 DATE: _____

**Exhibit D-3 to Master Service Agreement:
[Sample] Exhibit A to Merchant Agreement: Description of Services**

Services

1. Spendgo provides (2) two types of SaaS Services: Loyalty and Digital Receipt Services, and Identity Management Services.
 - a. Loyalty and Digital Receipt Services
 - i. Product Description
 1. The Loyalty and Digital Receipts Services allow Merchants (Franchisor or Franchisee who owns and operates Flame Broiler restaurant(s)) to leverage line-item transaction data to gain insights, connect with 3rd party applications, create loyalty incentives, and provide digital receipts to Purchasers.
 - ii. Spendgo Obligations
 1. Integration
 - a. POS integrations will be provided via Local Software or as determined by Spendgo as to the optimal method.
 - b. Online and mobile integrations will be provided via Local Software and in some cases, may require additional Professional Services for integration that is not already supported.
 2. Interactive Display
 - a. An in-store customer facing interface can be provided via interactive display. Spendgo and Merchant may mutually agree in writing that some POS terminal subscriptions do not include an interactive display.
 - b. Merchant may purchase a 3rd party customer facing interface from Service Provider or another vendor and in some cases, may require additional Professional Services for integration that is not already supported.
 3. SaaS Products
 - a. Credentials to the Spendgo Online Platform. This includes, but is not limited to, the following components: Spendgo Merchant Portal, Spendgo Reporting, up to five customized email reports, ten concurrent Purchaser campaigns, Spendgo Purchaser portal, and employee monitoring.
 - b. The API documentation and API access credentials for exporting transaction and Purchaser data.
 - c. Advertising for the program on www.spendgo.com or Spendgo's other proprietary Internet sites or through Spendgo's affiliate network or advertising partners.
 4. Customer Success Manager
 - a. A dedicated customer success manager who will assist throughout the duration of the Merchant contract with Spendgo. Customer

success managers will provide assistance in setting up the initial loyalty program, setting up loyalty offers and rewards, and provide quarterly feedback on how to optimize the loyalty program.

5. Support

- a. Level 2 & 3 IT support via phone or email during Merchant's business hours (7 days/week), for remote assistance connecting/reconnecting the Local Software.
- b. Remote management of software and configurations for the POS integration and in-store interface.
- c. Ongoing Purchaser support via email.
- d. Any unresolved issue at Level 2 & 3 shall be escalated to the dedicated customer success manager who shall resolve or assist in resolving the issue in a timely manner.

6. Training

- a. Service Provider shall provide necessary training for Merchant in implementing and using the Loyalty and Digital Receipt Services.

iii. Merchant and Franchisor Obligations

1. Completing and returning all required IT discovery documentation for each POS configuration at the Merchant's or Franchisor's corporate, franchised, and affiliate owned locations prior to Spendgo beginning POS integration work. Merchant and Franchisor will take commercially reasonable steps to maintain the accuracy of such information.
2. Maintain responsibility for the safekeeping of credentials to SaaS products and have Merchant and Franchisor account administrators provide written approval for adding new administrators or allowing API access to 3rd party service providers.
3. Allow Spendgo to advertise the loyalty program and make adjustments to the loyalty program, advertising copy and artwork as deemed necessary or desirable, provided, any such advertisements or adjustments shall be approved in writing by Merchant and Franchisor.
4. Take commercially reasonable steps to ensure Merchant's and Franchisor's affiliates and franchisees honor all incentives earned by Purchasers as part of the loyalty program and provide Purchasers with goods and/or services that are promised.
5. Immediately notify Spendgo of any suspected unauthorized use, fraud or suspect fraud, or other breach of security for Spendgo services.
6. Assist Spendgo in supporting Purchasers.
 - a. Alert Spendgo to any known enterprise network outages that occur during store operating hours and affect Spendgo.
 - b. When making changes to store network infrastructure, POS terminals, printer, printer configurations, printer cables, or operational workflow, Merchant and Franchisor will be responsible

for maintaining compatibility with Spendgo and alert Spendgo if an incompatibility exists.

- c. When opening Purchaser support cases with Spendgo, provide uniquely identifiable transaction details and, when possible and applicable, provide uniquely identifiable Purchaser information.
7. Meet all the requirements of Spendgo Local Software.

b. Identity Management Services

i. Product Description

- 1. The Identity Management Services allow Merchants to leverage Spendgo's APIs and customer data to create, manage, and maintain profile data for Registered Purchasers.

ii. Spendgo Obligations

1. SaaS Products

- a. Credentials to the Spendgo Online Platform. This may include the following components (as determined by Spendgo): Spendgo Identity Management APIs, Single Sign-On (SSO), and Spendgo Purchaser portal.
- b. Advertising for Purchasers to create profiles on www.spendgo.com, Spendgo's other proprietary Internet sites, or through Spendgo's affiliate network or advertising partners.

2. Customer Success Manager

- a. A dedicated customer success manager who will assist throughout the duration of the Merchant contract with Spendgo. Customer success managers will provide assistance in setting up the Identity Management Service, and provide feedback on how to optimize the Identity Management Service.

3. Support

- a. Level 2 & 3 IT support via phone or email during Merchant's business hours (7 days/week), for remote assistance connecting/reconnecting the Local Software.
- b. Remote management of software and configurations for the 3rd Party Customer Facing Interface.
- c. Ongoing Purchaser support via email.
- d. Any unresolved issue at Level 2 & 3 shall be escalated to the dedicated customer success manager who shall resolve or assist in resolving the issue in a timely manner.

4. Training

- a. Service Provider shall provide necessary training for Merchant and/or Franchisor in implementing and using the Identity Management Services.

iii. Merchant and Franchisor Obligations

1. Purchase a 3rd Party Customer Facing Interface from Service Provider or another vendor. In some cases, this may require additional Professional Services for customizations and integrations that is not already supported.
2. Complete and returning all required IT discovery documentation for each location at the Merchant's or Franchisor's corporate, franchised, and affiliate owned locations. Merchant and Franchisor will take commercially reasonable steps to maintain the accuracy of such information.
3. Immediately notify Spendgo of any suspected unauthorized use, fraud or suspect fraud, or other breach of security for Spendgo services.
4. Assist Spendgo in supporting Purchasers.
 - a. Alert Spendgo to any known enterprise network outages that occur during store operating hours and affect Spendgo.
 - b. When making changes to store network infrastructure or operational workflow, Merchant and Franchisor will be responsible for maintaining compatibility with Spendgo and alert Spendgo if an incompatibility exists.
 - c. When opening Purchaser support cases with Spendgo, provide uniquely identifiable Purchaser information and applicable visit information.

2. Messaging Services

a. Product Description

- i. The Spendgo Messaging Services allow Merchants to digitally communicate with the Purchaser using various channels, such as email and text.

b. Pricing

- i. There is a Message Setup Fee, as defined in a MSS, per new message that is based on an existing Spendgo or Merchant template. Additional Professional Services fees may apply for new messages that are not based on existing templates. Previously sent messages that are rescheduled or resent do not incur the setup fee.
- ii. With respect to messages distributed via email, there is an additional Email Fee that is defined in a MSS.
- iii. With respect to messages distributed via SMS or MMS, there is an addition SMS Fee and MMS Fee defined in a MSS. There are no fees associated with inbound messages and customer replies. There may be additional fixed and variable Professional Service Fees for items such as short code setup, short code provisioning, and other fees related to SMS or MMS.

- c. Spendgo Obligations
 - i. Setup the campaign for the Merchant in the Spendgo Messaging portal.
 - ii. Format the provided content (text and images) within the Spendgo template or using a Merchant provided template.
 - iii. Schedule and set triggers to send the campaign to applicable Purchaser group.
 - iv. Save the campaign for future use by the Merchant.
 - v. Provide a campaign message report.
- d. Merchant Obligations
 - i. Provide content (text and images) that meet the requirements of the Spendgo template.
 - ii. Define the target audience segments and preferred messaging channel.
 - iii. Schedule messages three business days in advance of message being sent.

3. Professional Services

- a. Professional Services Description
 - i. The Merchant may request that Spendgo provide Professional Services in addition to Spendgo SaaS Services. There may be fixed costs related to such services, which will be defined in advance of performing work to Merchant. In addition to any fixed costs, Professional Services will be quoted to merchant for approval and then billed monthly based on time and materials at a rate of \$150.00 per hour.
- b. Available Services
 - i. Creative & Development
 - 1. Spendgo provides creative & development services for the Merchant when a branded experience is desired.
 - 2. Creative elements provided by Merchant, which shall be pre-approved by Franchisor, must be approved and commissioned by the Spendgo Professional Services team.
 - 3. The Merchant must provide responses to all requests on behalf of the Spendgo team within two business days to meet projected timelines.
 - ii. Customer Success Managers
 - 1. The Merchant is provided a Customer Success Manager for allotted periods during the year which shall include, without limitation, resolving any escalated issues. However, the Merchant may request additional general consultation outside of the supported scope including, but not limited to complete management of merchant loyalty program, and assistance in implementing other customized loyalty initiatives.
 - iii. Additional Support
 - 1. Spendgo can provide an on-site field technician within 3 business days to troubleshoot issues a Merchant may be experiencing.
 - 2. Any reschedule or cancellation within 24 hours of a Spendgo technician field visit by the Merchant will incur a \$150.00 fee.

Local Software

1. Transaction Link Software

a. Description

- i. The transaction link software, is a Spendgo patented receipt router application installed on a Merchant's POS terminal, a 3rd party tablet, a payment terminal, other mobile device, or Printer, is used to capture line-item/SKU level data and customer identifier.
- ii. The Spendgo transaction link software is not sold independently; it is included as part of the Spendgo Loyalty and Digital Receipt Services.

b. Merchant Obligations

- i. In order to successfully install the Spendgo transaction link software, the Merchant must have compatible hardware with a supported operating system, compatible printer, and have a direct outbound network connection for each device where the Spendgo software is to be installed.
- ii. Merchant must not delete Spendgo transaction link software and is responsible for making sure Merchant installed anti-virus software and firewall does not block Internet communication.
- iii. Merchant must provide at least 1 hour of uninterrupted access to each POS terminal being installed.

2. Interactive Display Software

a. Description

- i. The interactive display software, is a proprietary Spendgo guest engagement application installed on a Merchant's POS terminal, a 3rd party tablet, a payment terminal, or other mobile device, is used to capture the customer identifier and present content to Purchasers for the Loyalty and Digital Receipt Services.
- ii. The Spendgo interactive display software is not sold independently; it is included as part of the Spendgo Loyalty and Digital Receipt Services.

b. Merchant Obligations

- i. In order to successfully install the Spendgo interactive display software, the Merchant must have compatible hardware with a supported operating system, compatible printer, and have a direct outbound network connection for each device where the Spendgo software is to be installed.
- ii. Merchant must not delete Spendgo interactive display software and is responsible for making sure Merchant installed anti-virus software and firewall does not block Internet communication.
- iii. Merchant must provide at least 1 hour of uninterrupted access to each POS terminal being installed.

3. API

a. Description

- i. Multiple Spendgo APIs are used to export or import line-item transaction and customer data from the Spendgo Online Platform to perform functions including, but not limited to integrating with the POS or online store, provide Purchaser

data for a Merchant developed Purchaser facing website, or providing Purchaser data for a Merchant developed Purchaser mobile app.

b. Merchant Obligations

- i. Anywhere a Spendgo-developed API shares or submits Purchaser data, the Merchant or Merchant's third party service provider must first gain Purchaser's approval to link their Spendgo account, describe the data being shared, include the Merchant's name and "Powered by Spendgo" logo visibly near the submission button.

**Exhibit D-4 to Master Service Agreement:
[Sample] Exhibit B to Merchant Agreement: Service Provider Marks**

Powered By Spendgo

Exhibit D-5 to Master Service Agreement:

Sample Exhibit C-1 to Merchant Agreement

MERCHANT SERVICE SUMMARY NO. 1 TO MERCHANT AGREEMENT

THIS MERCHANT SERVICE SUMMARY ("MSS") is made _____ by and between Spendgo, Inc. ("Service Provider") and ("Merchant"). The parties entered into that certain Merchant Agreement dated as of _____ (the "Agreement"). This MSS is subject to the Agreement. Capitalized terms not defined herein have the meanings given to them in the Agreement.

SaaS Services Purchased by Merchant (Select One)

- Identity Management Services Loyalty and Digital Receipt Services

Included Items

- Field Installation for New Stores 3rd Party Interactive Display

Number of Stores; Subscriptions; Fees

Number of Stores: ____

The fee for the SaaS Services in this MSS is: [REDACTED]
(up to [REDACTED] POS terminals per store, each additional POS terminal is [REDACTED])

Billing Frequency

- Yearly Monthly

Service Commitment and Term

The Service Commitment shall commence on _____ and expire on [REDACTED] for the above-referenced number of stores. After the Service Commitment, each subscription will renew for successive one month terms unless a party notifies the other in writing of its intent not to renew such subscription at least one month prior to the end of the term after which such party desires to terminate the MSS.

In witness whereof, the parties have caused this MSS to be executed by their respective duly authorized representatives as of the date first written above.

SPENDGO, INC.

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Location Setup Form



MID #

1 CUSTOMER INFORMATION	
DBA Name	DBA Name
Address	
City	State Zip
Phone	Fax
Contact Name	Phone #/extension
Contact Email	
Email Valutec Monthly Statements	
wmorris@valutec.net	
Email LID/TID to:	

3 VALUTEC CONTACT
Will Morris
Sales Rep Name
615.550.8221
Phone
615-786-0079
Fax
wmorris@valutec.net
Sales Rep Email Address

4 WEB ACCESS
User Name
Password

5 TERMINAL
Brink POS
Terminal Make and Model

2 PRICING
*One-Time Location Setup: [REDACTED]
*Flat Monthly Fee: [REDACTED]
*Monthly Pooling Fee: [REDACTED] <input type="checkbox"/>

attach voided check here.

*** Please attach a copy of voided check and email or fax back to your Valutec contact.
Monthly fees will be billed on the 10th of each month to the account provided.**

Fees and charges will be deducted directly from the bank account indicated above via Automated Clearing House (ACH) funds transfer through the ACH bank designated by Valutec Card Solutions (VCS). Your signature below is your signature to the Merchant Setup Form Terms & Conditions and, as such, authorizes VCS to debit and credit funds to this account. This order is subject to the Merchant Setup Form Terms and Conditions. Contract Term: (3) Year. Annual transaction limits and surcharges apply to flat-fee programs. First billing period begins upon receipt of contract by Valutec.
ATTACH VOIDED CHECK FROM DESIGNATED BANK ACCOUNT

X _____
Signature Title Print Name Date

Merchant Setup Form Terms and Conditions

This **MERCHANT SETUP FORM TERMS AND CONDITIONS** (the "Agreement") is entered into between VALUTEC CARD SOLUTIONS, LLC, a Delaware limited liability company ("VCS"), and the merchant that executed the Merchant Setup Form (the "Merchant") and is effective as of the execution date of the Merchant Setup Form (the "Setup Form").

I. SERVICES

1.1 Services to be provided by VCS. Subject to the terms and conditions set forth in this Agreement, VCS shall provide for the electronic processing of Gift Card, Loyalty Card, Prepaid Card and other related cards processed by VCS (collectively, a "Card") purchases made by customers of Merchant who hold approved Cards ("Approved Cards"). VCS shall electronically confirm that the holder of the Approved Card ("Cardholder") activating the Card transaction through Merchant has an active account on the VCS electronic gift card processing system ("Card System") in which there are sufficient funds that can be reserved or removed to pay for their purchases. VCS shall also sell Merchant certain merchandising tools and products, such as Cards and Brochures, related to the Card processing services, in accordance with Order Forms approved by VCS ("Order Forms"). The services, merchandise and products to be rendered or provided by VCS in accordance with this Section 1.1 are collectively referred to hereafter as the "Services." As used herein, the "Agreement" includes any Order Form issued in connection herewith.

1.2 Duties to be provided by Merchant. Subject to the terms and conditions set forth in this Agreement, Merchant agrees to: (a) supply to VCS all information and data reasonably required by VCS to perform the Services; (b) maintain all VCS-related transaction records and other records required by law or regulation; (c) obtain, operate and maintain at its own expense the electronic point of sale processor(s); (d) be responsible for the accuracy and adequacy of all data transmitted by it or on its behalf for processing by or storage of information on the Card System; (e) maintain sufficient "back-up" information and data to reconstruct any information or data loss due to any system malfunction; and (f) comply with all federal, state and local laws and regulations relating to this Agreement, including consumer protection, financial transaction and escheatment laws and acknowledges that VCS is not responsible for Merchant's compliance with escheatment or other laws, and, notwithstanding the provisions of Section 6.2, agrees to wholly indemnify VCS for all related liabilities.

1.3 Use of Name and Logo. Prior to each time of the use, VCS shall obtain a non-exclusive license from Merchant's Franchisor to use Merchant's name, logo, trademark, service marks, copyrights or any other proprietary classification of Merchant or its affiliates in any advertising, promotional or instructional materials provided by or for VCS.

II. FEES

2.1 Fee Schedule. In consideration for the performance of the Services by VCS, Merchant agrees to pay to VCS the fees and other charges set forth on the Setup Form and Order Forms, as applicable. Merchant authorizes payment of the fees and charges by collection through direct debit of Merchant's bank account via the Automated Clearing House ("ACH") on a monthly basis, and all fees and charges will be due and payable on the date of transfer of funds.

III. SYSTEM CONNECTION

3.1 Specifications. Upon written acceptance of the Setup Form and this Agreement, VCS will supply Merchant with a copy of its information and procedures for enabling it to communicate with the Card System. Merchant understands that, subject to the Master Service Agreement between VCS and Merchant's Franchisor, such information and procedures may be amended by VCS at any time upon notice to Merchant.

IV. DOWN SYSTEM

4.1 Card System Down. Merchant agrees that in the event the Card System is down and not able to verify transactions for customers, VCS will not process transactions. Merchant acknowledges that VCS shall not be responsible for lost profits or sales due to the malfunction of the Card System. Merchant agrees that it will be solely responsible for any transactions that are authorized by Merchant without the knowledge or written consent of VCS, and notwithstanding the provisions of Section 6.2, will wholly indemnify and hold harmless VCS from and against any and all damage, loss, liability, consequential damage, expense, claim or obligation arising in connection therewith.

4.2 Disclaimer of Warranty. EXCEPT AS EXPRESSLY STATED HEREIN, THE SERVICE IS PROVIDED "AS IS" AND VCS DISCLAIMS ALL WARRANTIES, WHETHER STATUTORY, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF FITNESS FOR PARTICULAR PURPOSE, MERCHANTABILITY, DESIGN, QUALITY, PERFORMANCE, CONTINUOUS USE OR ERROR-FREE OPERATION.

V. CONFIDENTIALITY

5.1 Confidential Information. The parties acknowledge and agree that during the initial term of this Agreement, including any renewal, and in the course of the discharge of the duties hereunder, each party may have access to and become acquainted with information concerning the other party (the "Confidential Information").

5.2 Confidentiality Obligations. Except as otherwise set forth herein or as expressly authorized by prior written consent of the other party, each party agrees that it shall not disclose the other party's Confidential Information during the term hereof or thereafter to any other person or entity.

VI. INDEMNIFICATION AND LIMITATION OF LIABILITY

6.1 Indemnification. VCS and Merchant agree that they shall each indemnify and hold harmless the other party and its officers, directors and shareholders, from any and all loss, cost, expense, claim, damage and liability (including attorney's fees and court costs) paid or incurred by any one or more of them, to the extent it arises from, is caused by, or is attributable to (a) the failure by such party or its representatives to abide by the provisions of this Agreement; (b) the violation by such party or its representatives, of any applicable laws, regulations or court orders relating to this Agreement; or (c) gross negligence, willful misconduct or any act or omission by such party or its representatives.

6.2 Limitation of Liability. Unless otherwise stated in Section 1.2(f) or 4.1, neither VCS nor Merchant's cumulative liability for all losses, claims, suits, breaches, or damages for any cause whatsoever and regardless of the form of action or legal theory, shall exceed the amount of fees and charges incurred by Merchant to VCS pursuant to this Agreement for Services performed in the immediately preceding three (3) months.

VII. TERM

7.1 Term. This Agreement shall commence on the date set forth in the Setup Form and shall have an initial term of Three (3) years from that date. This Agreement shall automatically renew for additional one-year terms unless either party has notified the other in writing that it does not wish to renew the Agreement at least ninety (90) days prior to the expiration of either the initial term or any renewal term.

VIII. TERMINATION

8.1 Termination by VCS. Merchant understands and agrees that this Agreement, including any Order Form, may be terminated immediately for "good cause" by VCS. For purposes of this Agreement, "good cause" shall mean (a) an uncured material breach of this Agreement by Merchant; (b) failure to pay at the time specified any fees, charges or other amounts owed by Merchant to VCS in accordance with the terms of this Agreement; (c) upon the confirmation of Merchant's Franchisor that Merchant has closed its business or Merchant's franchise has been terminated; or (d) the violation of any law or regulation applicable to Merchant that has an adverse effect upon the operation of the Card System.

8.2 Termination by Merchant. VCS understands that this Agreement may be terminated by Merchant upon thirty (30) days written notice to VCS in the event of an uncured material breach of this Agreement by VCS.

8.3 Responsibilities upon Termination. Merchant and VCS understand and agree that in the event this Agreement is terminated for any reason whatsoever:

(a) Prior to the completion of the initial contract term, Merchant is obligated to immediately pay VCS (i) all fees due under an Order Form and any fees or charges incurred by Merchant prior to the effective date of the termination; and unless terminated by Merchant pursuant to Section 8.2 above, (ii) liquidated damages equal to: (A) the greater of (1) eighty-five percent (85%) of the average monthly fees incurred for each Service during the preceding six (6) months (or, during such shorter period if the Service has been in production for less than six (6) months), (2) any minimum fees due for each such Service, or (3) the estimated monthly charge for the Service (as set forth in a pricing attachment), in each case multiplied by the number of months remaining in the then-current term applicable to the Service but the total number of months not to exceed twelve (12) months; (B) any out-of-pocket expenses directly incurred by VCS as a consequence of the termination; (C) any credits or incentives given to Merchant by VCS on or before commencement of a Service; plus (D) any unpaid one-time fees relating to each terminated Service. If termination of the obligation to provide such Service occurs prior to commencement of the Service, then the amounts due hereunder will be calculated using the minimum monthly amount due for each such Service, if any, or the estimated monthly charge.

(b) After the initial term is completed, Merchant is obligated to immediately pay VCS any fees and charges incurred by Merchant, in connection with an Order Form or otherwise, prior to the effective date of the termination;

(c) Unless expressly agreed to in writing by VCS, Merchant shall not be entitled to a refund of any fees, charges, or other amounts paid to VCS and shall remain liable and responsible for meeting all financial and other obligations arising from its participation that may have accrued prior to the effective date of such termination; and

(d) Each party shall be responsible for the reinstallation of its computer or telecommunications support services and all related charges.

8.4 Continuing Obligations. The expiration or termination of this Agreement shall not affect or impair the obligation or rights of either party under Articles V and VI of this Agreement, nor any right, duty, or obligation arising pursuant to acts or omissions prior to the effective date of such termination.

IX. PROPRIETARY INTEREST

9.1 Proprietary Interest. Merchant shall have no interest whatsoever, including copyright interests, franchise interests, license interests, patent rights, property rights or other interest in the Services. This Agreement is not to be construed as granting to Merchant any patent rights or patent license in any patent which VCS may obtain in respect of the Services or VCS's software or equipment. Merchant will make no attempt to duplicate or otherwise ascertain the components, circuit diagrams, logic diagrams, flow charts, source and object code, schematics or operation of, or otherwise attempt to reverse engineer any VCS provided equipment or software.

X. MISCELLANEOUS

10.1 Entire Agreement. This Agreement, together with the Setup Form and all matters incorporated by reference herein, constitutes the entire Agreement between the parties and supersedes all previous negotiations, commitments and writings, including any and all representations made by agents, resellers and representatives of VCS.

10.2 Amendments; Waivers. Subject to the Master Service Agreement between VCS and Merchant's Franchisor, VCS may amend the Setup Form and this Agreement in its sole discretion at any time whatsoever, including amending the fees and charges. No course of dealing or failure by a party to enforce any provision of or exercise any right under this Agreement shall constitute a waiver of such provisions or right or affect the validity of this Agreement, or limit or impair the right of a party subsequently to enforce such provisions or exercise such right.

10.3 Relationship. VCS is an independent contractor, and neither VCS nor any of its representatives or affiliates is an employee, partner or joint venture of Merchant. Neither party shall be an agent of the other party nor have any authority to represent or bind the other party in any manner.

10.4 Assignability. Merchant shall not assign, subrogate or transfer any interest, obligation or right arising out of this Agreement without prior written consent from VCS, which shall not be unreasonably withheld.

10.5 Applicable Law. This Agreement shall be governed by the laws of the State of Delaware.

10.6 Notice. All notices or other communications required under this Agreement shall be effective when hand delivered, sent by U.S. mail (postage prepaid), emailed, faxed or sent by overnight courier and shall be deemed to be given when hand delivered, deposited in the U.S. mail as indicated, emailed or faxed by the sender, or deposited with the overnight courier. Notices shall be addressed to the parties at the address indicated on the Setup Form, or any other address that a party may give by notice to the other party.

AUTHORIZED OPERATOR AGREEMENT (FORM)

This Authorized Operator Agreement (the "Agreement"), effective as of _____ (the "Effective Date"), is made by and between Mobo Systems, Inc., a _____ corporation with a business address at _____ ("Olo") and _____, a _____ with a business address at _____ ("Operator").

RECITALS

WHEREAS, Operator is an authorized franchisee of Customer ("Customer");

WHEREAS, Customer has entered into an agreement ("Master Services Agreement") with Olo, whereby Olo shall exclusively provide white label (retailer-branded) digital ordering solutions to Customer and its franchisees; and

WHEREAS, Operator desires to use the Licensed Applications made available to Customer pursuant to the Master Services Agreement, and Olo desires to make available such Licensed Applications for use by Operator, all pursuant to the terms and conditions of this Agreement. For purposes of this Agreement, the "Licensed Applications" means the software and systems that are developed and operated by Olo to provide digital ordering solutions to its customers generally, including any associated application program interfaces and technology and any enhancements or modifications thereto made available to Customer under the Master Services Agreement and correspondingly to Operator under this Agreement.

NOW, THEREFORE, the parties agree as follows:

1. Fees and Expenses; Payment Obligations

Olo shall begin billing one-time and recurring program fees as specified in the table below.

- On the first day of each new month (Day 1), Olo will invoice all Licensed Application and order fees for the month just ended. (e.g., July service fees will be invoiced on August 1).
- On Day 4, Olo will initiate an EFT withdrawal for the fees as invoiced.
 - During the three (3) day period between invoicing and initiating the EFT withdrawal, Operator may review the proposed charges.
 - If Operator has questions or wants to dispute the invoice they may contact _____.
 - If it is discovered that the invoice is materially misstated (e.g., extra zeros), Olo may halt the planned withdrawal.
 - Immaterial adjustments will be made on the following month's invoice.
- Day 8-10, Operator should expect Olo's withdrawal to clear their bank account.

Service Edition Monthly Program Fee	<i>Monthly recurring fee, per active location</i>
	\$_____ per active location, per month.
Prepaid Monthly Order Packages + Cost Per Additional Order	Order Packages are selected and billed on a location-by-location basis. Each package includes a monthly quantity of orders and establishes the cost of any additional orders processed beyond the package amount during the month.

	<p>Order Packages may be upgraded or downgraded anytime for future months.</p> <p>Olo shall begin billing applicable Order Package fees upon launch of each Operator location. Order Package fees will be charged at the end of each month for the preceding month's activity. Monthly Order Package fees will be calculated by adding the flat Order Package fees outlined in the selected package plus the total number of orders in excess of package limit multiplied by the Cost of Additional Orders.</p> <table border="1"> <thead> <tr> <th>Package</th> <th>XS</th> <th>S</th> <th>M</th> <th>L</th> <th>XL</th> </tr> </thead> <tbody> <tr> <td>Monthly Fee</td> <td>\$</td> <td>\$</td> <td>\$</td> <td>\$</td> <td>\$</td> </tr> <tr> <td>Included Orders</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Cost of Additional Order</td> <td>\$</td> <td>\$</td> <td>\$</td> <td>\$</td> <td>\$</td> </tr> </tbody> </table>	Package	XS	S	M	L	XL	Monthly Fee	\$	\$	\$	\$	\$	Included Orders						Cost of Additional Order	\$	\$	\$	\$	\$
Package	XS	S	M	L	XL																				
Monthly Fee	\$	\$	\$	\$	\$																				
Included Orders																									
Cost of Additional Order	\$	\$	\$	\$	\$																				
Location Activation Fee	<p>One-time fee for all locations using the Licensed Applications after Launch Date. Fee includes Applicable Menu creation, POS integration, dashboard configuration and other initial setup procedures.</p> <p>\$____ per location.</p>																								
Integrated Payment Processing	<p>Per the terms and conditions of _____.</p> <p>Olo does not add any additional fees.</p>																								
Chargeback Fees	<p>Locations are solely responsible for chargeback fees and any losses incurred as a result of customer disputes.</p>																								
Applicable Taxes	<p>All Olo fees are subject to applicable sales tax. In addition, the collection of federal, state and local taxes on End User orders is the sole responsibility of the Operator.</p>																								

2. License; Intellectual Property Rights; Exclusivity

- a. License.
 - i. Subject to the terms and conditions of the Agreement, Olo hereby grants to Operator, during the Term (as defined herein), a non-exclusive, non-sub licensable, non-transferable (except pursuant to Section 9.c) license to access and use for itself and its customers the Licensed Applications in the United States. Operator shall not (i) assign this Agreement to any third party (it being understood that any such assignment shall be void ab initio); and (ii) transfer or sell the Licensed Applications (it being understood that Operator may permit its customers to access the Licensed Applications solely for the expressed purpose of this Agreement). A breach of the obligations set forth in this Section 2 by Operator shall constitute a material breach of this Agreement by Operator. Updates to the Licensed Applications shall be made in the sole discretion of Customer, as negotiated with Olo. Any breach of data security, confidentiality, or other malicious activities, will, in all cases, necessitate the immediate termination of the Operator's access to the Licensed Applications. A breach of the obligations set forth in this Section by

- Operator shall constitute a material breach of this Agreement by Operator.
- ii. Olo hereby grants to Operator a limited, non-exclusive license to use Olo promotional materials and Olo trademarks and logos for the marketing and promotional purposes in connection with the Licensed Applications, including as directed by Customer. Operator shall not be permitted to alter or modify any Olo trademarks or logos. All other use of Olo trademarks and logos shall be subject to the prior approval of Olo. Operator shall not use any Olo promotional materials or Olo trademarks or logos in any way that suggests or implies that Olo endorses Operator's or Customer's products or services. All use of Olo trademarks and logos, and all goodwill derived from such use, shall inure to Olo.
 - iii. During the Term (as defined herein), the Licensed Applications will be operational and available to Operator and its customers in the manner contemplated by this Agreement.
- b. Intellectual Property Rights.
- i. As between Operator and Olo, Operator hereby acknowledges and agrees that Olo owns all right, title and interest, including all copyrights and other intellectual property and proprietary rights, in and to the Licensed Applications, all custom developed documents, designs, computer programs, computer systems, computer documentation and other work product authored or prepared by Olo upon the request of Customer pursuant to the Master Services Agreement.
 - ii. Nothing herein shall alter any agreement between Customer and Operator concerning the ownership or use of Customer intellectual property other than the Licensed Applications, including without limitation Customer trademarks or logos.
- c. Exclusivity
- i. During the Term, Olo shall be the exclusive provider of white label digital ordering applications to Operator. Also during the Term, Operator shall not to use, test or support any white label remote ordering service in lieu of the Licensed Applications. Operator agrees to require the Olo program for all existing and future locations owned by Operator. Notwithstanding the above, Operator shall have the right to use any consumer "marketplace" that aggregates offerings from multiple restaurant brands ("Aggregators") at their sole discretion. To ensure Point of Sales (POS) and operational integrity, Operator shall require all Aggregators to submit orders through the Olo Rails interface ("Rails"). A breach of the obligations set forth in this Section by Operator shall constitute a material breach of this Agreement by Operator.

3. Confidential Information

The parties acknowledge and agree that in the course of fulfilling their obligations hereunder, each party may have access to information of material of the other party that is commercially valuable to both companies and not generally known in the industry (as further described below, "Confidential Information"). During and after the term of this Agreement, each party agrees not to: (a) disclose Confidential Information of the other party to any person other than its employees, agents or independent contractors who have a need to know the same in connection with performance of this Agreement, and who are under obligations of confidentiality substantially similar to this Section 5; or (b) use the Confidential Information of the other party for any purpose other than performing its obligations under this Agreement. Confidential Information includes, but is not limited to: (i) any and all versions of proprietary computer software and any documentation

related thereto; (ii) technical information concerning products and services, including product data and specifications including, but not limited to, the integration specifications, know-how, formulae, diagrams, flow charts, drawings, hardware configuration information, source code, object code, test results, processes, inventions, research projects and product development; (iii) any and all version of any designs, patents, trademarks, or copyrightable works, discoveries, formulae, processes, manufacturing techniques, trade secrets, inventions, improvements, ideas, business plans; (iv) information concerning each party's business plans or strategies, pricing or menu information, and markets and marketing methods; (v) information submitted by each party's customers, suppliers, employees, or business partners for study, evaluation or use; or (vi) any other information not generally known to the public or by actual or potential competitors of either party.

Each party agrees to treat the other party's Confidential Information in the same manner as it treats its own Confidential Information, to take reasonable security precautions to safeguard the other party's Confidential Information from theft or from access by unauthorized persons, to not use the other party's Confidential Information in any way detrimental to such party, and to not, directly or indirectly, disclose or divulge the other party's Confidential Information to any third party without the prior written consent of the other party.

The receiving party shall have no obligation with respect to Confidential Information of the other party that: (i) is or becomes publicly known through no wrongful act, fault or negligence of the receiving party; (ii) was disclosed to the receiving party by a third party who was free of obligations of confidentiality to the party providing the information; (iii) is approved for release by prior written authorization of the other party; or (iv) is publicly disclosed pursuant to a subpoena, court order, requirement or request of a governmental agency, or where such disclosure is required by operation of law.

In no event may this Agreement be reproduced or copies shown to any third parties without the prior written consent of the other party, except as may be necessary by reason of legal, accounting, tax or regulatory requirements, in which event Olo and Customer agree to exercise reasonable diligence in limiting such disclosure to the minimum necessary under the particular circumstances. The parties further agree that where this Agreement or their respective contents have to be disclosed to any regulatory or statutory body, then the parties shall use their commercially reasonable efforts to seek undertakings from such regulatory or statutory body to prevent the disclosure of this Agreement or their respective contents into the public domain.

In addition, each party shall give notice to the other party of any demands to disclose or provide Confidential Information received from any third party under lawful process prior to disclosing or furnishing Confidential Information, and shall cooperate in seeking reasonable protective arrangements requested by the other party. Either party may disclose or provide Confidential Information of the other party requested by a government agency having jurisdiction over the party; provided that the party uses its commercially reasonable efforts to obtain protective arrangements satisfactory to the party owning the Confidential Information. The party owning the Confidential Information may not unreasonably withhold approval of protective arrangements.

The receiving party shall notify the disclosing party immediately upon becoming aware of any actual or suspected breach of the security of disclosing party's Confidential Information. A breach of security refers to any known or suspected breach or default in the confidentiality, integrity, accuracy, security or privacy of disclosing party's Confidential Information.

If a party uses or discloses or attempts to use or disclose any of the Confidential Information in contravention of this Agreement, then in addition to other available remedies, the party who owns the Confidential Information shall have the right to injunctive relief enjoining any such use, disclosure or attempt to use or disclose, it being acknowledged that legal remedies are inadequate. The receiving party shall have no obligation with respect to Confidential Information of the other party that: (a) is or becomes publicly known through no wrongful act, fault or negligence of the receiving party; (b) was disclosed to the receiving party by a third party who was free of obligations

of confidentiality to the party providing the information; or (c) is approved by disclosing party for release by the receiving party by express prior written authorization.

Notwithstanding the above, the receiving party may disclose certain Confidential Information of the disclosing party, without violating the obligations of this Agreement, to the extent such disclosure is required by a valid order of a court, other governmental body having jurisdiction or as required by applicable laws, provided that the receiving party provides the disclosing party with reasonable prior written notice of such disclosure and makes a reasonable effort to obtain, or to assist the disclosing party in obtaining, a protective order preventing or limiting the disclosure and/or requiring that the Confidential Information so disclosed be used only for the purposes for which the law or regulation required, or for which the order was issued.

4. User Data

For purposes of this Agreement, “Application Data” means all data transmitted through, or collected by, the Licensed Applications, including, without limitation all personally identifiable information (“End User” data), and all data and information concerning End Users utilizing the Licensed Applications. Operator acknowledges and agrees that all Application Data is confidential information and intellectual property of Customer, and Operator’s access and use of Application Data is prohibited and/or restricted pursuant to agreements between Customer and Operator. Operator further acknowledges and agrees that Olo will not provide Application Data to Operator without the prior written approval of Customer.

5. Representations and Warranties

Each party represents and warrants that it has the legal power and authority to enter into this Agreement. Olo represents and warrants that it will provide the services stated in this Agreement in a manner compliant with all applicable material rules, regulations and laws, including but not limited to those applicable to PII, and consistent with general industry standards reasonably applicable to the provision thereof. Operator represents and warrants that it and each of its employees, contractors (to the extent applicable), and authorized representatives are fully compliant with all applicable Payment Card Industry data security and other standards as well as all other applicable rules, regulations and laws applicable to PII.

OLO MAKES NO REPRESENTATION OR WARRANTY OTHER THAN THOSE SET FORTH IN THIS AGREEMENT. THE WARRANTIES STATED IN THIS AGREEMENT ARE IN LIEU OF ALL OTHER WARRANTIES AND CONDITIONS EXPRESSED OR IMPLIED INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

6. Indemnification

- a. By Olo. Olo shall defend any action, suit, or proceeding brought against Operator alleging that any Olo intellectual property (“Olo IP”) infringes any United States patent, trademark or copyright of a third party, and Olo shall indemnify and hold Operator harmless against damages finally awarded against Operator, costs, expenses, and losses (including, without limitation, court costs and reasonable attorneys’ fees and expenses) in connection with any such action, suit or proceeding; provided, that (i) Operator notifies Olo promptly in writing of the claim in question, (ii) Olo has sole control of the defense and all related settlement negotiations, and (iii) Operator provides Olo with all commercially reasonable assistance, information and authority to perform the above at Olo’s expense. In the event that Operator’s use of the Olo IP is enjoined by a court of competent authority, Olo shall, at its sole option and at its expense, either (I) procure for Operator the right to continue using of the Olo IP, or (II) modify the Olo IP to avoid infringement without material impairment of their functionality. THIS SECTION STATES

OLO'S SOLE LIABILITY HEREUNDER WITH RESPECT TO INFRINGEMENT OF ANY INTELLECTUAL PROPERTY AND PROPRIETARY RIGHTS.

- b. By Operator. Operator shall indemnify, defend and hold Olo and each of its subsidiaries and affiliates, and each of their respective past or present officers, directors, agents, servants, employees, stockholders, predecessors, successors or assigns, and all persons acting by, through, and under, or in concert with them, harmless against all losses, damages finally awarded against Olo, claims, liabilities, and expenses (including reasonable legal fees) resulting from (i) any of its acts or omissions or the acts or omissions of its employees, contractors or representatives hereunder; (ii) its grossly negligent acts or omissions, or willful misconduct in performing under this Agreement; (iii) Olo's release of Operator or Customer data (including PII) if the release of such information was requested in writing by Operator; (iv) claims that materials supplied by it infringe or conflict with the rights of third parties; and (v) its failure to properly collect and remit taxes or other government payments or fees associated with its usage of the Licensed Applications, which shall be the sole responsibility of the Operator. Operator is responsible under this section for the actions of its employees and subcontractors.

7. Limitation of Liability

EXCEPT FOR INDIRECT DAMAGES AS A RESULT OF EITHER PARTY'S INDEMNIFICATION OBLIGATIONS UNDER SECTION 6 HEREIN, (A) IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY CONSEQUENTIAL, INDIRECT, PUNITIVE, EXEMPLARY, SPECIAL, OR INCIDENTAL DAMAGES ARISING FROM OR RELATING TO THIS AGREEMENT, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, EVEN IF ONE OR BOTH PARTIES KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES; AND (B) EACH PARTY'S TOTAL CUMULATIVE LIABILITY ARISING FROM OR RELATING TO THIS AGREEMENT WILL NOT EXCEED THE AMOUNT OF FEES PAID OR PAYABLE BY OPERATOR UNDER THIS AGREEMENT. THE PARTIES ACKNOWLEDGE THAT THE TERMS OF THIS SECTION 7 REFLECT THE ALLOCATION OF RISK SET FORTH IN THIS AGREEMENT AND THAT THE PARTIES WOULD NOT HAVE ENTERED INTO THIS AGREEMENT WITHOUT THESE LIMITATIONS OF LIABILITY.

8. Term and Termination

- a. Term – Generally. This Agreement shall remain in force for ___ from the Customer "go-live" date (when the Licensed Applications are live to end users (the "Initial Term")). At the end of the Initial Term, this Agreement shall be automatically renewed for successive ___ periods (each a "Renewal Term" and collectively with the Initial Term, the "Term") unless, at least ___ prior to any Renewal Term, either party notifies the other that this Agreement shall not be renewed. This Agreement may terminate earlier as provided in this Section 7 or as the parties may otherwise agree in writing.
- b. Termination of the Master Services Agreement. This Agreement shall automatically terminate if and when the Master Services Agreement is terminated between Olo and Customer.
- c. Termination of Franchise Agreement/Elimination of Location. This Agreement shall automatically terminate as to a franchised location if and when (i) the franchise agreement between Customer and Operator is terminated, in which case this Agreement shall terminate as to all Customer franchised locations of Operator, or (ii) Operator no longer owns and operates the franchised location, in which case, this Agreement shall only terminate as to such franchised location.
- d. Termination for Cause; Reasonable Opportunity to Cure Breach. If a party breaches any material provision of this Agreement, the non-breaching party may terminate this Agreement by giving ___ notice to the other party, except that such a termination shall

not take effect if the breaching party cures the breach before the end of such ____ period.

9. Miscellaneous

- a. Notices. All notices and other communications sent under this Agreement will be in writing and (i) hand delivered; (ii) delivered by prepaid overnight courier; or (iii) transmitted via email. Communications will be sent to the persons at the addresses set forth on the signature page hereof or such other persons/addresses as the parties subsequently may specify in writing.
- b. Governing Law. This Agreement will be governed by the laws of New York, without regard to conflict of laws principles. The parties consent to the exclusive jurisdiction and venue of courts in Orange County, California in all disputes arising out of, or relating to, this Agreement.
- c. Assignment. . This Agreement will bind and inure to the benefit of the parties and their respective permitted successors and assigns. Except as specified herein, neither party may assign its rights or delegate its duties under this Agreement (whether directly or indirectly, by operation of law or otherwise) without the prior written consent of the other, which consent will not be unreasonably withheld or delayed. Notwithstanding the foregoing, either party may assign this Agreement without the consent of the other party: (a) in the event of a merger, acquisition or sale of all, or substantially all, of the assets or business of a party (or any substantially similar transaction), and (b) to any affiliate or subsidiary of a party; so long as the assignee accepts the obligations hereunder in writing. Any purported assignment of rights or obligations, except as expressly permitted herein, will be null and void.
- d. Severability. If any one or more provisions of this Agreement shall be held to be illegal, invalid, unenforceable, or void, the remainder of this Agreement shall remain in full force to the extent the economic benefit conferred upon the parties by this Agreement remain substantially unimpaired. If severability of any such provision would materially change the economic benefit of this Agreement to either party, the parties shall modify such provision to obtain a legal, enforceable, and valid provision.
- e. Relationship of Parties. The parties acknowledge that Olo is an independent contractor of Operator, and Olo's employees are not employees of Operator. Nothing in this Agreement or any exhibit will be construed as creating a partnership, joint venture, agency or fiduciary relationship between the parties, or as authorizing either party to act as agent for the other or to enter into contracts on behalf of the other party.
- f. Amendment/Modification. This Agreement may be modified or amended only by a separate writing signed by Olo and Operator expressly so modifying or amending this Agreement.
- g. Force Majeure. Neither party will be deemed to be in default of or to have breached any provision of this Agreement as a result of any delay, failure in performance or interruption of service, resulting directly or indirectly from acts of God, acts of civil or military authorities, civil disturbances, wars, strikes or other labor disputes, fires, transportation contingencies, interruptions in telecommunications or Internet services or network provider services, failure of equipment and/or software, other catastrophes, and other causes beyond its reasonable control; provided, however, that Operator shall have no obligation to pay Olo during a Force Majeure event.
- h. Transfer of Data. Operator consents to allow Olo to transfer, or otherwise provide access to, certain data, including but not limited to, menu information and general restaurant information to Aggregator; provided that Olo updates such data upon Operator's request and requires Aggregator to do the same. Olo will not share any PII with Aggregator. Data may only be used for the limited purpose outlined above, namely

use of Rails. Operator agrees that Olo shall have no liability to Operator for the granting of access to, or the misuse of such data, by Aggregator, or any other claims arising out of or related to the granting of access to the data.

- i. Waiver. A waiver by either party of any term or condition of this Agreement in one or more instances will not constitute a permanent waiver of the term or condition or any other term or condition of this Agreement or a general waiver.
- j. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes any prior oral or written agreements between the parties concerning the subject matter hereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized officers.

MOBO SYSTEMS, INC.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Mailing Address for Notices:

Mailing Address for Notices:

Email Address for Notices:

Email Address for Notices:

DISPATCH SERVICES AGREEMENT

This Dispatch Services Agreement (the “**Agreement**”), effective as of _____ (the “**Effective Date**”), is made by and between Mobo Systems, Inc., a _____ corporation with a business address at _____ (“**Olo**”) and _____ with a business address at _____ (“**Operator**”).

WHEREAS, Olo offers a delivery service through its proprietary platform allowing for the scheduling and billing of delivery services; and

WHEREAS, Operator is an authorized franchisee of The Flame Broiler, Inc. (“**Customer**”);

WHEREAS, Customer has entered into an agreement (“**Dispatch Services Agreement**”) with Olo, whereby Olo shall provide the platform and related applications in accordance with the terms and conditions of the Dispatch Services Agreement; and

WHEREAS, Operator desires to use the platform and related applications in accordance with the terms and conditions of this Agreement.

Therefore, in consideration of the mutual covenants and promises made in this Agreement, and intending to be legally bound, Olo and Operator agree as follows.

1. Definitions

- “**Available Delivery Service Providers**” shall mean the Delivery Service Providers who have been selected and approved by Olo to create a Profile on the Platform and are available to Customer and/or Operator to make deliveries to End Users in a given Delivery Area on behalf of Customer or Operator.
- “**Confirmed Delivery Response**” shall mean that the Platform has transmitted an End User delivery request to a Selected Delivery Service Provider(s) that has responded back with an acceptance of that delivery request.
- “**Delivery Area**” shall mean the area(s) in which a Delivery Service Provider offers delivery service to End Users.
 - “**Delivery Fees**” shall mean the fees that are quoted by Olo as “delivery service fees” plus a tip (if any) added to the payment form the End User fills out for the delivery of the Product.
- “**Delivery Guidelines**” shall mean the rules and responsibilities associated with the delivery of the Product to the End User.
- “**Delivery Service Providers**” shall mean the providers of delivery services, selected by Olo and given access to the Platform by Olo, that use their own employees or Independent Delivery Drivers, who cover a specific Delivery Area(s) that comprise a portion of the Territory and are available to pick up the Product from the Customer and/or Operator location and deliver it to the End User-specified location.
- “**Delivery Service Provider Requirements**” shall mean the requirements established by Customer or Operator in the Platform relating to the selection of the Delivery Service Providers who may be Available Delivery Service Providers for Customer and Operator.

- **“End User(s)”** shall mean the consumers who access the Customer and/or Operator’s website or application that is connected to, or otherwise using the Platform, for the purpose of placing an order for delivery.
- **“Independent Delivery Drivers”** shall mean those independent contractors who may be under contract with a Delivery Service Provider to provide delivery services on behalf of a given Delivery Service Provider.
- **“Launch Date”** shall mean the date that Customer first enables the delivery of its Products to End Users in the Delivery Area leveraging the Platform and the Selected Delivery Service Providers.
- **“Personally Identifiable Information”** or **“PII”** shall mean the data collected by a party from an End User that contains any confidential and/or personally identifiable information about the End User and, for the purposes of this Agreement, any of the End User’s payment credentials.
- **“Platform”** means the system operated by Olo that allows Customer and Operator to provide Delivery Service Provider Requirements and place requests with Olo to deliver Products to End Users and facilitates through those Delivery Service Providers who meet the Delivery Service Provider Requirements, including any associated application program interfaces and technology and any enhancements or modifications thereto.
- **“Product”** means the order from the End User comprised of products from the Customer and/or Operator location.
- **“Profile”** means the information provided by a Delivery Service Provider for review by Olo and as updated from time to time by Olo in their sole discretion, in order to allow the Delivery Service Provider to participate on the Platform.
- **“Selected Delivery Service Provider”** means an Available Delivery Service Provider that is selected by Olo on behalf of Customer and/or Operator (based on the Delivery Service Provider Requirements) to deliver a given order for Products to End Users on behalf of the Operator in the Delivery Area.
- **“Territory”** shall mean the United States and Canada.

2. Selection of Delivery Service Providers

2.1 Available Delivery Service Providers. As part of the Platform, Olo allows Delivery Service Providers to sign up for use of the Platform and complete a Profile. Based on the Delivery Service Provider Requirements, Olo will create a set of Available Delivery Service Providers for Customer and/or Operator. Customer and/or Operator may review this list through the Platform and change its Delivery Service Provider Requirements if it determines that list is not acceptable. Olo requires that each Delivery Service Provider maintain an accurate and up-to-date Profile.

2.2 Selection of Available Delivery Service Providers. Olo will select the Selected Delivery Services Providers based on the Delivery Service Provider Requirements based on the Profiles of Available Delivery Service Providers in each Delivery Area. Notwithstanding the foregoing, to the extent that Customer and/or Operator do not provide any parameters for Olo to choose an Available Delivery Service Provider, one shall be selected automatically by Olo. Customer and/or Operator may change its Delivery Service Provider Requirements at any time, and based upon these revised criteria, Olo may change its determination at any time for any reason and in its sole discretion.

2.3 Responsibility for Selection. Olo is responsible for the Delivery Service Provider Requirements and the selection of a Delivery Service Provider from the list of Available Delivery Service Providers that Olo makes available to Customer and/or Operator that meets the Delivery Service Provider Requirements.

3. Delivery

3.1 Quotes. Olo provides Customers and/or Operator with access to the Platform in order to request and receive delivery quotes (delivery time and pricing) and Olo will provide such quotes if there is an Available Delivery Service Provider available for a given order.

3.2 Availability. The Customer and/or Operator may seek a bid for the delivery to a given End User the Product(s) ordered by that End User through the Platform. Each Selected Delivery Service Provider who is available to make a delivery in a given Delivery Area may respond to the request for a delivery and the delivery order will be assigned based upon the Delivery Service Provider Requirements provided by Customer and/or Operator. If a delivery response does not meet the Olo criteria, based upon that Customer's and/or Operator's Delivery Service Provider Requirements, then delivery may not be available for that End User order.

4. Additional Obligations

- **4.1 Olo Obligations.** In addition to the other obligations set forth in this Agreement, Olo shall also use commercially reasonable efforts to: (a) ensure that the Delivery Service Providers maintain and enforce strict guidelines for their drivers, including any Independent Delivery Drivers; (b) ensure that the Delivery Service Providers use of the End User data is subject to Olo's privacy policy in effect at the time; (c) ensure that no End User PII will be used to market any additional products to those End Users; (d) ensure that all End User PII will be secured from unauthorized access, use, disclosure, loss and theft using industry standard security practices and technologies; and (e) oversee the selection and provision of the delivery services. Notwithstanding anything to the contrary contained in this Agreement, each party shall be responsible, to the extent applicable, for the compliance under any and all applicable rules, regulations and laws relating to PII including, but not limited to, California Consumer Privacy Act (CCPA).
- **4.2 Operator Obligations.** In addition to the other obligations set forth in this Agreement, Operator shall also use commercially reasonable efforts to: (a) ensure that they properly package Product appropriately for delivery (including any protection necessary in the event of inclement weather) using the proper containers and other means to allow for successful delivery; (b) ensure that Product is readily available for pickup at the requested pickup time by the Selected Delivery Service Provider upon their arrival at the requested pick-up location; (c) ensure that each order is complete prior to pick-up by the Delivery Service Provider; and (d) ensure that they promptly respond to all End Users calls and use the Platform to promptly respond to all End User issues, including cancellations and refunds. Operator shall not create any obligation of the Delivery Service Provider or Olo to provide any refund other than as specifically set forth in Exhibit A.
- **4.3 Exclusivity.** Operators agrees that during the Term, Olo shall be the exclusive provider of delivery services to Operator, for orders originated on Customer's branded e-commerce web and mobile web, and mobile applications.

5. License; Proprietary Rights

- **5.1 License.** Subject to the terms and conditions of the Agreement, Olo hereby grants to Operator, during the Term, a non-exclusive, non-sub licensable, non-transferable license to access and use for itself and its End Users, the Platform in the

Territory. Operator shall not (a) assign this Agreement to any third party (it being understood that any such assignment shall be void ab initio); or (b) transfer or sell the right to use the Platform.

○ **5.2 Intellectual Property Rights.** As between Operator and Olo, Operator hereby acknowledges and agrees that Olo owns all right, title and interest, including all copyrights and other intellectual property and proprietary rights, in and to the Platform, all custom developed documents, designs, computer programs, computer systems, data, computer documentation and other work product authored or prepared by Olo upon the request of Operator (collectively, “**Olo IP**”).

6. Fees & Payments

○ **6.1 Fees.** In exchange for access to the Platform and the services provided under the terms of this Agreement, Operator agrees to pay Olo the Delivery fees and Platform Fees set forth on Exhibit B (the “**Fees**”).

6.2 Billing. All fees hereunder are billed as per Exhibit B. Olo reserves the right (in addition to any other rights or remedies Olo may have) discontinue access to the Platform and suspend Operator’s access to the Platform if any fees are more than thirty (30) days overdue until such amounts are paid in full. All fees will be billed and paid in U.S. dollars.

6.4 Disputed Fees. If Operator disputes any invoices (fees, taxes, or other charges billed by Olo), Operator shall notify Olo, in writing, of the disputed amount and any relevant information regarding the circumstances of the dispute. Olo shall acknowledge receipt of the dispute information in writing to Operator. All parties agree to work cooperatively to resolve any such disputed amounts. If the Operator fails to provide Olo with a notice of such a disputed amount within ___ business days following receipt of Olo’s invoice for such disputed charge, then such amount is deemed undisputed and due to Olo.

6.5 Taxes. Operator will be responsible for payment of any applicable sales, use and other taxes and all applicable export and import fees, customs duties and similar charges (other than taxes based on Olo’s income), and any related penalties and interest for the grant of access rights hereunder, or the delivery of related services, if any. Operator will make all required payments to Olo free and clear of, and without reduction for, any withholding taxes. Any such taxes imposed on payments to Olo will be Operator’s sole responsibility, and Operator will, upon Olo’s request, provide Olo with official receipts issued by appropriate taxing authorities, or such other evidence as Olo may reasonably request, to establish that such taxes have been paid.

7. Confidential Information

7.1 Confidentiality. The parties acknowledge and agree that in the course of fulfilling their obligations hereunder, or otherwise in connection with the activities contemplated, each party may receive or have access to information, data, or material of the other party that is commercially valuable to both companies and not generally known in the industry (as further described below, “Confidential Information”). During and after the Term, each party agrees not to: (a) disclose Confidential Information of the other party to any person other than its employees, agents or independent contractors, or legal advisors who have a need to know the same in connection with performance of this Agreement, and who are under written obligations of confidentiality substantially similar to this Section 7 or bound by law or professional ethics to safeguard such information; or (b) use the Confidential Information of the other party for any purpose other than as necessary to perform its obligations under this Agreement. The term “Confidential Information” means all proprietary information belonging to one of the parties hereto that is not generally known by the public and includes, but is not limited to: (i) any and all versions of proprietary computer software and any documentation related thereto; (ii) technical information concerning products and services, including product data and specifications including, but not limited to,

the integration specifications, know-how, formulae, diagrams, flow charts, drawings, hardware configuration information, source code, object code, test results, processes, inventions, research projects and product development; (iii) any and all version of any designs, patents, trademarks, or copyrightable works, discoveries, formulae, processes, manufacturing techniques, trade secrets, inventions, improvements, ideas, business plans; (iv) information concerning each party's business plans or strategies, pricing or menu information, and marketing, advertising, and promotional programs; (v) information submitted by each party's customers, suppliers, employees, or business partners for study, evaluation or use; or (vi) any other information not generally known to the public or by actual or potential competitors of either party.

7.2 Duty to Protect. Each party agrees to treat the other party's Confidential Information in the same manner as it treats its own Confidential Information (but in no case, less than reasonable care), to take reasonable security precautions to safeguard the other party's Confidential Information from theft or from access by unauthorized persons, to not use the other party's Confidential Information in any way detrimental to such party, and to not, directly or indirectly, disclose or divulge the other party's Confidential Information to any third party without the prior written consent of the other party. The parties acknowledge that this Agreement contains Confidential Information that may be considered proprietary by one or both parties, and agree to limit distribution of this Agreement to those employees of Olo and Operator with a need to know the contents of this Agreement. In no event may this Agreement be reproduced or copies shown to any third parties without the prior written consent of the other party, except as may be necessary by reason of legal, accounting, tax or regulatory requirements, in which event Olo and Operator agree to exercise reasonable diligence in limiting such disclosure to the minimum necessary under the particular circumstances. The parties further agree that where this Agreement or its contents must be disclosed to any regulatory or statutory body, then the parties shall use their commercially reasonable efforts to seek undertakings from such regulatory or statutory body to prevent the disclosure of this Agreement or its contents into the public domain.

7.3 Exceptions. The receiving party shall have no obligation with respect to Confidential Information of the other party that: (a) is or becomes publicly known through no wrongful act, fault or negligence of the receiving party; (b) was disclosed to the receiving party by a third party who was free of obligations of confidentiality to the party providing the information; or (c) is approved by disclosing party for release by the receiving party by express prior written authorization.

7.4 Disclosures Required by Law. Notwithstanding the above, the receiving party may disclose certain Confidential Information of the disclosing party, without violating the obligations of this Agreement, to the extent such disclosure is required by a valid order of a court, other governmental body having jurisdiction or as required pursuant to applicable law, provided that the receiving party provides the disclosing party with reasonable prior written notice of such disclosure and makes a reasonable effort to obtain, or to assist the disclosing party in obtaining, a protective order preventing or limiting the disclosure and/or requiring that the Confidential Information so disclosed be used only for the purposes for which the law or regulation required, or for which the order was issued. In addition, each party shall give notice to the other party of any demands to disclose or provide Confidential Information received from any third party under lawful process prior to disclosing or furnishing Confidential Information, and shall cooperate in seeking reasonable protective arrangements requested by the other party. Either party may disclose or provide Confidential Information of the other party requested by a government agency having jurisdiction over the party; provided that the party uses its commercially reasonable efforts to obtain protective arrangements satisfactory to the party owning the Confidential Information. The party owning the Confidential Information may not unreasonably withhold approval of protective arrangements.

7.5 Breach Notification. The receiving party shall notify the disclosing party immediately upon becoming aware of any actual or suspected breach of the security of disclosing party's Confidential Information. A breach of security refers to any known or suspected breach or default in the confidentiality, integrity, accuracy, security or privacy of disclosing party's Confidential Information.

7.6 Injunctive Relief. If a party uses or discloses or attempts to use or disclose any of the Confidential Information in contravention of this Agreement, then in addition to other available remedies, the party who owns the Confidential Information shall have the right to injunctive relief enjoining any such use, disclosure or attempt to use or disclose, it being acknowledged that legal remedies are inadequate.

8. Representations and Warranties; Disclaimers

8.1 Representations and Warranties. Each party represents and warrants that it has the legal power and authority to enter into this Agreement. Olo represents and warrants that it will provide the Platform in a manner compliant with any and all applicable rules, regulations and laws, including but not limited to those applicable to PII, and consistent with general industry standards reasonably applicable to the provision thereof.

8.2 Disclaimer. OLO MAKES NO REPRESENTATION OR WARRANTY OTHER THAN THOSE SET FORTH IN THIS AGREEMENT. THE WARRANTIES STATED IN THIS AGREEMENT ARE IN LIEU OF ALL OTHER WARRANTIES AND CONDITIONS EXPRESSED OR IMPLIED INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND EXCEPT AS WARRANTED IN THIS AGREEMENT THE PLATFORM IS PROVIDED ON AN “AS IS” BASIS. OLO MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE ACCURACY OF ANY PROFILE INFORMATION AND OLO MAKES NO INDEPENDENT VERIFICATION OF THE INFORMATION PROVIDED BY A DELIVERY SERVICE PROVIDER (OTHER THAN THE REPRESENTATIONS AND WARRANTIES MADE BY THAT DELIVERY SERVICE PROVIDER AS TO THE ACCURACY OF THE PROFILE INFORMATION). OLO MERELY MAKES A PLATFORM AVAILABLE TO FACILITATE THE INTERACTIONS BETWEEN DELIVERY SERVICE PROVIDERS AND CUSTOMERS; OLO IS NOT RESPONSIBLE FOR THE PERFORMANCE OF DELIVERY SERVICE PROVIDERS.

• 9. Indemnification

9.1 Olo Indemnity. Olo shall defend any third party action, suit, or proceeding brought against Operator, or any of its subsidiaries and affiliates successors or assigns, alleging that any Olo IP infringe any United States patent, trademark or copyright of a third party, and Olo shall indemnify and hold Operator, or any of its subsidiaries and affiliates successors or assigns, and their officers, directors and employees, harmless against damages finally awarded against Operator, or any of its subsidiaries and affiliates successors or assigns, costs, expenses, and losses (including, without limitation, court costs and reasonable attorneys’ fees and expenses) in connection with any such action, suit or proceeding; provided, that (a) Operator notifies Olo promptly in writing of the claim in question, (b) Olo has sole control of the defense and all related settlement negotiations, and (c) Operator provides Olo with all commercially reasonable assistance, information and authority to perform the above at Olo’s expense.

9.2 Operator Indemnity. Operator shall indemnify, defend and hold Olo and each of its subsidiaries and affiliates, and each of their respective past or present officers, directors, agents, servants, employees, stockholders, predecessors, successors or assigns, and all persons acting by, through, and under, or in concert with them, harmless against all losses, damages finally awarded against Olo, claims, liabilities, and expenses (including reasonable legal fees) resulting from (a) any of its acts or omissions or the acts or omissions of its employees, contractors or representatives hereunder related to the Products delivered to End User from Customer-owned restaurant or the descriptions of such Products; (b) claims that materials supplied by it infringe or conflict with the rights of third parties; and (c) its failure to properly collect and remit taxes or other government payments or fees associated with its usage of the Platform, which shall be the sole responsibility of the Operator; provided, that (i) Olo notifies Operator promptly in writing of the claim in question, (ii) Operator has sole control of the defense and all related settlement negotiations, and (iii) Olo provides Operator with all commercially reasonable assistance, information and authority to perform the above at Operator’s expense. Operator is responsible under this section for the actions of its employees, agents, and subcontractors.

- **10. Limitation of Liability**

- EXCEPT FOR INDIRECT DAMAGES AS A RESULT OF EITHER PARTY'S INDEMNIFICATION OBLIGATIONS AND/OR BREACH OF THE CONFIDENTIALITY OBLIGATIONS HEREIN, IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR (A) ANY LOST PROFITS OR CONSEQUENTIAL, INDIRECT, PUNITIVE, EXEMPLARY, SPECIAL, OR INCIDENTAL DAMAGES ARISING FROM OR RELATING TO THIS AGREEMENT, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, EVEN IF ONE OR BOTH PARTIES KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES; AND (B) EXCEPT FOR EITHER PARTY'S INDEMNIFICATION OBLIGATION AND/OR BREACH OF THE CONFIDENTIALITY OBLIGATIONS HEREIN, EACH PARTY'S TOTAL CUMULATIVE LIABILITY ARISING FROM OR RELATING TO THIS AGREEMENT WILL NOT EXCEED THE AMOUNT OF FEES PAID OR PAYABLE BY OPERATOR UNDER THIS AGREEMENT IN THE TWELVE MONTHS PRECEDING THE CLAIM NET OF THE AMOUNTS PAID TO THE DELIVERY SERVICE PROVIDER(S) IN THAT SAME TIME PERIOD. THE PARTIES ACKNOWLEDGE THAT THE TERMS OF THIS SECTION 10 REFLECT THE ALLOCATION OF RISK SET FORTH IN THIS AGREEMENT AND THAT THE PARTIES WOULD NOT HAVE ENTERED INTO THIS AGREEMENT WITHOUT THESE LIMITATIONS OF LIABILITY.

- **11. Term and Termination**

- **11.1 Term.** The Term shall begin on the Effective Date and shall remain in force for ___ (the "**Initial Term**") from the Launch Date. At the end of the Initial Term, this Agreement shall be automatically renewed for ___ (each a "**Renewal Term**" and collectively with the Initial Term, the "**Term**") unless, at least ___ prior to any Renewal Term, either party notifies the other that this Agreement shall not be renewed. This Agreement may terminate earlier as provided in this Section 11 or as the parties may otherwise agree in writing.

- **11.2 Termination for Cause; Reasonable Opportunity to Cure Breach.** If a party breaches any material provision of this Agreement, the non-breaching party may terminate this Agreement by giving ___ notice to the other party, except that such a termination shall not take effect if the breaching party cures the breach before the end of such ___ period. Breaches that constitute material breaches shall include, but not be limited to, those breaches specified as being material in Sections 4.2, 5.1, 5.2, 5.3, and 7.

- **12. Insurance**

12.1 Olo Insurance. Olo, at its sole cost and expense, shall maintain at all times during the Term, the following types of insurance.

- (a) Commercial General Liability on an "occurrence basis", with a limit of not less than \$___ combined single limit per occurrence for bodily injury and property damage liability;
- (b) Workers' Compensation as provided for under any workers' compensation or similar law in the jurisdiction where work is performed;
- (c) Employer's Liability with a limit of not less than \$___ by accident or disease;
- (d) Umbrella/Excess Liability with a minimum limit of \$___ in excess of the insurance under policies indicated in this section;

(e) Professional (Errors and Omissions) Liability covering the liability for financial loss due to error, omission, negligence of employees and machine malfunction in an amount of at least \$___;

(f) Technology Errors and Omissions/Cyber Liability including Network Security/Privacy covering liability for loss or damage due to an act, error, omission, or negligence and for claims arising from unauthorized access to or use of the Platform in an amount of at least \$___; and

(g) Intellectual Property Infringement Liability in an amount of at least \$___.

• **13. Miscellaneous**

○ **13.1 Notices.** All notices and other communications sent under this Agreement will be in writing and (a) hand delivered; (b) delivered by prepaid overnight courier; or (c) transmitted via email. Communications will be sent to the persons at the addresses set forth on the signature page hereof or such other persons/addresses as the parties subsequently may specify in writing.

○ **13.2 Governing Law.** This Agreement will be governed by the laws of New York, without regard to conflict of laws principles. The parties consent to the exclusive jurisdiction and venue of courts in Orange County, California in all disputes arising out of, or relating to, this Agreement.

○ **13.3 Assignment.** This Agreement will bind and inure to the benefit of the parties and their respective permitted successors and assigns. Except as specified herein, neither party may assign its rights or delegate its duties under this Agreement (whether directly or indirectly, by operation of law or otherwise) without the prior written consent of the other, which consent will not be unreasonably withheld or delayed. Notwithstanding the foregoing, either party may assign this Agreement without the consent of the other party: (a) in the event of a merger, acquisition or sale of all, or substantially all, of the assets or business of a party (or any substantially similar transaction), and (b) to any affiliate or subsidiary of a party; so long as the assignee accepts the obligations hereunder in writing. Any purported assignment of rights or obligations, except as expressly permitted herein, will be null and void.

○ **13.4 Severability.** If any one or more provisions of this Agreement shall be held to be illegal, invalid, unenforceable, or void, the remainder of this Agreement shall remain in full force to the extent the economic benefit conferred upon the parties by this Agreement remain substantially unimpaired. If severability of any such provision would materially change the economic benefit of this Agreement to either party, the parties shall modify such provision to obtain a legal, enforceable, and valid provision.

○ **13.5 Relationship of Parties.** The parties acknowledge that Olo is an independent contractor of Operator, and Olo's employees are not employees of Operator. Nothing in this Agreement or any exhibit will be construed as creating a partnership, joint venture, agency or fiduciary relationship between the parties, or as authorizing either party to act as agent for the other or to enter into contracts on behalf of the other party.

○ **13.6 Amendment/Modification.** This Agreement may be modified or amended only by a separate writing signed by Olo and Operator expressly so modifying or amending this Agreement.

○ **13.7 Force Majeure.** Neither party will be deemed to be in default of or to have breached any provision of this Agreement as a result of any delay, failure in performance or interruption of service, resulting directly or indirectly from acts of God, acts of civil or military authorities, civil disturbances, wars, strikes or other labor disputes,

fires, transportation contingencies, interruptions in telecommunications or Internet services or network provider services, failure of equipment and/or software, other catastrophes, and other causes beyond its reasonable control. Operator shall have no obligation to pay Olo during a Force Majeure event.

○ **13.8 Interpretation.** If there is an inconsistency between the terms of this Agreement and the terms of any Exhibit, the terms of the Agreement shall control.

○ **13.9 Counterparts.** This Agreement may be executed in two counterparts, which together shall constitute but one and the same instrument. Executed counterparts transmitted via facsimile or email attachment shall constitute originals for all intents and purposes.

○ **13.10 Waiver.** A waiver by either party of any term or condition of this Agreement in one or more instances will not constitute a permanent waiver of the term or condition or any other term or condition of this Agreement or a general waiver.

○ **13.11 Entire Agreement.** This Agreement constitutes the entire agreement between the parties and supersedes any prior oral or written agreements between the parties concerning the subject matter hereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized officers.

MOBO SYSTEMS, INC.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Mailing Address for Notices:

Mailing Address for Notices:

Email Address for Notices:

Email Address for Notices:

EXHIBIT A
DELIVERY PARAMETERS & REFUND MATRIX

[OMITTED FROM SAMPLE]

EXHIBIT A: DELIVERY PARAMETERS & REFUND MATRIX (CONTINUED)

EXHIBIT B: PROCESS, FEES & PAYMENT TERMS

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- **Bidding and Ordering Process:**

1. End User places order on Operator's branded e-commerce web and mobile web, and mobile applications and specifies "Delivery."
2. A Confirmed Delivery Response is provided.
3. End User pays Operator for the entire order (food, taxes, Delivery Fee (including any tip)). For clarification, Operator is the Merchant of Record for the entire transaction amount to avoid End User confusion and chargebacks.
4. Olo shall automatically withdraw funds from the payment contact through an Electronic Funds Transfer (EFT) transaction on a weekly basis for valid transactions processed two weeks' prior for the Delivery Fees and the Platform Fees. In no case shall the fees paid to Olo be refundable unless specifically spelled out in Exhibit B.
5. To the extent that Operator is also an Olo ordering client, they can reconcile Olo's funds withdraw by using the Platform reporting tools inside the dashboard. Non-Olo ordering Operators will have access to the same data via the API.
6. In circumstances in which Operator reporting and Olo transaction history do not reconcile, Operator will provide detailed support (including, but not limited to, cancellation codes and proof of refunded payment) as to the discrepancy.
7. In the event that either party disputes the accuracy or applicability of a charge or credit, any set-off or any other financial arrangement described in the Agreement, the disputing party shall notify the other party of such dispute as soon as practicable after the discrepancy or dispute has been discovered. Any undisputed amounts contained in or applicable to an invoice or otherwise payable or creditable will be paid and any undisputed credit amounts will be promptly credited by the applicable party.

- **Platform Fees:**

- The Platform Fee is \$___ per Confirmed Delivery Response from a Selected Delivery Service Provider.

- **Other Payment/Billing Information:**

- 1. All billing questions should be sent to ___
- 2. Operator billing contact: (name)

RELEASE AND WAIVER OF LIABILITY AGREEMENT

I, _____ (“Participant”), acknowledge that I have voluntarily applied to participate in the following activity or program (“Activity”), including any associated use of the premises, facilities, staff, equipment, transportation, and services of The Flame Broiler, Inc. (“Franchisor”):

Participant’s preapproval in-store experience of Flame Broiler restaurant operations, Franchisor’s evaluation and assessment of Participant (Discovery Day) and Participant’s post-approval franchise training.

I AM AWARE THAT THE ACTIVITY IS HAZARDOUS AND THAT IT MAY CAUSE AND/OR RESULT IN SERIOUS INJURY OR EVEN DEATH. I AM ALSO AWARE THAT I MAY INCURR PROPERTY DAMAGE OR LOSS. I AM VOLUNTARILY PARTICIPATING IN THE ACTIVITY WITH KNOWLEDGE OF THE DANGER INVOLVED AND AGREE TO ASSUME ANY AND ALL RISKS OF BODILY INJURY, DEATH OR PROPERTY DAMAGE/LOSS, WHETHER THOSE RISKS ARE KNOWN OR UNKNOWN.

I verify this statement by placing my initials here: _____

Parent or Guardian’s initials (if under 18): _____

As consideration for being permitted by Franchisor, and any lessor of the premises (“Lessor”), to participate in the Activity and use the premises and facilities of Franchisor and/or Lessor, I forever release, waive, discharge, and promise not to sue Franchisor, Lessor, any affiliated organization, and their respective shareholders, members, partners, owners, directors, officers, employees, volunteers, agents, contractors, suppliers, and representatives (collectively “Releasees”) from any and all actions, claims, or demands, including the negligence of Franchisor/Lessor, resulting in personal injury (including death), accidents or illnesses, and property damage/loss, in connection with any participation in the Activity and any use of Franchisor/Lessor premises and facilities, that I, my assignees, heirs, distributees, guardians, next of kin, spouse and legal representatives now have, or may have in the future, for injury, death, or property damage or loss, related to (i) my participation in the Activity, (ii) the negligence or other acts, whether directly connected to the Activity or not, and however caused, by any Releasee, or (iii) the condition of the premises where the Activity occurs, whether or not I am then participating in the Activity. I also agree that I, my assignees, heirs, distributees, guardians, next of kin, spouse and legal representatives will not make a claim against, sue, or attach the property of any Releasee in connection with any of the matters covered by the foregoing release.

Indemnification and Hold Harmless: I also agree to indemnify and hold Releasees harmless from any and all claims, actions, suits, procedures, costs, expenses, damages and liabilities, including attorney’s fees, arising out of my involvement in the Activity, and to reimburse it for any such expenses incurred.

Severability: I further agree that this Release and Waiver of Liability Agreement is intended to be as broad and inclusive as permitted by law, and that if any portion is held invalid, the remaining portions will continue to have full legal force and effect.

Governing Law and Jurisdiction: This Agreement shall be governed by the laws of the State of California, and any disputes arising out of or in connection with this Agreement shall be under the exclusive jurisdiction of the Courts of the State of California.

I HAVE CAREFULLY READ THIS AGREEMENT AND FULLY UNDERSTAND ITS CONTENTS. I AM AWARE THAT THIS IS A RELEASE OF LIABILITY, INCLUDING MY RIGHT TO SUE, AND A CONTRACT BETWEEN MYSELF AND FRANCHISOR AND/OR MYSELF AND LESSOR, AND SIGN IT OF MY OWN FREE WILL. I INTEND MY SIGNATURE TO BE A COMPLETE AND UNCONDITIONAL RELEASE OF ALL LIABILITY TO THE GREATEST EXTENT ALLOWED BY LAW.

Executed at _____ (City), California on _____, 20__.

PARTICIPANT/RELEASOR

IF YOU ARE UNDER 18 YEARS OF AGE, YOUR PARENT OR GUARDIAN MUST ALSO SIGN AND INITIAL
THIS FORM WHERE INDICATED.

If Signed by Parent or Guardian: I verify that the dangers of the Activity and the significance of this Release and Waiver were explained to the Participant and that the Participant understood them.

PARENT OR GUARDIAN: _____

EACH PARTICIPANT MUST SIGN INDIVIDUALLY

EXHIBIT O

LEASE AGREEMENT

ABSOLUTE NET LEASE

THIS ABSOLUTE NET LEASE and all exhibits and addendums attached hereto (collectively, "**Lease**" or "**Lease Agreement**"), dated _____, is entered into by and between _____ ("**Landlord**") and _____, a _____ corporation, and _____ and _____, as individuals and husband and wife (collectively referred to as the "**Tenant**").

Recitals:

- A. Whereas, Landlord and Tenant desire to set forth their understanding with respect to the use and operation of the Premises, as further described below, and their respective rights, duties and obligations pertaining thereto, all upon the terms and subject to the conditions hereinafter set forth.
- B. Whereas, "**Premises**" shall be defined as those certain premises commonly known as [ADDRESS] _____, Assessor's Parcel No. _____ in the city of _____, county of _____, [STATE] _____ which shall include the building structure, surrounding appurtenances, drive-through area, parking area, easements, and right of ways.
- C. Whereas, "**Building**" shall be defined as, a single free-standing structure approximately [SIZE] _____ located within the Premises as defined above.
- D. Whereas, "**Improvements**" shall be defined as all the customized alterations made to leased space as part of a lease agreement, in order to configure the space for the needs of Tenant including, but not limited to, changes to: building envelope, interior and exterior walls, floors, ceilings, mechanical systems, fire sprinkler systems, communication systems, roofing systems, and lighting, utilities, store frontage, curbs, walkways, gutter, parking area, driveways, signage.
- E. [IF APPLICABLE] Whereas, Landlord and Tenant desire to redevelop the improved Premises to erect a commercial property for use as a fast food restaurant operations business.
- F. [IF APPLICABLE] Whereas, Tenant shall contribute the first \$ _____ to fund the necessary zoning and entitlement of the development, planning, permitting, and construction of the tenant improvement of the Building and related aspects of the Premises as required by Landlord, pursuant to construction plans approved by Landlord and utilizing licensed contractors that are approved by Landlord.
- G. [IF APPLICABLE] Whereas, Landlord shall have the right to, but is not required to, contribute additional investment funds above the initial \$ _____ from Tenant to complete the tenant improvement process.

H. Whereas, Tenant acknowledges and agrees that Tenant shall have no ownership interests of the real property, building structure, or the tenant improvements thereon, irrespective of any monetary contributions of Tenant toward the construction, development, upgrade, or tenant improvement costs incurred by Tenant. Further, that all tenant improvements on the Premises shall remain as the property of Landlord.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration paid by each of the parties hereto to the other, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, do hereby covenant and agree as follows:

ARTICLE 1

LEASE OF PREMISES; RESERVATIONS

1.1 **Lease of Premises.** Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises in accordance with the provisions of this Lease.

1.2 **Reservations.** Landlord reserves the right at any time to (i) make alterations or additions to the Premises; (ii) construct other buildings or improvements in the Premises and to make alterations or additions thereto; and (iii) access and use the exterior walls, floor, roof in above and below the Premises for the purpose of effecting certain items of repair and maintenance as provided in this Lease.

ARTICLE 2

TERM

2.1 **Lease Term.** The term of this Lease (the “Term”) shall commence on (the “*Commencement Date*”) the date that is earlier of (i) the date Tenant receives Notice of Completion or Certificate of Occupancy for the operations of the business, (ii) the date Tenant opens its business to the public, and (ii) the expiration of ____ days following the date of Landlord’s Notice to Tenant to start operations to the public. The Term shall expire on the end of the ____ year anniversary of the Commencement Date (the “*Expiration Date*”).

2.2 **Extension of Term.** Tenant shall have no right to extend this Lease beyond the Term of the Lease.

2.3 **Landlord’s Option to Extend Lease.** Landlord, in its sole discretion, has the right, but not the obligation to offer to Tenant an extension of the lease term beyond the Expiration Date. Any offer of extension of the lease term beyond the Expiration Date will require a separately negotiated agreement between the parties.

ARTICLE 3

RENT

3.1 **Base Rent; No Offset.** Tenant covenants and agrees to pay to Landlord, promptly when due, without notice or demand and without deduction or set-off of any amount for any reason whatsoever, annual rent base rent (the “*Base Rent*”) for the Premises during the Term according to the following schedule:

<u>Period*</u>	<u>Monthly Base Rent*</u>
----------------	---------------------------

Start Date through Month _____

\$ _____ % of Net Sales

“**Net Sales**” is determined by the reported sales data to The Flame Broiler, Inc. (“**Franchisor**”) and as more specifically defined in the Franchisor’s Franchise Agreement Section X.A.2 attached herein as Exhibit “A”. Landlord and Tenant agree that the terms and calculation formula for Net Sales may be subject to change from time to time by Franchisor and the parties agree to be bound by the terms of the Franchise Agreement as to the definition of Net Sales for the purpose of calculating the Base Rent.

3.2 Full Net Lease. It is intended that the Base Rent shall be an absolutely net return to Landlord throughout the Term of this Lease, free of any expense, charge, or other deduction whatsoever with respect to the Premises or Landlord’s interest therein, or the ownership, leasing, operation, management, maintenance, repair, replacement, use or occupation thereof. This Lease is an “absolute net lease” and Tenant’s obligations arising or accruing during the Term to pay all Base Rent, additional rent and all other payments hereunder required to be made by Tenant shall be absolute and unconditional and Tenant shall pay all such amounts without notice, demand, counterclaim, set-off, deduction or defense and without abatement, suspension, deferment, diminution or reduction (except as otherwise expressly provided in this Lease), free from any charges, assessments, impositions, expenses or deductions of any and every kind or nature whatsoever. All costs, expenses and obligations of every kind and nature whatsoever relating to the - Premises and the appurtenances thereto and the use, maintenance, insurance, repair, replacement and occupancy thereof which may arise or become due and payable with respect to the Term or for any period prior to the expiration of the Term shall be paid by Tenant (except as otherwise expressly provided in this Lease). Tenant assumes the sole responsibility for the condition, use, operation, maintenance, and management of the Premises, and Landlord shall have no responsibility in respect thereof and shall have no liability for damage to Tenant’s personality or any subtenant of Tenant on any account or for any reason whatsoever. Except as otherwise expressly provided in Article 5 relating to Tenant’s conduct of business operations and Article 17 relating to Assignments and Subletting, this Lease shall not terminate, nor shall Tenant have any right to terminate, rescind or void this Lease or to be released or discharged from any obligations or liabilities hereunder for any reason, including, without limitation: (i) any damage to or destruction of the Premises; (ii) any restriction, deprivation (including eviction) or prevention of, or any interference with, any use or the occupancy of the Premises; (iii) any action, omission or breach on the part of Landlord under this Lease or under any other agreement between Landlord and Tenant; or (iv) the inadequacy or failure of the description of the Premises to demise and let to Tenant the property intended to be leased hereby. Tenant will remain obligated under this Lease in accordance with its terms, and will not take any action to terminate, rescind or void this Lease as a result of any bankruptcy, insolvency, reorganization, liquidation, dissolution or other proceeding affecting Landlord or any assignee of Landlord, or any action with respect to this Lease which may be taken by any receiver, trustee or liquidator or by any court.

3.3 Interest on Delinquent Rent. Any Base Rent or other sums due to Landlord under this Lease and not paid on or before the due date thereof shall bear interest at the Interest Rate from the due date until paid. The “**Interest Rate**” shall equal the highest rate allowable by law. Payment of such interest shall not excuse or cure any default by Tenant under this Lease.

3.4 Late Charge. Tenant hereby acknowledges that late payment by Tenant of Base Rent, and other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not

limited to, processing and accounting charges and late charges which may be imposed on Landlord by the terms of any mortgage or trust deed covering the Premises. Accordingly, if any installment of Base Rent or any other sum due from Tenant shall not be received by Landlord on or before the due date thereof, Tenant shall pay to Landlord a late charge equal to _____ percent (____%) of such overdue amount. It is agreed that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. Acceptance of such late charge by Landlord shall in no event constitute a waiver of any Tenant default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder, including but not limited to the collection of interest on such late payment.

3.5 Additional Rent. Any monetary amount required to be paid by Tenant to Landlord in addition to Base Rent, in the payment method instructed by Landlord, whether or not such sums are designated as “Rent,” shall be included in Rent and referred to in this Lease as “***Additional Rent.***”

3.6 Delayed Opening Rent. If Tenant fails to timely open for business in accordance with Article 5 below, Tenant shall pay to Landlord, as liquidated damages and Additional Rent, and in addition to Base Rent, Two Hundred Fifty Dollars (\$_____) per day for each day Tenant is not open for business in the Premises following the Commencement Date (“Delayed Opening Rent”). Delayed Opening Rent accruing during any month of the Term shall be paid concurrently with Tenant’s installment of Base Rent next due.

ARTICLE 4 **TERMINATION OF LEASE TERM**

4.1 Landlord may terminate this Lease, in accordance with Section 4.3 below, with respect to all or part of the Premises upon _____ days prior written notice to Tenant ("Termination Notice") on the happening of any one or more of the following events: (a) failure to pay any lease rent due; or (b) the failure to comply with other express terms of the Lease.

4.2 Tenant shall have the option to terminate, only upon express written authorization from Landlord, this Lease with respect to all or part of the Premises, in accordance with Section 4.3 below and subject to applicable Articles of this Lease relating to costs, expenses, penalties, and the surrendering of assets and materials.

4.3 Termination Procedures / Exercise of Termination Right. The Premises subject to any Termination Notice shall be referred to as the "Canceled Premises." For Landlord’s termination of the Lease, the termination shall be effective as of the _____ days after Landlord delivers the Termination Notice to Tenant unless the Lease provides a shorter notice period. For Tenant’s termination of the Lease, after Tenant delivers the notice of termination to Landlord, the termination shall be effective as of the _____ days after Landlord delivers a written authorization to Tenant. The effective date of the termination of the Lease shall be the “***Lease Termination Date.***”

(a) Tenant understands and acknowledges that Landlord has the option, but not the obligation, to accept the termination of the Lease by Tenant.

(b) Upon election to terminate the Lease by Tenant, and subject to the express authorization from Landlord, Tenant shall be responsible for all rent due, taxes, insurance, and any other amounts due and owing from the operations and management of the Premises.

(c) Upon the natural expiration or election to terminate the Lease during the Term of the Lease, Tenant acknowledges and agrees that Tenant shall not recover any funds expended on the planning, development, construction, and maintenance of the Premises.

(d) Upon the natural expiration or election to terminate the Lease during the Term of the Lease, and subject to Article 9 below, Tenant agrees to surrender title of all inventory, business equipment, trade fixtures, additions and replacements to Landlord.

ARTICLE 5

TENANT CONDUCT OF BUSINESS

5.1 Use. Tenant shall use and operate the Premises solely under the trade name “Flame Broiler” (“*Trade Name*”) and solely for the permitted use of fast-casual restaurant (“*Permitted Use*”) and for no other use or purpose. Tenant agrees that, unless and to the extent that it shall obtain Landlord’s prior approval (which may be withheld in Landlord’s absolute discretion), it will not use the Premises, nor will it suffer or permit the same to be used, for any purpose that (i) is not permitted under applicable zoning regulations, or (ii) would void insurance policies required to be carried by Tenant pursuant to the terms of this Lease, or (iii) would cause material, permanent damage to the structural components of the Premises, or (iv) would violate the Permitted Encumbrances (defined as those certain conditions and other matters affecting the title of the Premises as set forth in this Lease or any other documents made part hereof as an attachment or incorporated by reference, provided, however, that nothing in this paragraph shall (x) be deemed to constitute a covenant or representation by Landlord with respect to the condition of title, (y) modify the terms of Section 8.3 below, or (z) affect Tenant’s or Landlord’s rights and obligations hereunder), or (v) would violate Tenant’s obligations regarding the storage of Hazardous Materials. Tenant shall not seek, make, consent to or acquiesce in any change in the zoning of the Premises.

5.2 Covenant to Open and Operate. Tenant covenants to open for business to the public in the entire Premises under the Trade Name on or before the Commencement Date fully fixtured, staffed and stocked with merchandise and inventory, subject to temporary closures due to casualty, condemnation, force majeure or permitted remodeling. Tenant shall operate continuously for the Permitted Use under the Trade Name in the entire Premises during the Term, and at all times shall keep and maintain within the Premises an adequate stock of merchandise and trade fixtures to service and supply the usual and ordinary requirements of its customers.

5.3 Hours of Operations. Tenant shall be open for business to the public ____ days per week, and maintain a minimum of _____ hours of public business operations per week. Tenant may elect to close on _____ (collectively “Holidays”). In the event Tenant, for any reason, closes for business, any days other than the permitted Holidays above, Tenant shall be charged a daily fee of \$_____ per day for each day closed. The daily fee for closure shall be paid to Landlord as Additional Rent.

5.4 Compliance with Laws. Tenant shall, throughout the Term hereof, promptly comply or cause compliance with all laws and ordinances and the orders, rules, regulations, and requirements (“*Legal Requirements*”) of all federal, state, county and municipal governments

which may be applicable to the Premises, foreseen or unforeseen, ordinary as well as extraordinary, even if the same shall require structural or extraordinary repairs, alterations or additions. Tenant accepts the Premises in the actual condition in which the same are as of the Commencement Date. If the use of the Premises becomes a non-conforming use, Tenant shall not permit such use to be discontinued or abandoned. Tenant shall comply and have sole responsibility for complying with the provisions of the Americans with Disabilities Act as now promulgated or as amended after the date hereof and any similar type of legislation, federal, state or local or other legislation hereinafter promulgated or hereinafter amended by any governmental authority applicable to the Premises.

5.5 Tenant's Environmental Covenants.

(a) Tenant shall not use or permit the use of the Premises in any manner which would permit or cause any Hazardous Materials (as defined below) to be stored upon or used in connection with the Premises in violation of applicable municipal, state, and federal Hazardous Material Laws. Tenant shall not permit any condition to exist in violation of applicable law which is or may be categorized by any federal, state or local government or agency having jurisdiction over the Premises as an actual or potential threat or danger to the environment.

(b) Tenant shall indemnify, defend and hold harmless Landlord, mortgagee, and all Landlord-Related Parties (as defined in this Section below) from and against any and all claim, loss, damage, cost, expense, liability, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind (including, without limitation, reasonable attorneys' fees and disbursements of any indemnified party) to the extent directly or indirectly arising out of or attributable to the breach of any of the covenants, representations and warranties of this Lease Agreement or the presence, use, generation, manufacture, production, handling, treatment, removal, storage, release, threatened release, discharge, disposal, decontamination, clean-up or transport of Hazardous Materials on, under, from or about the Premises, or any other activity carried on or undertaken on the Premises, that is not associated with the intended business purpose of the Premises. As used in this Lease, the term "***Landlord-Related Parties***" shall mean, collectively, Landlord and the Landlord's shareholders, directors, officers, partners, members, employees, representatives, agents, trustors, trustees, beneficiaries and their successors and assigns.

(c) As used herein, "Hazardous Materials Law" means any federal, state or local law, statute, regulation or ordinance now or hereafter in force, as amended from time to time, pertaining to materials, substances or wastes which are injurious or potentially injurious to human health or the environment or the release, disposal or transportation of which is otherwise regulated by any agency of the federal, state or any local government with jurisdiction over the Premises or any such material, substance or waste removed therefrom, or in any way pertaining to pollution or contamination of the air, soil, surface water or groundwater, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601 et seq.), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901 et seq.), the Clean Water Act (33 U.S.C. Section 1251 et seq.), the Safe Drinking Water Act (42 U.S.C. Section 300f et seq.), the Hazardous Materials Transportation Act (49 U.S.C. Section 1801 et seq.), the Toxic Substance Control Act (15 U.S.C. Section 2601 et seq.).

(d) Tenant shall not install or use any underground storage tanks and shall prohibit the use, generation, handling, storage and disposal of Hazardous Substance by all parties, including

invitees and trespasses, and without limiting the generality of the foregoing, during the term of this Lease, shall not install on the Premises or permit to be installed in the Improvements asbestos or any substance containing asbestos.

(e) Tenant shall, promptly and when and as required, at Tenant's sole cost and expense, take all actions as shall be necessary or advisable for compliance with the terms of this Section or for the remediation of any and all portions of the Property or other affected property, including, without limitation, all investigative, monitoring, removal, containment, remedial and response actions in accordance with all applicable Environmental Laws (and in all events in a manner satisfactory to Landlord), and shall further pay or cause to be paid, at no expense to Landlord, all remediation, response, administrative and enforcement costs of applicable governmental agencies which may be asserted against the Property. Tenant covenants and agrees, at Tenant's sole cost and expense, to indemnify, defend (at trial and appellate levels, and with attorneys, consultants and experts acceptable to Landlord and hold Landlord harmless from and against any and all liens, damages, losses, liabilities, obligations, settlement payments, penalties, assessments, citations, directives, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements or expenses of any kind or of any nature whatsoever (including, without limitation, reasonable attorneys' consultants' and experts' fees and disbursements actually incurred in investigation, defending, settling or prosecuting any action, litigation or proceeding) which may at any time be imposed upon, incurred by or asserted or awarded against Landlord or the Property.

(f) In the event Tenant intends to or does use, encounter, handle, store, release, spill or dispose of any Hazardous Material in connection with its business operations within the Premises, Tenant shall promptly notify Landlord in writing. Tenant shall promptly provide Landlord with true, correct, complete and legible copies of any reports, notices or correspondence relating to Hazardous Materials on the Premises which may be filed, prepared by or sent to Tenant. Landlord may, at any time or from time to time, require Tenant (i) to conduct monitoring, evaluation or any required remediation activities with respect to Hazardous Materials on the Premises, at Landlord's discretion and at Tenant's sole cost and expense, performed by an environmental consultant approved by Landlord, provided that Landlord has reasonable grounds to believe that a release of Hazardous Materials exists or is imminent, (ii) to complete and deliver to Landlord an Environmental Questionnaire, in Landlord's then current form (and Tenant shall update and resubmit to Landlord the Environmental Questionnaire in the event of any material change to the information contained therein), and/or (iii) to cease and desist from using, handling, storing, releasing, or disposing any such Hazardous Materials within the Premises. Tenant's indemnity set for in Section 10 shall apply to any Costs arising out of the Tenant's use, storage, handling, release, remediation or disposal of Hazardous Materials on or about the Premises, including any Costs necessary to return the Premises, or any other property, to their condition existing before Tenant's introduction of Hazardous Materials on the Premises. Tenant's obligations shall survive the expiration or earlier termination of this Lease.

ARTICLE 6

UTILITY CHARGES AND HVAC

6.1 Tenant shall pay or cause to be paid, as and when the same are due and payable, all charges for gas, water, sewer, electricity, lights, heat, power, telephone or other communication service and all other utility services used, rendered or supplied to, upon or in connection with the Premises.

6.2 Heating, Ventilating and Air Conditioning. During the term, Tenant shall have use of the heating, ventilating and air conditioning unit or system ("*HVAC*") serving the Premises upon Tenant's acceptance of the Premises. Tenant shall maintain, repair, replace and operate such system in the Premises at its sole cost and expense. Tenant agrees to have the HVAC units serving the Premises serviced at least quarterly by a service contractor reasonably approved by Landlord. Within _____ days of receipt of Notice from Landlord, Tenant shall provide evidence of the service contract with said HVAC service contractor and that the HVAC system has been maintained in accordance with the terms of this Lease Agreement. Upon the expiration or termination of the Term of the Lease, title to such additions and replacements shall remain in and shall vest solely in Landlord.

ARTICLE 7

EXPENSES, TAXES

7.1 Tenant to Pay All Expenses and Taxes. Tenant shall pay and discharge, punctually as and when the same shall become due and payable, each and every item of expense, of every kind and nature whatsoever relating to the ownership, use, maintenance, operation, or occupancy of the Premises, or for the payment of which Landlord is, or shall or may be or become, liable by reason of any rights or interest of Landlord in or under this Lease, including all real estate taxes, personal property taxes, privilege taxes, excise taxes, business and occupation taxes, gross sales taxes, including any sales tax imposed on the rental payments hereunder or under a sublease, occupational license taxes, water charges, sewer charges, assessments of any nature and all other governmental impositions and charges of every kind and nature whatsoever (collectively, the "**Taxes,**" and individually, a "**Tax**"), when the same shall be due and payable without penalty or interest. It is the intention of the parties hereto that, insofar as the same may lawfully be done, Landlord shall be, except as specifically provided for herein, free from all expenses in any way related to the Premises and the use, maintenance, or occupancy thereof.

7.2 Proof of Payment. Tenant shall furnish to Landlord, not later than _____ days prior to the last date when any Tax must be paid by Tenant as provided in this Article without premium, interest or penalty, official receipts of the appropriate taxing authority or if not available, a copy of Tenant's cancelled check for payment with receipts to follow evidencing the payment thereof.

7.3 Right to Contest. Provided that an Event of Default has not occurred and is then continuing, Tenant may defer payment of a Tax so long as the validity or the amount thereof is contested by Tenant with diligence and in good faith, provided, however, that (a) Landlord determines that such contest suspends the obligation to pay the tax or assessment and such nonpayment will not permit or result in the sale, loss or forfeiture of any part of the Premises and (b) Tenant shall furnish to Landlord cash or a bond in an amount and on terms satisfactory to Landlord and shall pay the Tax and a reasonable additional sum to cover possible interest, costs and penalties in sufficient time to such that nonpayment will not subject the Premises or any part thereof to sale, loss, forfeiture or other liability by reason of such nonpayment nor subject any party to any potential criminal liability. Such contest shall be at Tenant's sole cost and expense. Tenant covenants to indemnify and save harmless Landlord from any costs or expenses incurred by Landlord as a result of such contest and, in all events pay such taxes and other amount prior to the issuance of an order under which the Premises may be sold.

7.4 Exclusions. Notwithstanding anything to the contrary in this Article 7, "**Taxes**" shall not include, and in no event shall Tenant be required to pay i) any inheritance, estate, succession, partnership, corporate, capital stock, gift, income or profits tax imposed upon Landlord, provided that such exclusion shall not apply to any such tax based on Landlord's gross receipts or does not

provide an expense for Landlord's interest costs or a depreciation allowance, or ii) any penalties resulting from Landlord's failure to timely file any tax or informational returns when due (unless Tenant, and not Landlord, is expressly required by law to pay such tax), or iii) any cost directly attributable to Landlord's transfer of its interest in the Premises or any portion thereof (including, without limitation, any transfer or conveyance taxes).

ARTICLE 8

MAINTENANCE AND REPAIRS, LIENS, COVENANT AGAINST WASTE AND RIGHT OF INSPECTION

8.1 Maintenance and Repair. Tenant shall, throughout the Term hereof and at no expense whatsoever to Landlord, take good care of the Premises and the Building and other Improvements and structural components thereof now or hereafter erected thereon and shall not do or suffer any waste with respect thereto, and Tenant shall promptly make all repairs, interior and exterior, structural and non-structural, ordinary as well as extraordinary, foreseen as well as unforeseen, necessary to keep the Premises, Building and other Improvements (including, without limitation, the roof, mechanical, plumbing, electrical, and other Building systems) in good and lawful order and in at least as good condition as such premises are in on the Commencement Date but subject to reasonable wear and tear. When used in this Article, the term "**repairs**" shall include replacements, capital improvements or renewals when necessary. Tenant shall keep and maintain all portions of the Premises, in a clean and orderly condition, free of accumulation of water, dirt, rubbish, snow and ice. Landlord shall not be responsible for the cost of any alterations of or repairs to the Premises of any nature whatsoever, structural or otherwise, whether or not now in the contemplation of the parties. For any maintenance or repair required under this Section, Tenant shall use a contractor approved by Landlord. To the extent not prohibited by law, Tenant hereby waives and releases all rights now or hereinafter conferred by statute or otherwise which would have the effect of limiting or modifying any of the provisions of this Section.

8.2 Landlord's Inspection Rights. Tenant shall permit Landlord and the authorized representatives of Landlord, after reasonable written notice, to enter the Premises during Tenant's usual business hours for the purpose of inspecting the same and of making any necessary repair to the Premises and performing any work therein that may be necessary to comply with any laws, ordinances, rules, regulations or requirements of any public authority, or that may be necessary to prevent waste or deterioration in connection with the Premises, which Tenant is obligated, but has failed, to make, perform, or prevent, as the case may be. Tenant shall, upon Landlord's reasonable notice, reimburse the costs incurred by Landlord for performing Tenant's work described in this Section. Nothing in this Lease shall impose any duty upon the part of Landlord to do any such work or to make any alterations, repairs (including, but not limited to, repairs and other restoration work made necessary due to any fire or other casualty and irrespective of the sufficiency or availability of any fire or other insurance proceeds which may be payable in respect thereof), additions or improvements to the Premises, of any kind whatsoever.

8.3 Premises Accepted "As Is." Tenant acknowledges and agrees that (i) Tenant has had an opportunity to inspect the Premises (including the Building and all other Improvements), including the title thereto, (ii) Tenant has accepted the Premises in their "AS IS" condition as of the Commencement Date, (iii) Tenant is not relying on any representation or warranty by Landlord in entering into this Lease, and (iv) Tenant's obligations under this Lease are not conditioned upon any particular condition of title to the Premises or any particular condition of the Premises.

8.4 Liens/Encumbrances. Tenant shall pay all costs for work performed by it or on its behalf and shall keep the Premises free and clear of mechanics' liens or any other liens. Tenant shall give Landlord immediate Notice of any lien filed against the Premises as a result of any work performed by or on behalf of Tenant. Tenant shall immediately cause any lien to be discharged or removed of record by either paying the amount of the lien or recording a statutory lien release bond in an amount equal to one hundred twenty-five percent (125%) of the amount of the lien. If Tenant fails to do so, Landlord shall have the right, but not the obligation, in addition to all other rights and remedies available to Landlord, to either pay and discharge the lien, without regard to the validity thereof, or obtain and record a statutory lien release bond and to (a) collect from Tenant or (b) deduct from any amount payable by Landlord to Tenant under this Lease (i) all costs incurred by Landlord in paying and discharging such lien, or in obtaining the bond, and (ii) all expenses incurred by Landlord in connection with the lien, including attorneys' fees and costs, recording fees and administrative costs and expenses. [IF APPLICABLE] Landlord shall have the right to enter upon the Premises to post notices of non-responsibility as provided in Section 8444 of the California Civil Code or any successor Law.

ARTICLE 9 **ALTERATIONS**

9.1 Limitations on Alterations. After initially opening the Premises for business, without first obtaining the written approval of Landlord, Tenant shall not make or cause to be made to the Premises any addition, renovation, alteration, reconstruction or change (collectively, "**Alterations**") which would result in any of the following: (i) cost in excess of \$ _____ in the aggregate, (ii) involve structural changes or additions, (iii) affect the exterior storefront, mechanical systems, fire sprinkler systems, exterior walls, floors, ceilings or roof of the Premises, are visible from outside of the storefront or change the design or the design elements of the Premises as originally approved by Landlord, (iv) involve the erection of a mezzanine or an increase in the size of an existing mezzanine, (v) require or result in any penetration of the roof, demising walls or floor of the Premises or (vi) trigger any legal requirement upon Landlord to make any Alteration to the Premises. In the event governmental approval, such as a building permit, is required in connection with any Alterations, then such Alterations shall be constructed strictly in accordance with the requirements, procedures and approvals as Landlord may require at its reasonable discretion.

9.2 Surrender of Alterations; Removal of Tenant's Property. All Alterations made by Tenant shall immediately be and become part of the realty and the sole and absolute property of Landlord and shall remain upon and be surrendered with the Premises in the event of a termination or conclusion of this Lease. All of Tenant's personal property, excluding moveable furniture, trade fixtures, and equipment not permanently attached to the Improvements or the Premises, may be removed by Tenant prior to the expiration of the Term, provided, however, that Tenant shall repair all damage caused by such removal prior to the expiration of the Term, and provided further, that any of the Tenant's personal property not so removed shall, at the option of Landlord, upon _____ days' notice to Tenant (unless Tenant effectuates the removal within such _____-day period) automatically become the property of Landlord upon the expiration or termination of this Lease, and thereafter, Landlord may retain or dispose of in any manner the Tenant's personal property not so removed, without any liability whatsoever to Tenant.

9.3 Protection of Landlord. Throughout the making of and removal of all Alterations (other than mere decorations) wherein requiring the skill and labor of licensed contractors, Tenant, at its sole expense, shall carry or cause its contractors to carry (i) workers' compensation

insurance in statutory limits covering all persons employed in connection with such Alterations, and (ii) commercial general liability insurance covering any occurrence in or about the Premises in connection with such Alterations.

ARTICLE 10
INTENTIONALLY DELETED

ARTICLE 11
INDEMNIFICATION

11.1 Tenant covenants and agrees, at its sole cost and expense, to indemnify, defend and hold harmless the Landlord and/or Landlord-Related Party against and from any and all loss, cost, damage, claims, judgments or liabilities, costs and expenses, including attorney's fees (collectively "Costs") by or on behalf of any person, firm, organization, corporation, or business entity (a) from the conduct or from management of or from any work or thing whatsoever done in or about the Premises during the Term hereof, (b) from the operation, management, maintenance, repair, use, or occupation of the Premises, and the condition of any building or other Improvements on the Premises, (c) from any breach or default on the part of Tenant in the performance of any covenant or agreement on the part of Tenant to be performed, pursuant to the terms of this Lease, (d) the construction or tenant improvement works related thereto; and (e) from any act, whether or not negligent, by Tenant, or any of its agents, contractors, servants, employees or licensees, invitees, trespassers (whether known or unknown), or arising out of or related to any accident, injury or damage whatsoever occurring during the Term hereof in or about the Premises. Tenant is not obligated to indemnify, defend, and hold harmless claims against Landlord-Related Parties where Landlord was the sole cause of the loss or claim. In case any action or proceeding be brought against the Landlord-Related Parties by reason of any such claim of Tenant, upon notice from the Landlord-Related Parties, Tenant covenants to defend such action or proceedings by counsel chosen by Tenant, but reasonably satisfactory to Landlord. Tenant's obligations under this Section shall survive the termination of the Lease.

11.2 Tenant shall cause Landlord to be named as an additional named insured on all applicable insurance policies required by this Absolute Net Lease Agreement for all work, all ongoing operations, and all completed operations, including all materials, parts or equipment furnished in connection with such work, on the project performed by Tenant. The failure of Tenant to obtain all proper insurance policies required hereunder, including without limitation ISO CG 2010 0704 (Ongoing Operations) and ISO CG 2037 0704 (Completed Operations) where warranted, or their equivalents, shall constitute a material breach of this Lease.

11.3 The defense obligation of Tenant arises immediately upon the tender by Landlord to Tenant of a claim regardless of whether Tenant is a party to the claim. Tenant's duty to defend shall terminate only upon a final and binding judicial determination that Tenant had no fault whatsoever. In the event of such determination, Tenant would owe no further duty to Landlord. Landlord shall be entitled to select and retain the attorney and experts engaged to defend Landlord and to control and make all decisions, in their sole and absolute discretion, related to said claim. Tenant shall pay, on an ongoing basis during the pendency of the claim, all costs generated and incurred in the defense of Landlord including without limitation attorneys' fees and costs, experts' fees and costs, witness fees, document reproduction costs, arbitration costs and fees and, if after final judgment appeal is pursued, all of such costs for the appeal. No obligation of Tenant to

Landlord shall be lessened, reduced, delayed, or affected by the existence of other potential or actual indemnitors or insurers, or by Tenant's rights against any third party to contribution, subrogation, or proration.

11.4 Tenant shall be solely responsible for loss to or damage of all materials, equipment, and work hereunder until any work to be performed under the Lease, including, without limitation, the redevelopment of the Premises as required by Landlord, is completed to Landlord's satisfaction. Tenant shall use proper care and caution in the performance of its work hereunder so as not to cause damage to any adjoining property. Tenant does expressly assume, to the extent of the work to be performed under the Lease, including, without limitation, the redevelopment of the Premises as required by Landlord, all of the indemnification provisions and guarantees imposed on Tenant herein.

11.5 Tenant's indemnification and defense obligations hereunder shall extend to any claims occurring after any work to be performed under the Lease, including, without limitation, the redevelopment of the Premises as required by Landlord, is completed as well as while it is in force, and shall continue until it is finally adjudicated that any and all actions against the Landlord for such matters which are indemnified herein are fully and finally barred by applicable laws.

11.6 **Waiver.** Landlord shall not be liable to Tenant, Tenant's employees, agents or invitees for: (a) any damage to property of Tenant, or of others, located in, on or about the Premises, (b) the loss of or damage to any property of Tenant or of others by theft or otherwise, (c) any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain or leaks from any part of the Premises or from the pipes, appliance of plumbing works or from the roof, street or subsurface or from any other places or by dampness or by any other cause of whatsoever nature, or (d) any such damage caused by other tenants, if any, or persons in the Premises, occupants of adjacent property, or the public, or caused by operations in construction of any private, public or quasi-public work. The foregoing shall not be construed to relieve Landlord of liability for Landlord's willful misconduct. Landlord shall in no event be liable for any consequential damages or loss of business or profits and Tenant hereby waives any and all claims for any such damages. All property of Tenant kept or stored on the Premises shall be so kept or stored at the sole risk of Tenant and Tenant shall hold Landlord harmless from any claims arising out of damage to the same, including subrogation claims by Tenant's insurance carriers, unless such damage shall be caused by the willful misconduct of Landlord. Landlord or its agents shall not be liable for interference with the light or other intangible rights.

ARTICLE 12 **INSURANCE**

12.1 **Property Insurance.** Throughout the Term, Tenant shall cause the Improvements, and all building equipment and fixtures appurtenant thereto, to be insured by insurance companies reasonably satisfactory to Landlord in such respective amounts as shall be sufficient to prevent Landlord from becoming a co-insurer of any loss, and which shall name Landlord as loss payees and which shall insure the full replacement value of any Improvements:

(a) against loss or damage by fire and against such other risks, of similar or dissimilar nature, including wind, as shall typically be insurable against under present or future standard forms of fire and extended coverage policies (such policies are currently known as "Special Form Causes of Loss" property insurance), and

(b) Business income/interruption insurance to include loss of rents at limits sufficient to cover one hundred percent (100%) of the annual Base Rent and additional rent (including Taxes and all other payments required to be made by Tenant hereunder) payable to Landlord with a period of indemnity not less than _____ months from time of loss and contain an extended period of indemnity endorsement which provides that after the physical loss to the Improvements and Personal Property has been repaired, the continued loss of income will be insured until such income either returns to the same level it was at prior to the loss, or the expiration of _____ months from the date that the Property is repaired or replaced and operations are resumed, whichever first occurs, and notwithstanding that the policy may expire prior to the end of such period. Such insurance shall name Landlord as an additional named insured as loss payee with respect to Base Rent payable to or for the benefit of Landlord under this Lease.

12.2 General Liability Insurance. Tenant shall, prior to the commencement of work and at Tenant's sole expense, purchase and maintain as the named insured the following insurance coverages from a carrier acceptable to Landlord that has a current A.M. Best Financial Strength rating of A-VIII or better:

(a) Comprehensive or Commercial General Liability insurance written on an occurrence basis and covering all liability arising from the conduct of Tenant's business, including this Agreement, with minimum limits of liability of:

- \$ _____ combined single limit each occurrence
- \$ _____ combined single limit general aggregate
- \$ _____ combined single limit products/completed operations aggregate

Such insurance shall contain all standard comprehensive or commercial general liability broad form terms and conditions, including coverage for liability for bodily injury, property damage, personal injury, products, contractual liability, premises-operations liability, explosion and collapse hazard liability, underground hazard liability, independent contractor liability, on-site and off-site and on-going and completed operations.

Tenant shall name Landlord as an additional named insured on such insurance obtained pursuant to this sub-paragraph a) using ISO CG 2010 0704 (Ongoing Operations) and ISO CG 2037 0704 (Completed Operations) or their equivalent, such coverage to be afforded to Landlord to the same extent it is afforded to Tenant and shall not be subject to any exclusion, limitation, or condition to which the coverage afforded Tenant is not also subject.

Tenant shall provide a Designated Construction Project Aggregate Limit for this specific Project using ISO form CG 2503 0509 or its equivalent for the portion of Tenant's work related to the construction or Tenant improvement to the Premises.

12.3 Excess Liability Insurance. Tenant further agrees to maintain or cause to be maintained throughout the Term hereof, with insurance companies reasonably satisfactory to Landlord, and pay the costs of an excess umbrella policy with a limit of not less than \$ _____ per occurrence and shall name Landlord as an additional named insured. Tenant shall provide Landlord with certificates evidencing that the insurance required to be obtained.

12.4 Worker's Compensation. Tenant further agrees to maintain, throughout the Term hereof, with insurance companies reasonably satisfactory to Landlord, and pay the costs of, worker's compensation insurance, such insurance to afford protection to the limit of not less than

the minimum amount required by law. Tenant shall provide Landlord with certificates evidencing that the insurance required to be obtained.

12.5 Effect of Casualty. No loss or damage by fire or other cause required to be insured against hereunder resulting in either partial or total destruction of any building, structure, or other Improvement on the Premises, shall operate to terminate this Lease, or to relieve or discharge Tenant from the payment of Base Rent and or Additional Rent and other amounts payable by Tenant hereunder as they become due and payable, or from the performance and observance of any of the agreements, covenants and conditions herein contained on the part of Tenant to be performed and observed.

12.6 Cooperation. Landlord and Tenant each agrees that it will cooperate with the other, to such extent as such other party may reasonably require, in connection with the prosecution or defense of any action or proceeding arising out of, or for the collection of any insurance moneys that may be due in the event of, any loss or damage, and that it will execute and deliver to such other party such instruments as may be required to facilitate the recovery of any insurance monies.

12.7 Waiver of Claims and Subrogation Rights. Neither party shall, to the extent that such party is compensated by insurance proceeds, be liable to the other party for loss or damage, caused by fire or any other peril even though the loss or damage is caused by the party's negligence. Each property insurance policy carried by Landlord and Tenant shall contain a provision by which the insurance company shall waive all rights of recovery by subrogation against the other party for loss or damage to the insured property. Nothing herein shall be deemed to create or imply any obligation by Landlord to carry any insurance policy with respect to the Premises or otherwise under this Lease.

12.8 Tenant's Reconstruction Obligation. Tenant shall, at Tenant's sole cost, promptly reconstruct the Premises following any fire or other casualty affecting the Premises to substantially the same value and condition as immediately prior to such casualty, irrespective of whether Tenant's insurance proceeds are sufficient to cover the cost of reconstruction.

12.9 Intent to Fully Protect Landlord. It is the intention of the parties hereto that Tenant shall procure, maintain in force at all times, pay for and deliver to Landlord all of the insurance herein referred to at such times and in such manner that Landlord's interest in the Premises shall at all times during the Term hereof be protected.

ARTICLE 13

RIGHT TO PERFORM COVENANTS

13. Without limiting or waiving any other rights and remedies of Landlord hereunder, if Landlord determines that the Tenant is not adequately performing or has failed to perform any of its obligations, covenants or agreements contained in this Lease and such inadequacy or failure is not cured within any applicable grace or cure period, or if any action or proceeding of any kind (including, but not limited to, any bankruptcy, insolvency, arrangement), then Landlord may, at its option, with or without notice to Tenant, make any appearances, disburse or advance any sums and take any actions as may be necessary or desirable to remedy the failure of Tenant to perform its covenants and agreements. Tenant agrees to pay on demand all expenses of Landlord reasonably incurred with respect to the foregoing (including, but not limited to, fees and disbursements of counsel), together with interest thereon at the Interest Rate from and after the date on which Landlord incurs such expenses until reimbursement thereof by Tenant. Any such

expenses so incurred by Landlord, together with interest thereon shall be additional rent hereunder. The necessity for any such actions and of the amounts to be paid shall be determined by Landlord in its reasonable discretion. Landlord is hereby empowered to enter and to authorize others to enter upon the Premises or any part thereof for the purpose of performing or observing any such defaulted term, covenant or condition without thereby becoming liable to Tenant or any person in possession holding under Tenant. In furtherance and not in limitation of the foregoing, Tenant shall at any time fail to pay any Tax, or to take out, pay for, maintain or deliver any of the insurance provided for in this Lease, or shall fail to make any other payment or perform under this Lease, then Landlord may, without waiving or releasing Tenant from any obligations of Tenant in this Lease contained, pay any such Tax, effect any such insurance coverage and pay premiums therefore, and make any other payment or perform any other act which Tenant is obligated to perform under this Lease, in such manner and to such extent as Landlord shall, in its sole discretion, deem necessary. In exercising any such rights, Landlord may pay necessary and incidental costs and expenses including reasonable attorneys' fees. All sums so paid by Landlord and all necessary and incidental costs and expenses in connection with the performance of any such act by Landlord, including Landlord's reasonably incurred attorney's fees and disbursements together with interest thereon at the Interest Rate, shall be payable by Tenant to Landlord on demand. Landlord shall have no obligation to perform on Tenant's behalf and if Landlord does so, Landlord shall not be liable to Tenant for any damage resulting from its actions.

ARTICLE 14 **TENANT'S DEFAULT**

14.1 **Event of Default.** Any of the following constitutes a material breach of this Lease by Tenant ("**Default**"): (i) Tenant fails to pay any monetary obligation for a period of _____ days after Notice from Landlord; or (ii) Tenant fails to perform any other obligation of the Lease for more than a reasonable time (not exceeding _____ days) after Landlord delivers Notice to Tenant (unless the Default complained of, other than a Default for the payment of money, cannot be cured within such _____-day period, then Tenant shall not be considered to be in Default of the Lease so long as it commences to cure the Default within such _____-day period and thereafter diligently and continuously prosecutes the cure to completion); or (iii) Tenant vacates or abandons the Premises; or (iv) Tenant makes a general assignment for the benefit of creditors; or (v) the attachment or judicial seizure of substantially all of Tenant's assets located at the Premises or Tenant's interest in this Lease (where the seizure is not discharged within _____ days); or (vi) Tenant or any Guarantor fails to pay its debts as they become due or admits in writing its inability to pay its debts, or makes a general assignment for the benefit of creditors; or (vii) any financial statements given to Landlord by Tenant, any assignee of Tenant, subtenant of Tenant, any Guarantor, or successor in interest of Tenant are intentionally false; or (viii) Tenant or any Guarantor of this Lease declares bankruptcy or is otherwise declared insolvent and in the case of the Guarantor, Tenant fails to provide to Landlord a Guarantee from a substitute guarantor which is acceptable to Landlord in its sole business judgment, taking into account Tenant's financial obligations under the Lease. In addition to all other rights or remedies of Landlord set forth in this Lease, if a Default occurs, Landlord shall have all rights available to Landlord as may be permitted from time to time by the Laws of the State of _____, without further Notice or demand to Tenant. [IF APPLICABLE] In addition, Landlord has the remedy described in California Civil Code Section 1951.4 (Landlord may continue this Lease in effect after Tenant's breach and abandonment and recover Rent as it becomes due, if Tenant has the right to sublet or assign, subject only to reasonable limitations). In any case in which Landlord re-enters and occupies the Premises, by unlawful detainer proceedings or otherwise, Landlord, at
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its option, may repair, alter, subdivide or change the character of the Premises as Landlord deems best, relet all or any part of the Premises and receive the rents therefor, and none of these actions shall constitute a termination of this Lease, a release of Tenant from any liability, or result in the release of any Guarantor. Landlord shall not be deemed to have terminated this Lease or the liability of Tenant to pay any Rent or other charges later becoming due by any re-entry of the Premises pursuant to this Section, or by any action in unlawful detainer or otherwise to obtain possession of the Premises, unless Landlord has first given Tenant Notice that it is terminating this Lease. Any Notice given by Landlord pursuant to this Section shall be in lieu of, and not in addition to, any Notice required by Section 1161 of the California Code of Civil Procedure or superseding statute. Any payment of Rent into Landlord's lockbox, if any, following Landlord's delivery of Notice to Tenant pursuant to this Section shall not constitute acceptance of Rent.

14.2 Termination of Lease. [IF APPLICABLE] If Landlord elects to terminate this Lease, damages shall include, without limitation, the remedy and measure of damages specified pursuant to California Civil Code Section 1951.2, which shall include the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of Rent loss Tenant proves could have been reasonably avoided.

14.3 Performance Fee. Notwithstanding any other term or provision of this Lease, if after the delivery of Notice to Tenant and the expiration of any applicable cure period, Landlord performs work in lieu of or on behalf of Tenant or if Landlord pays any charges on behalf of Tenant, then in addition to the costs incurred by Landlord to perform such work or pay such charges, Tenant shall pay to Landlord a fee equal to ____% of the amount so incurred by Landlord as reimbursement of Landlord's estimated costs of Landlord's actions.

ARTICLE 15

QUIET ENJOYMENT

15.1 As long as Tenant pays all of the Rent and performs all of the other terms and conditions of this Lease, Tenant shall peaceably and quietly hold and enjoy the Premises free from disturbance by Landlord or anyone claiming by, through or under Landlord; subject, however, to the rights of the parties as set forth in this Lease.

ARTICLE 16

SURRENDER AND NO RIGHT TO HOLD OVER

16.1 Surrender of the Premises. Subject to Section 4.3, Tenant shall, upon the expiration or termination of this Lease for any reason, surrender to Landlord the buildings, structures and building equipment, fixtures, business equipment and inventory then upon the Premises, together with all alterations and replacements thereof then on the Premises, in the good order, condition and repair, except for reasonable wear and tear and the effects of any casualty that Tenant is not obligated to repair.

16.2 No Right to Hold Over. Tenant shall have no right to retain possession of the Premises or any portion thereof following the expiration or earlier termination of this Lease. Should Tenant hold over beyond the Expiration Date, the Base Rent for the first ____ days of such holdover period shall be ____ times the Base Rent payable for the ____-month period immediately preceding the Expiration Date, and after the expiration of such first ____ days, the Base Rent shall increase to ____ times the Base Rent payable for the ____-month period immediately preceding the Expiration Date. If Tenant fails to surrender the Premises upon the Expiration Date, then

Tenant shall indemnify, defend and hold Landlord harmless from any loss or liability which may accrue therefrom including any claims made by any succeeding tenant founded on or resulting from Tenant's failure to surrender. Acceptance by Landlord of any Base Rent, Percentage Rent or other charges after the Expiration Date shall not constitute consent to a holdover hereunder or result in a renewal of the Lease, and such occupancy by Tenant shall be deemed a month-to-month tenancy terminable by either party upon _____ days' Notice to the other. The foregoing shall not imply any right to holdover, nor shall it limit Landlord's right to collect damages including reasonable legal fees, lost profits and consequential damages in the event of a holdover.

ARTICLE 17

ASSIGNMENT, SUBLETTING, ENCUMBRANCES

17.1 **No Assignment or Subletting.** Tenant shall not, whether in one (1) transaction or a series of transactions, assign, sublet, encumber, mortgage, hypothecate or pledge this Lease or its interest in the Premises nor allow the Premises to be occupied, in whole or in part, by any other person or entity, nor enter into franchise, license or concession agreements, nor change ownership or voting control, nor otherwise transfer (including any transfer by operation of Law) all or any part of this Lease or of Tenant's interest in the Premises or Tenant's business (collectively, "**Assign**" or an "**Assignment**") without Landlord's prior written consent, not to be unreasonably withheld, delayed or conditioned. If Tenant, or an entity owning a controlling interest in Tenant, is a corporation which is not a public corporation, or is an unincorporated association, limited liability company or partnership, (i) the encumbrance, mortgage, hypothecation or other pledge, whether in one (1) transaction or a series of transactions, of any stock or interest in Tenant or an entity owning a controlling interest in Tenant, or (ii) the entering into of any management agreement or any agreement in the nature thereof transferring control or any substantial percentage of the profits and losses from the business operations of Tenant in the Premises to a person or entity other than Tenant, or otherwise having substantially the same effect, shall be deemed an Assignment within the meaning of this Article. Tenant hereby represents and warrants to Landlord that as of the Lease Date it has not entered into any encumbrance, mortgage, hypothecation or other pledge which would result in an encumbrance or pledge of this Lease or Tenant's interest in the Premises. For purposes of this Article 17, the term "**control**" (including the terms "**controlled by**" and "**under common control with**") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any Person, whether through the ownership of voting securities or by contract or otherwise, and/or ownership of more than fifty percent (50%) of the outstanding voting capital stock of a corporation or more than fifty percent (50%) of the beneficial interests of any other entity. "**Person**" means an individual, partnership (whether general or limited), limited liability company, corporation, trust, estate, unincorporated association, nominee, joint venture or other entity.

17.2 **Procedures.** Should Tenant desire to enter into an Assignment, Tenant shall request, in writing, Landlord's consent to the proposed Assignment at least _____ days before the intended effective date of the proposed Assignment, which request shall include the following: (a) the effective date, terms and conditions of the proposed Assignment, (b) detailed financial information regarding the proposed transferee, including a detailed statement of its tangible net worth, (c) a description of the previous business experience of the proposed transferee, (d) a complete business plan prepared by the proposed transferee, and (e) any further information relevant to the proposed Assignment which Landlord shall reasonably request. Within _____ days after the later of (i) Landlord's receipt of Tenant's request for consent to the proposed Assignment, and (ii) Landlord's receipt of all of the information set forth in (a) through

(e) above, Landlord may elect either to: (aa) consent to the proposed Assignment; (bb) deny such consent; or (cc) in Landlord's sole discretion, terminate this Lease, such termination to be effective _____ days following Landlord's election. Tenant shall have the right to void Landlord's termination by withdrawing its request for consent prior to the expiration of such _____-day period.

17.3 Standard for Consent. Tenant agrees that Landlord may refuse its consent to the proposed transfer on any reasonable grounds, and (by way of example and without limitation) Tenant agrees that it shall be reasonable for Landlord to withhold its consent if any of the following situations exist or may exist: (a) the use to which the Premises will be put by the proposed transferee is different than the use set forth in Article 5 above (b) the proposed transferee's financial condition is inadequate to support the financial and other obligations of Tenant under this Lease; (c) the business reputation or character of the proposed transferee is not reasonably acceptable to Landlord; (d) the proposed transferee is not likely to conduct on the Premises a business of a quality substantially equal to that conducted by Tenant; (e) the nature of the proposed transferee's proposed or likely use of the Premises would impose an increased burden on the Common Area, or increase the risk of the release of Hazardous Materials; (f) Landlord has not received assurances acceptable to Landlord in its sole discretion that all past due amounts owing from Tenant to Landlord, if any, will be paid and all other Defaults on the part of Tenant, if any, will be cured prior to the effective date of the proposed Assignment; (g) in Landlord's reasonable business judgment the amount of annual Gross Sales Landlord anticipates will be generated by the proposed transferee is less than the average annual Gross Sales Tenant has generated during the ____ years immediately prior to the proposed Assignment; and (h) in Landlord's reasonable business judgment the Assignment would breach any covenant of Landlord respecting the Premises. Each of the rights of Landlord set forth in this Article 17 is a reasonable restriction for purposes of Florida Statutes Section 680.303.

17.4 No Release. No Assignment shall relieve Tenant or any guarantor from its covenants and obligations under this Lease. Any purported Assignment requiring Landlord's consent shall be void and confer no rights whatsoever on any third party if Landlord's consent is not obtained. Consent by Landlord to any Assignment shall not constitute a waiver of the requirement for such consent to any subsequent Assignment. Landlord may collect and accept any one or more payments of Rent from any person or party in possession or control of the Premises (or claiming the same) without the same constituting a consent to any transfer of possession or control of the Premises or an Assignment and Landlord may otherwise enforce any of the duties, obligations or covenants of the "Tenant" hereunder, all without any release of Tenant whatsoever and without any waiver or limitation of Landlord's rights and remedies under this Lease or at Law or in equity.

ARTICLE 18

ESTOPPEL CERTIFICATE

Tenant agrees, on not less than ____ days' prior notice by Landlord, to execute, acknowledge, and deliver to Landlord a written statement in the form as may be required by Landlord's existing or prospective lender or the prospective purchaser of Landlord's interest in the Premises ("Estoppel Certificate"). The failure of Tenant to execute and deliver the Estoppel Certificate will constitute an acknowledgement by Tenant that the information included in the Estoppel Certificate is true and correct without exception.

ARTICLE 19
FORCE MAJEURE

Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, regulations, or controls, judicial orders, enemy or hostile governmental action, civil commotion, terrorist activities, fire or other casualty, and other causes (except financial) beyond the reasonable control of the party obligated to perform, shall excuse the performance by that party for a period equal to the prevention, delay or stoppage, however that (i) in no event shall financial incapability excuse the performance of either party, and (ii) the terms of this Article 19 shall in no event excuse the obligations imposed with regard to the payment of Rent to be paid by Tenant pursuant to this Lease; provided the affected party gives the other party Notice within _____ days of the event causing the prevention, delay or stoppage. Notwithstanding anything to the contrary contained in this Article 19, in the event any work performed by Tenant or Tenant's contractor results in a strike, lockout and/or labor dispute, such action shall not excuse the performance by Tenant of the provisions of this Lease.

ARTICLE 20
Notices and Consents

Any and all notices or other communications required or permitted to be given under this Lease shall be in writing and either (i) personally delivered, in which case notice shall be deemed delivered upon receipt, (ii) sent by any nationally recognized overnight courier service with provisions for proof of delivery, in which case notice shall be deemed delivered on the next business day after the sender deposits the same with such delivery service, (iii) electronic mail with a confirmation of receipt, or (iv) sent by United States Mail, postage prepaid, certified mail, return receipt requested, in which case notice shall be deemed delivered on the date of delivery as shown on the return receipt or the date of the addressee's refusal to accept delivery as indicated by the United States Postal Service, and in any case such notices or other communication shall be addressed to the following addresses:

Landlord: [NAME OF LANDLORD]
[ADDRESS]_____

[EMAIL]_____

with a copy to:

Tenant: [NAMES OF TENANTS]
[ADDRESS]_____

[EMAIL]_____

ARTICLE 21
INVALIDITY OF PARTICULAR PROVISIONS

If any term or provision of this Lease or the application thereof to any person or circumstance, shall to any extent be determined to be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

ARTICLE 22
SUBORDINATION AND ATTORNMENT

If requested by Landlord, Tenant agrees to subordinate this Lease to any future mortgage, trust deed or ground lease, provided such lien holder shall not disturb Tenant's possession and shall assure Tenant's other rights granted under this Lease in accordance with this Lease's terms and conditions.

ARTICLE 23
CONSENT/DUTY TO ACT REASONABLY

Except for any references to the terms "sole" or "absolute" or words of similar meaning, any other time the consent of Landlord or Tenant is required under this Lease, such consent shall not be unreasonably withheld, conditioned or delayed. Whenever this Lease grants Landlord or Tenant the right to take action, exercise discretion, establish rules and regulations or make allocations or other determinations (other than decisions to exercise expansion, contraction, cancellation, termination, purchase, or renewal options, if any, and excluding the decisions regarding the exercise or election of remedies and unless the terms "sole" or "absolute" are expressly used in connection therewith), Landlord and Tenant shall act reasonably and in good faith.

ARTICLE 24
ENTIRE AGREEMENT

It is understood and acknowledged that there are no oral agreements between the parties hereto affecting this Lease and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. This Lease, and the exhibits and schedules attached hereto, contain all of the terms, covenants, conditions, warranties and agreements of the parties relating in any manner to the rental, use and occupancy of the Premises and shall be considered to be the only agreements between the parties hereto and their representatives and agents. None of the terms, covenants, conditions or provisions of this Lease can be modified, deleted or added to except in writing signed by the parties hereto. All negotiations and oral agreements acceptable to both parties have been merged into and are included herein. There are no other representations or warranties between the parties, and all reliance with respect to representations is based totally upon the representations and agreements contained in this Lease.

ARTICLE 25
LEASE GUARANTY

The obligations of Tenant under this Lease (including with respect to Extended Terms, if any) shall be guaranteed by individuals jointly and severally: _____,
(the "***Lease Guarantor***"), pursuant to the terms of the Lease Guaranty attached hereto as Exhibit B attached hereto and by this reference incorporated herein (the "***Lease Guaranty***").

ARTICLE 26
FINANCIAL STATEMENTS; PROPERTY RECORDS

26.1 Recordation of Sales. At the time of a sale or other transaction, Tenant shall record the sale or other transaction either in a cash register or computer with sealed continuous tape or by using another method of recording sequentially numbered purchases and keeping a cumulative total, such as a point of sale cash register system or future digital technology devices, approved by Landlord. For a period of _____ years following the delivery of its certified Annual Statement for each year, Tenant shall keep full and accurate books and records of all transactions from the Premises pertaining to Gross Sales and exclusions thereof in accordance with generally accepted retail practices and generally accepted accounting principles consistently applied. Tenant's obligation to maintain such books and records, and Landlord's right to audit the same pursuant to Section 26.2 below, shall survive the expiration or earlier termination of this Lease.

26.2 Audits. Within _____ years after receipt of an Annual Statement, upon at least _____ days' prior "Notice" (as defined in Article 20) to Tenant, Landlord or its authorized representatives may audit Tenant's records and books in order to verify Tenant's Gross Sales and exclusions from Gross Sales ("**Audit**"). Tenant shall make all such books and records available for the Audit at the Premises or at Tenant's offices in the State of _____; provided that, in the event that Landlord, at its sole and absolute discretion, requests Tenant's records and books to be sent to Landlord or Landlord's designated auditor, Tenant shall, at Tenant's cost, send copies of Tenant's records and books to the mailing address or email address as Landlord so designates for the purposes of Audit. If the Audit discloses an underpayment of Percentage Rent, Tenant shall immediately pay to Landlord the amount of the underpayment, with interest at the "Interest Rate" (as defined in Section 3.3) from the date the payment should have been made. If (a) Landlord is not able to perform the Audit in accordance with generally acceptable auditing standards because Tenant has not maintained its books and records as required under Section 26.1 or (b) the Audit discloses an underreporting of Gross Sales in excess of _____% of the reported Gross Sales, then Tenant shall also pay to Landlord the cost of the Audit and collection of any underpayment, including travel costs and reasonable attorneys' fees. If the Audit discloses an overpayment of Percentage Rent, Tenant may offset the excess against its next payment(s) of Rent other than Base Rent.

26.3 Financial Statements. Upon _____ days' prior Notice, Tenant will provide to Landlord a certified financial statement reflecting Tenant's current financial condition. If Tenant is a publicly-traded corporation, then delivery of Tenant's last published financial information will satisfy this obligation. Tenant hereby expressly acknowledges and agrees that Landlord has relied on Tenant's (and Guarantor's, if applicable) financial documents delivered in connection with this Lease as evidence that Tenant will have the ability to perform all financial and operational obligations under this Lease as of the Lease Date. The foregoing requirements shall also apply to any Guarantor of Tenant under this Lease.

26.4 Guarantor. If a Guarantor is designated in this Lease, then Landlord's obligations under this Lease shall be contingent upon Tenant's delivery to Landlord of a guarantee of Lease in the form of Exhibit B hereto ("**Guarantee**").

ARTICLE 27

LANDLORD'S LIABILITY; SALE OF PREMISES

27.1 Definition of Landlord. The term "Landlord" as used herein shall mean the owner or owners at the time in question of the fee title to the Premises. In the event of a transfer of Landlord's title or interest in the Premises or this Lease, Landlord shall deliver to the transferee

or assignee (in cash or by credit) any Tenant funds held by Landlord. Upon such transfer or assignment and delivery of such funds, as aforesaid, the prior Landlord shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Landlord. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Landlord shall be binding only upon the Landlord as hereinabove defined.

27.2 Limitation on Liability. The obligations of Landlord under this Lease shall not constitute personal obligations of Landlord, the individual partners, members, shareholders, trustors, trustees or beneficiaries of Landlord or its or their partners, members, directors, officers, shareholders, trustors, trustees or beneficiaries, and Tenant shall look to the Premises, and to no other assets of Landlord, for the satisfaction of any liability of Landlord with respect to this Lease, and shall not seek recourse against the individual partners members, shareholders, trustors, trustees or beneficiaries of Landlord, or its or their partners, members, directors, officers, shareholders, trustors, trustees or beneficiaries, or any of their personal assets for such satisfaction.

ARTICLE 28 **MISCELLANEOUS**

28.1 Attorney's Fees and Processing Charges. If either party institutes an action or proceeding against the other party relating to the provisions of this Lease, then the non-prevailing party in such action or proceeding shall reimburse the prevailing party for its actual attorneys' fees, and all fees, costs and expenses (including any actual expert fees and court costs) incurred in connection with such action or proceeding, including any post-judgment fees, costs or expenses incurred on any appeal or in collection of any judgment. If Landlord prepares, reviews or executes any document relating to this Lease or the Premises at Tenant's request, Tenant agrees to pay to Landlord (i) a reasonable processing charge in accordance with the schedule of charges from time to time established by Landlord, and (ii) Landlord's reasonable attorneys' fees and expenses incurred in connection therewith. Landlord may, at its option, require the payment of all or a portion of such charges and/or fees in advance.

28.2 Waiver of Jury Trial/Judicial Reference.

(a) Landlord and Tenant each acknowledges that it is aware of and has had the advice of counsel of its choice with respect to its right to trial by jury, and each party does hereby expressly and knowingly waive and release all such rights to trial by jury in any action, proceeding or counterclaim brought by either party hereto against the other (and/or against its officers, directors, employees, agents, or subsidiary or affiliated entities) on any matters whatsoever arising out of or in any way connected with this Lease, Tenant's use or occupancy of the Premises, and/or any claim of injury or damage.

(b) In the event that the jury waiver provisions of Section 28.2(a) are not enforceable under [STATE] Law, then the provisions of this Section 28.2(b) shall apply. Landlord and Tenant agree that any disputes arising in connection with this Lease (including but not limited to a determination of any and all of the issues in such dispute, whether of fact or of Law, and including any action where Tenant names as a party to any dispute an employee or agent of Landlord) shall be resolved (and a decision shall be rendered) by way of a general reference as provided for in [IF APPLICABLE] Part 2, Title 8, Chapter 6 (§ 638 et. seq.) of the California Code of Civil Procedure, or any successor California statute governing resolution of disputes by a court appointed referee. Nothing within this Section 28.2 shall apply to an unlawful detainer action.

28.3 **Certification by Tenant.** Any reports, statements or other materials required to be certified by Tenant shall be certified by Tenant's Chief Financial Officer, Tenant's managing member or partner or by an independent certified public accountant.

28.4 **Floor Area.** "*Floor Area*," with respect to the Premises or any other leasable areas, means Landlord's estimate of the total number of square feet of ground floor area therein, measured from the exterior faces of all exterior walls, service corridors and fire walls, and from the center line of the common demising walls separating the Premises from other premises. No deduction shall be made for columns or interior construction or equipment. Landlord shall have the right during the Term to remeasure the Floor Area of the Premises for accuracy. If an error is found, Landlord shall so certify to Tenant and this Lease shall be amended to reflect the actual Floor Area and corresponding "Base Rent," "Breakpoint" and "Additional Rent" based on such actual Floor Area.

28.5 **No Liability.** In any case where Landlord's consent is required, Landlord shall have no liability for damages to Tenant or to any third party if it is adjudicated that Landlord's consent has been unreasonably withheld and such unreasonable withholding of consent constitutes a breach of this Lease or other duty to Tenant or any other person. In such event, Tenant's sole remedy shall be to have Landlord's consent be deemed given.

28.6 **Representation Regarding SDN Status.** Tenant represents to Landlord that Tenant, its officers, directors, employees, partners, members and/or other principals or owners of Tenant, and its guarantors of all or any portion of the Lease (collectively, "*Tenant Parties*") are not listed as "Specially Designated Nationals and Blocked Persons" ("*SDN*") on the list of such persons and entities issued by the U.S. Department of the Treasury's Office of Foreign Assets Control ("*OFAC*"). In the event Tenant or any Tenant Party is or becomes listed as a SDN, Tenant shall be deemed in breach of this Lease and Landlord shall have the right to terminate this Lease immediately upon Notice to Tenant.

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first set forth above, acknowledged that each party has carefully read each and every provision of the Lease, that each party has freely entered into the Lease of its own free will and volition, and that the terms, conditions and provisions of the Lease are commercially reasonable as of the day and year first above written.

TENANT:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

LANDLORD:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT A
FLAME BROILER FRANCHISE AGREEMENT
SECTION X.A.2 (“NET SALES”)

EXHIBIT B
LEASE GUARANTY

Guarantee of Commercial Lease Agreement

The undersigned (Guarantor) in consideration of the execution of the commercial lease agreement hereby unconditionally guarantees and promises to pay or perform on demand any and all debts, obligations, and liabilities of _____ (Tenant) under or arising out of the lease agreement entered by and between _____ (Landlord) for the property known as _____ (address).

This is a continuing guarantee which applies to any renewal, extension, modification, or amendment of the lease rental agreement, without notice to Guarantor. Guarantor is aware and acknowledges the existence of other individual(s) that is jointly and severally guaranteeing the above commercial lease agreement.

Guarantor hereby waives each and all of the following:

- a. Notice of acceptance of this guarantee
- b. Notice of any renewal, extension, modification, or amendment of the lease.
- c. Notice of Tenants default under the lease.
- d. The right, if any, to benefit of or to direct the application of the security deposit.
- e. The right to require _____ to proceed against the Tenant or any other lease guarantor prior to proceeding against this Guarantor and agrees that _____ may proceed against the Guarantor directly and independently of any other party liable and the cessation of the liability of any other party for any reason other than full payment, shall not in any way affect the liability of this Guarantor.
- f. Any defense of the Tenant or any other liable party.

This guarantee shall be valid only upon the acceptance by the Landlord located in _____, State of _____. This guarantee and the right and obligations of the parties shall be construed in accordance with _____ State law. Guarantor consents to jurisdiction in the appropriate court in the County of _____. In the event an action is brought to enforce performance of this agreement, the prevailing party shall recover reasonable attorney's fees and court costs.

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This section to be completed by Guarantor

Name: _____

Home Telephone: _____

Address: _____

Employment: _____ Work Telephone: _____

Address: _____

Driver's License # _____ Social Security # _____

Date of Birth: _____ Email: _____

Guarantor authorizes verification of the above information including a credit report and agrees to furnish addition information on request.

Signature: _____ Date: _____

Please attach a copy of your current driver's license

FRANCHISE ADDENDUM

FRANCHISE ADDENDUM

Landlord and Tenant desire to supplement the terms and conditions of the Lease, the Addendums and the Exhibits thereto (collectively the "Lease"). To the extent any provision in this Franchise Addendum is inconsistent or in conflict with any of the terms or conditions set forth in the Lease, this Franchise Addendum shall govern and control, and the Lease shall be deemed to be modified accordingly.

1. Landlord's Acknowledgment. Landlord acknowledges that Tenant has entered into a franchise agreement with The Flame Broiler, Inc., a California Corporation ("Franchisor"), granting Tenant the right to operate The Flame Broiler The Rice Bowl King and/or Flame Broiler restaurant on the Premises, including the right to use Franchisor's trademarks, service marks, signs, designs, trade dress, system of operation, and related features associated with the franchised system that Franchisor may prescribe from time to time. Landlord also acknowledges that Franchisor has an interest in protecting the rights described herein and as otherwise set forth in the franchise agreement. The rights of Franchisor shall not be superseded, terminated or modified without the prior written consent of Franchisor.

2. Tenant's Rights

(a) Menu. Tenant is permitted to change from time to time the menu prices and menu selection consistent with Franchisor's franchise requirements so long as any additions to the menu do not substantially deviate from the initial menu selection and do not violate any existing exclusives or prohibited uses of other tenants in the Shopping Center at the time of execution of the Lease.

(b) Storefront Sign. Tenant shall have the right to install its Franchisor-approved storefront signs, which shall measure at _____, according to 1) the image attached herewith in the Lease, or 2) if required to be changed by Franchisor, the then-current system-wide logo approved by Franchisor, either of which shall be at Tenant's sole cost and expense and subject to all governmental approvals.

(c) Pylon and Monument Signage. In addition to any signage granted to Tenant at the time of execution of the Lease, in the event a sign panel on one side or both sides ("Sign Panel"), as the case may be, on the multitenant monument or pylon sign within the Shopping Center ("Monument Sign") becomes available, Landlord must offer Tenant the first right to install Tenant's sign in the Sign Panel on the Monument Sign. Thereafter, Tenant has the right within 30 days of receipt of such offer to elect to install its sign in the Sign Panel, provided that such sign will be subject to Landlord's Sign Criteria and all governmental approvals.

(d) Signs in General. Any change in Landlord's Sign Criteria shall in no event be inconsistent with or modify Franchisor's signage requirements. To avoid ambiguity, photos of Tenant's specific sign locations and panels, indicated by arrows, shall be included in this Lease.

3. Franchisor's Rights

(a) Franchisor as Third Party Beneficiary. Tenant and Landlord acknowledge and agree that Franchisor shall be a third party beneficiary of this Lease and Franchisor shall be entitled to enforce the rights explicitly provided to Franchisor directly, with or without the consent or joinder of Tenant or Landlord. Notwithstanding anything contained in this Lease to the contrary, Franchisor shall have no liability under this Lease unless Franchisor expressly enters into a written assignment assuming the provisions of this Lease or otherwise takes possession as set forth in this Franchise Addendum Sections 3(c) and 3(d).

(b) Radius Restriction. Any radius restriction shall not apply to Franchisor.

(c) Inspection. During the Term, Landlord and Tenant agree that Landlord shall not prohibit or prevent Franchisor's access to the Premises during normal business hours for the purpose of inspecting the Premises to determine Tenant's compliance with Franchisor's franchising requirements.

(d) Removal. Tenant and Landlord agree that, upon termination of its franchise with Tenant, Franchisor shall have the right, but not the obligation, to remove any signs, designs, trade dress, other items bearing Franchisor's trademarks, service marks or logos, Flame Broiler proprietary grill plates, or any related features associated with the franchised system ("Flame Broiler Items") from the Premises provided Franchisor repairs any and all damage caused by such removal. However, Franchisor shall not be liable for any and all prior and/or then-existing damage not caused by Franchisor. Further, Franchisor shall not be obligated to pay or be liable for any accruing rent payment during the reasonable time, at minimum _____ days, required for such removal. Upon termination of Flame Broiler: 2024 FDD

the Lease or Tenant vacating the Premises for any reason, and provided Franchisor does not exercise its right to assume the Lease, if Tenant shall fail to remove all Flame Broiler Items, then Landlord shall provide written notice of such failure to Franchisor and Franchisor shall thereafter, within _____ days of receipt of such notice, have the right, but not the obligation, to enter upon or about the Premises, without being deemed guilty of trespass or any other tort, and make or cause to be made such removal, alterations and repainting at the reasonable expense of Tenant, which expense Tenant shall pay to Franchisor along with an administrative fee equal to ____% of the cost of such removal and repair.

(e) Waiver and Release of Liability. Tenant hereby agrees to release and hold Landlord harmless from any and all liability and to waive any and all claims for damages or injuries to persons or property which Tenant or its property may suffer by reason of Franchisor's entry onto the Premises or removal of any of the items described in Franchise Addendum Section 3(d) above.

(f) Franchisor's Cure. Landlord agrees to deliver to Franchisor at the address set forth below a copy of any notice of default to Tenant at the time such notice is issued to Tenant. Franchisor may, at its option, cure any such default by Tenant and Landlord agrees to accept Franchisor's performance of such obligation provided such default is fully cured within the periods specified under the Lease. All notices to Franchisor shall be sent by Certified Mail with Return Receipt to:

(g) Assignment to Franchisor and Reassignment. Tenant shall have the right to assign this Lease and any applicable Option Terms to Franchisor, without Landlord's prior written consent and without assessment of any transfer, administrative, processing, review, or penalty charges, upon a written notice to Landlord, provided, however, that Franchisor shall then be bound by and be subject to all of the terms and conditions of the Lease. At any time following or concurrent with Franchisor's election to take an assignment of Tenant's rights under the Lease, Franchisor shall have the right to, on a written notice to Landlord, assign the Lease and any applicable Option Terms to a franchisee approved by Franchisor, provided that: (i) such franchisee assumes the obligations under this Lease; (ii) the franchisee and its guarantors have a combined net worth of _____ or more at the time of the assignment; and (iii) either the franchisee or a guarantor has a FICO credit score of _____ or higher as of the date of the assignment. In such event that Franchisor assigns this Lease to a franchisee who qualifies under this Section and that such franchisee assumes the obligations under the Lease, Franchisor and its guarantors shall be fully released from any and all obligations and liabilities arising under the Lease after the date of the assignment.

4. Other Provisions

(a) Option Terms. In case of an assignment to Franchisor, a reassignment by Franchisor to franchisee, or in the event Tenant assigns the Lease to a franchisee of The Flame Broiler, Inc., any remaining or unexercised Option Terms shall automatically be transferred to the assignee.

(b) Beverage Equipment. If any beverage equipment, including, but not limited to, a dispenser, fountain or cooler, is leased from Tenant's beverage supplier, then the equipment is, and will at all times remain, personal property of the beverage supplier notwithstanding that the equipment or any part thereof may now be, or thereafter become, in any manner affixed or attached to, or embedded in, or permanently resting upon, real property or improvements on real property.

EXHIBIT P

STATE EFFECTIVE DATES

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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 Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

California:

Michigan:

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT Q

RECEIPTS

RECEIPT

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 we offer you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make payment to, us or an affiliate in connection with the proposed franchise sale.

New York, if applicable, requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Iowa and Michigan, if applicable, require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If we do 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.

The name, principal business address and telephone number of each franchise seller offering this franchise: Young Lee and Norma Romero, both of The Flame Broiler, Inc., 1538 E. Warner Avenue, Suite E, Santa Ana, California 92705, telephone (714) 424-0223, and _____ . *[Any other franchise seller involved in a particular franchise transaction must be disclosed here before the Disclosure Document is given to the prospective franchisee.]*

Issuance Date: April 16, 2024

See Exhibit A for our registered agents authorized to receive service of process.

I have received a Disclosure Document with the effective date shown on the State Effective Date page that included the following Exhibits:

- A. LIST OF STATE AGENTS FOR SERVICE OF PROCESS AND STATE ADMINISTRATORS
- B. FRANCHISE AGREEMENT
- C. AREA DEVELOPMENT AGREEMENT
- D. FINANCIAL STATEMENTS
- E. TABLE OF CONTENTS OF THE CONFIDENTIAL OPERATIONS MANUAL
- F. FRANCHISEE DISCLOSURE QUESTIONNAIRE
- G. PROPRIETARY INFORMATION NON-DISCLOSURE AGREEMENT
- H. RELEASE AND ASSIGNMENT OF RIGHTS TO IMPROVEMENTS AGREEMENT
- I. RELEASE AND WAIVER OF RIGHTS
- J. STATE SPECIFIC ADDENDA
- K. LIST OF FRANCHISEES
- L. DIRECT DEBIT AUTHORIZATION
- M. ASSIGNMENT & ASSUMPTION AGREEMENT (RESALES)
- N. SUPPLIER/TRAINING AGREEMENTS
- O. LEASE AGREEMENT
- P. STATE EFFECTIVE DATES
- Q. RECEIPTS

Date	Signature	Printed Name
Date	Signature	Printed Name

Please sign this copy of this receipt, date your signature, and return it to Young Lee, The Flame Broiler, Inc., 1538 E. Warner Avenue, Suite E, Santa Ana, CA 92705, telephone, (714) 424-0223.

Copy for Franchisee

RECEIPT

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 we offer you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make payment to, us or an affiliate in connection with the proposed franchise sale.

New York, if applicable, requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Iowa and Michigan, if applicable, require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If we do 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.

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- N. SUPPLIER/TRAINING AGREEMENTS
- O. LEASE AGREEMENT
- P. STATE EFFECTIVE DATES
- Q. RECEIPTS

Date	Signature	Printed Name
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Date	Signature	Printed Name
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Please sign this copy of this receipt, date your signature, and return it to Young Lee, The Flame Broiler, Inc., 1538 E. Warner Avenue, Suite E, Santa Ana, CA 92705, telephone, (714) 424-0223.

Copy for Franchisor