

FRANCHISE DISCLOSURE DOCUMENT



TOHC FRANCHISING LLC
a Delaware limited liability company
2859 Paces Ferry Road, Suite 412,
Atlanta, Georgia 30339
(404) 499-1960
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oghotchicken.com, inkedtacos.com

We offer an area representative opportunity to solicit and support franchisees of the “The Original Hot Chicken” and “Inked Tacos” franchise system. The total investment necessary to begin operation of a new area representative franchise ranges from \$519,865 to \$1,310,016. This includes \$320,500 to \$579,000 that must be paid to the franchisor or its affiliates. This includes the cost of developing and operating one model restaurant, which you will be required to do.

This Disclosure Document summarizes certain provisions of your area representative agreement, 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 payments to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Sunny Ashman at TOHC Franchising LLC, 2859 Paces Ferry Road, Suite 412, Atlanta, Georgia 30339, (404) 499-1960.

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

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, D.C. 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising. There may also be laws on franchising in your state. Ask your state agencies about them.

ISSUANCE DATE: June 14, 2023

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 and area representatives. You can find their names and contact information in Item 20 or Exhibit E-1 and E-2.
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 unit and area representative franchises.
Will my business/restaurant be the only The Original Hot Chicken /Inked Tacos business/restaurant in my area?	Item 12 and the “territory” provisions in the franchise agreement and area representative agreement describe whether the franchisor and other franchises or area representatives 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 The Original Hot Chicken /Inked Tacos franchisee or area representative?	Item 20 or Exhibit E-1 and E-2 lists current and former franchisees and area representatives. 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 area representative agreement and 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 area representative agreement and 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 area representative agreement or franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your area representative agreement or 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 area representative agreement and 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 and area representative agreement require you to resolve disputes with the franchisor by mediation, arbitration, or litigation only in Atlanta, Georgia. 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 Atlanta, Georgia than in your own state.

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.

DISCLOSURES REQUIRED BY GEORGIA LAW.

The State of Georgia has not reviewed and does not approve, recommend, endorse, or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

DISCLOSURES REQUIRED BY NORTH CAROLINA LAW

The State of North Carolina has not reviewed and does not approve, recommend, endorse, or sponsor any business opportunity. The information contained in this disclosure has not been verified by the State. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

DISCLOSURES REQUIRED BY SOUTH CAROLINA LAW

The State of South Carolina has not reviewed and does not approve, recommend, endorse, or sponsor any business opportunity. The information contained in this disclosure has not been verified by the State. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

**THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY
MICHIGAN FRANCHISE INVESTMENT LAW ONLY**

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

- (a) A prohibition 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 which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment 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 which 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 which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable 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.

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

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan
Consumer Protection Division
Attn: Franchise
670 G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48933
Telephone Number: (517) 373-7117

Note: Despite subparagraph (f) above, we intend to fully enforce the arbitration provisions of the franchise agreement and area representative agreement. We believe that paragraph (f) is unconstitutional and cannot preclude us from enforcing these arbitration provisions. We will seek to enforce the arbitration provisions of our agreements with you as written.

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

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Item 1.

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this franchise disclosure document (this “Disclosure Document”), “franchisor,” “we,” “us,” or “our” means TOHC Franchising LLC, the franchisor. “You” or “your” means the person or entity who shall buy the franchise from us. If you are a corporation, partnership, limited liability company, or other business entity (collectively, an “Entity”), your owners will have to guarantee your obligations and be bound by the provisions of the Area Representative Agreement, Franchise Agreement, and other agreements as described in this Disclosure Document.

Us, Our Parents, Predecessors and Affiliates.

We are organized in Delaware as a limited liability company. Our principal business address is 2859 Paces Ferry Road, Suite 412, Atlanta, Georgia 30339. Our principal telephone number is (404) 499-1960. Our agents for service of process are listed on Exhibit A. We do business under our corporate name and as “The Original Hot Chicken” and “Inked Tacos” We do not do business under any other name. We do not currently own or operate any Businesses (defined below) or Restaurants (each defined below) though certain of our affiliate(s) may develop, own, and operate certain Restaurant(s) (the “Company Restaurants”). Currently, one Company Restaurant is operated in the Atlanta, Georgia area.

We began offering franchises for Businesses as of the date of this Disclosure Document. Since May 2023, we have also granted qualified persons franchises to develop and operate Restaurants. As of the date of this Disclosure Document, we have not granted any Restaurant franchises. Other than the franchises for Restaurants granted under a separate disclosure document, and the franchises granted under this Disclosure Document, we do not offer franchises in any other line of business. We do not conduct any business other than as described in this Disclosure Document.

We are a wholly-owned subsidiary of TOHC Strategic Company LLC, which is in turn a wholly-owned subsidiary of TOHC Holding Company LLC, which is in turn a majority-owned subsidiary of Experiential Brands II LLC, which is in turn a wholly-owned subsidiary of Dandle Ventures LLC. Each of our parents shares our principal business address. None of our parents currently own or operate any Businesses or Restaurants or offer franchises for any concept.

Our affiliate, TOHC IP LLC, will provide license rights in the Marks to us, enabling us to license those Marks to Franchisees and Area Representatives. TOHC IP does not currently own or operate any Businesses or Restaurants or offer franchises for any concept. TOHC IP shares our principal business address.

Our affiliate, Ohio Valley Foods Systems LLC (“Ohio Valley Foods”), is currently the exclusive supplier to Restaurants of certain food products and branded merchandise. You may also have the option to purchase additional food, beverage, paper products, small wares, or other inventory or supplies from Ohio Valley Foods for your Model Restaurant. Ohio Valley Foods does not currently own or operate any Businesses or Restaurants or offer franchises for any concept. Ohio Valley Foods has its principal place of business at 3100 Stanton Avenue, Cincinnati, OH 45206.

Our affiliate, Franklin Junction, Inc. (“Franklin Junction”), is a Delaware corporation and shares our principal business address. Franklin Junction is an e-commerce and managed service provider and will

provide e-commerce support to franchisees for online ordering. Franklin Junction also offers certain services associated with virtual kitchen licensing and management, which we may require franchisees to use to offer virtual brands from a Restaurant, subject to our approval.

Affiliated Franchise Programs

We are under common control with the following entities which offer franchises:

Frisch's Franchising, LLC franchises a full-service restaurant concept under the "Frisch's Big Boy" trademarks, featuring hamburgers, fish sandwiches, pies, salads, breakfast, and other food and beverage offerings. Frisch's Franchising, LLC has offered franchises for the "Frisch's Big Boy" concept since June 2016. As of the end of its most recent fiscal year (May 30, 2023), there were 14 franchised "Frisch's Big Boy" restaurants in operation. Frisch's Franchising, LLC has its principal place of business at 2800 Gilbert Avenue, Cincinnati, Ohio 45206.

ATP Franchising, LLC franchises a recreational entertainment facility concept under the "Altitude Trampoline Park" trademarks, featuring trampolines, obstacle courses, and other activities. ATP Franchising, LLC has been the franchisor of the "Altitude Trampoline Park" concept since December 2018. As of the end of its most recent fiscal year (December 31, 2022), there were 67 franchised "Altitude Trampoline Park" facilities in operation in the United States, and 5 franchised "Altitude Trampoline Park" facilities in operation internationally. ATP Franchising LLC has its principal place of business at 12222 Merit Drive, Suite 1300, Dallas, Texas 75251.

None of the affiliates described above have owned, operated, or offered franchises for Businesses or Restaurants. Other than as listed above, neither we nor any of our affiliates offer franchises for any other concept, though we and they may do so in the future. Except as described above, we do not have any parents, predecessors, or other affiliates required to be disclosed in Item 1.

The Unit Franchise

We offer and grant franchises to operate a distinct restaurant concept featuring: (a) southern-style hot chicken tenders and sandwiches, chicken and waffles, and other products and services under the name "The Original Hot Chicken"; and (b) traditional, Mexican-inspired, tacos, nachos, and other products and services under the name "Inked Tacos" (each, a "Restaurant"). Restaurants operate under the name "The Original Hot Chicken" and "Inked Tacos" and other trademarks, service marks, logos and commercial symbols we periodically authorize (the "Marks"). Restaurants have distinctive and proprietary business formats, methods, procedures, designs, layouts, standards, and specifications, all of which we may modify over time (the "Franchise System"). Restaurants must comply with all mandatory standards, specifications, and operating procedures that we prescribe periodically ("Brand Standards"). We refer to the parties to whom we grant the right to develop and operate Restaurants as "Franchisees" and the franchises we grant such Franchisees are referred to as "Unit Franchises."

The Area Representative Franchise

We offer and grant franchises to (a) solicit and promote the sale of Unit Franchises, and (b) render certain services to Franchisees in connection with the operation of Unit Franchises (each, an "Area Representative Business"). We refer to the parties to whom we grant the right to develop and operate Area Representative Businesses as "Area Representatives" and the Area Representative Business that

you will operate as “your Business.” If we elect to grant you a franchise for an Area Representative Business, you must sign our then-current area representative agreement (the “Area Representative Agreement”). Our current form of Area Representative Agreement is attached to this Disclosure Document as Exhibit B-1. Under the Area Representative Agreement, you would be granted the right to act as our authorized Area Representative within a designated geographic area (your “Territory”). Under the Area Representative Agreement, you must solicit and support a minimum number of Unit Franchises, according to a specified schedule that we agree on with you before you sign your Area Representative Agreement (your “Development Quota”). We will determine whether you have met your Development Quota based on the number of Restaurants in the Territory that are open and operating on a full-time basis in compliance with an effective Franchise Agreement with us (each an “Opened Restaurant”), by the end of each period described in Exhibit C to the Area Representative Agreement.

Model Restaurants

You are required under the Area Representative Agreement to develop and open no fewer than one Restaurant in your Territory by the first anniversary of the date of your Area Representative Agreement (your “Model Restaurant”). You must sign a franchise agreement with us to acquire the right to develop, own, and operate your Model Restaurant (the “Franchise Agreement”) at a site selected by you and approved by us (the “Premises”). Our current form of Franchise Agreement is attached to this Disclosure Document as Exhibit B-2.

Beginning on the earlier of the date you open your Model Restaurant, or the first anniversary of the date of your Area Representative Agreement, you must own and operate no fewer than one Model Restaurant, in full compliance with a Franchise Agreement with us, at all times during the term of your Area Representative Agreement. You must use your Model Restaurant(s) for marketing Unit Franchises within the Territory and providing sales and support services to Franchisees within the Territory. Your Model Restaurant will count towards your Development Quota. Although you are required to develop and operate your Model Restaurant as a condition to obtaining a franchise for an Area Representative Business, your Model Restaurant is governed by the applicable Franchise Agreement and our Brand Standards. It does not constitute part of your Business.

Market Competition

The competition for your Business includes all other businesses developing, and/or offering and granting franchises for restaurants, particularly quick service and fast casual restaurants. The competition for your Model Restaurant includes all restaurants, particularly quick service and fast casual restaurants. You will be competing both for franchisees as well as for customers and for locations. In particular, you will be in competition with other hot chicken, fried chicken, taqueria, and Mexican-inspired brands that are operating in and expanding around the United States. You may encounter competition from other Area Representative Businesses or Restaurants operated by our affiliates and other Area Representatives and Franchisees. The market for franchise sales and restaurant operations are both highly competitive, quickly developing, and not seasonal.

Regulations

You should consider that both the sale of franchises and the operation of a restaurant business are heavily regulated by federal, state, and local laws, rules, and ordinances. For your Business, you must comply with all federal and state laws that regulate the offer and sale of franchises and comply with

all franchise disclosure requirements, broker registration and/or sales agent requirements and any other laws or regulations governing the sale of franchises and the relationship between franchisors and franchisees. You may not solicit prospective Franchisees until we notify you that such activities are permitted under applicable law. You must also cooperate with our own efforts to comply with all applicable franchise laws in the Territory.

For your Model Restaurant, several federal, state, and local laws, rules, and regulations have particular applicability to the operation and licensing of restaurant businesses, including health permit and inspection regulations and alcoholic beverage sales permitting and licensing requirements. Among the licenses and permits you may be required to obtain are, without limitation: zoning or land use approvals, Sunday sale permits, sales and use tax permits, alcoholic beverage permits and licenses, special tax stamps, fire department permits, food establishment permits, health and safety permits, alarm permits, occupational permits, retail sales licenses, and wastewater discharge permits.

The U.S. Food and Drug Administration, the U.S. Department of Agriculture, and state and local health departments administer and enforce laws and regulations that govern food preparation and service and restaurant sanitation conditions. State and local agencies inspect restaurants to ensure that they comply with these laws and regulations. In addition, the Menu Labeling Provisions of the Patient Protection and Affordable Health Care Act require certain restaurants and retail food establishments to post caloric information on menus and menu boards, and to provide additional written nutrition information available to consumers upon request. Some states have also adopted or are considering proposals that would increase obligations to report certain nutritional information. The Federal Clean Air Act and various implementing state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide, and particulate matters, including caps on omissions from commercial food preparation. Some areas have also adopted or are considering proposals that would regulate indoor air quality. Compensation of employees (including minimum wage and overtime requirements) is governed by both federal and state laws.

There may be other laws applicable to your Business and Model Restaurant. We urge you to make further inquiries about these laws.

Item 2.

BUSINESS EXPERIENCE

Aziz Hashim – Executive Chairman

Aziz Hashim has served as the Executive Chairman of us, TOHC IP LLC, and our parent companies since January 2023. Mr. Hashim has also served as (i) the Managing Member of NRD Capital Management, LLC and NRD Partners I GP, LLC since November 2014, (ii) the Managing Member of NRD Capital Management II, LLC and NRD Partners II GP, LLC since August 2016, (iii) Chairman and a Director of Frisch’s Restaurants, Inc., since April 2016 and August 2015, respectively, and Chairman of Frisch’s Franchising, LLC (franchisor of the “Frisch’s Big Boy” brand), Ohio Valley Foods, and certain of their affiliates since June 2016, (iv) the Manager of Restaurant Management Services LLC since January 2005, (v) a Director, President, and Secretary of Franklin Junction, Inc. since March 2021, (vi) President and a member of the Board of Managers of TP Opportunity Group, LLC since March 2021, (vii) Chairman of the Board of Managers of ATP Holding Company (parent of the “Altitude Trampoline Park” brand) and certain of its affiliates since December 2018, (viii) managing member of Experiential Brands LLC since October 2021 and its Chairman and President

since November 2022; and (ix) Chief Executive Officer of SRM Woodstock LLC (owner of a Company Restaurant) since July 2021. Mr. Hashim previously served as: (a) the Chairman of the Board of FTO Holding Company, LLC (the parent of the “Fuzzy’s Taco Shop” brand) from February 2016 to December 2022, (b) Chairman and Director of Ruby Tuesday, Inc. from December 2017 to February 2021, and President of Ruby Tuesday, Inc. from December 2017 to November 2021 (c) sole director of Mikes Kitchen Franchising (Pty) Ltd (franchisor of the “Mike’s Kitchen” brand in South Africa) from May 2017 to November 2019, and (d) a member of the Board, President and Secretary of TCB Canada Holding Company Inc. (the parent of “The Capitals Boil” brand in Canada) from March 2018 to May 2022. All positions are and were held by Mr. Hashim from Atlanta, Georgia.

James Walker – Chief Culinary and Concept Officer

James Walker has served as our Chief Culinary and Concept Officer since January 2023. Mr. Walker has also served as the Chief Executive Officer of Frisch’s Restaurants Inc., Frisch’s Franchising LLC (the franchisor of the “Frisch’s Big Boy” brand), Ohio Valley Foods, and certain of their affiliates since June 2022. All positions are currently held by Mr. Walker from Atlanta, Georgia. Prior to that, Mr. Walker served as (i) Chief Executive Officer of BUYK in New York City, New York from November 2021 to October 2022, (ii) Senior Vice President of Restaurants at Nathan’s Famous in Jericho, New York from April 2019 to November 2021, and (iii) Vice President of North America of Subway in Milford, Connecticut from June 2017 to January 2019. From January 2019 to April 2019, Mr. Walker was between positions.

Sunny Ashman - Head of Franchise Development and Training

Sunny Ashman has served as our Head of Franchise Development and Training since January 2023 in Atlanta, Georgia. Prior to that, Ms. Ashman served as: (i) Vice President of Training for FAT Brands in Beverly Hills, California from November 2020 to September 2022; (ii) Senior Director of Training and Operations for Cinnabon in Atlanta, Georgia from April 2019 to November 2020; and (iii) Director, Strategic Initiatives for Focus Brands in Atlanta, Georgia from August 2017 to April 2019. From October 2022 to December 2022 Ms. Ashman was between positions.

Item 3.

LITIGATION

No litigation is required to be disclosed in this Item.

Item 4.

BANKRUPTCY

In re: Ruby Tuesday, Inc., et. al., U.S. Bankruptcy Court, District of Delaware (Wilmington), October 7, 2020; Case Nos. 1:20-BK-12456 to 124507. Ruby Tuesday, Inc. and each of its subsidiaries and its direct parent voluntarily filed for Chapter 11 bankruptcy relief on October 7, 2020. The debtors owned and operated the “Ruby Tuesday” brand, system of restaurants, and related business. The debtors’ reorganization plan became effective by order of the court on February 24, 2021. Pursuant to the reorganization plan, certain of the debtors’ assets and operations were re-organized and distributed among their creditors. The court issued a final decree closing the Chapter 11 case on December 10, 2021. Aziz Hashim, our Executive Chairman, was an officer of Ruby Tuesday, Inc. and certain of its

affiliates at the time they filed for bankruptcy relief. At the time of filing, Ruby Tuesday, Inc. and each of its subsidiaries had the address and principal place of business of 333 East Broadway Avenue, Maryville, TN 37804, and its parent RTI Holding Company LLC had the principal place of business 4170 Ashford Dunwoody Road, Suite #390, Atlanta, GA 30319.

U.S. Bankruptcy Court, Southern District of New York (Manhattan), March 17, 2022: In re: Buyk Corp, Case No. 22-10328. Buyk Corp filed for Chapter 11 bankruptcy relief on March 17, 2022. The debtor has the principal business address of 360 West 31st Street, Floor 6, New York NY 10001. The case was converted from a Chapter 11 to a Chapter 7 case on October 31, 2022. The claims period ended March 27, 2023. No hearings are currently scheduled but the bankruptcy has not yet been discharged. James Walker, our Chief Culinary and Concept Officer, was CEO of Buyk Corp at the time of the initial Chapter 11 bankruptcy filing.

Other than these actions, no bankruptcy information is required to be disclosed in this Item.

Item 5.

INITIAL FEES

Area Representative Fee

You must pay us an area representative fee in a lump sum on the date you sign your Area Representative Agreement (the “Area Representative Fee”). The Area Representative Fee will be \$10,000 per Unit Franchise in your Development Quota. Currently, we estimate that an Area Representative would acquire a Development Quota of 25 to 50 Unit Franchises; therefore, the estimated Area Representative Fee would be \$250,000 to \$500,000. The Area Representative Fee is uniformly imposed and non-refundable in whole or in part under any circumstances.

Initial Franchise Fee

You must pay an initial franchise fee of \$45,000 in a lump sum on the date that you sign the Franchise Agreement for your Model Restaurant (the “Initial Franchise Fee”). The Initial Franchise Fee is uniformly imposed and non-refundable under any circumstances.

Initial Inventory

Prior to opening your Model Restaurant, you must acquire an initial inventory of proprietary sauces, protein mixes, and branded merchandise from Ohio Valley Foods. You may also elect to purchase additional food, beverage, paper products, or small wares from Ohio Valley Foods. We estimate that the cost of initial inventory you purchase from Ohio Valley Foods will be \$25,500 to \$34,000. The cost of the initial inventory is uniformly imposed among franchisees, though the total amount you pay may vary depending on the size and location of your Model Restaurant and other factors. You must pay all such amounts when invoiced by Ohio Valley Foods. Ohio Valley Foods may offer you a limited right to obtain replacement products and/or a refund if any products sold to you are materially defective or non-conforming, if you satisfy Ohio Valley Foods’ then-current policies and procedures for any such replacement or refund, including that you notify Ohio Valley Foods of the issue promptly upon delivery of the products. Otherwise, no amounts you pay Ohio Valley Foods for initial inventory are refundable under any circumstances. Ohio Valley Foods may modify or terminate any refund policies at any time.

Item 6.

OTHER FEES

TYPE OF FEE ¹	AMOUNT	DUE DATE	REMARKS ²
Ongoing Area Representative Fee	\$10,000 per Unit Franchise	On the same day the Franchisee executes its Franchise Agreement	You must pay us an additional fee for each Unit Franchise in the Territory that is above your Development Quota.
Royalty	6% of Gross Sales from your Model Restaurant ³	Weekly	You must pay us a Royalty in the manner we prescribe. Currently, we collect the Royalty through electronic funds transfers.
Brand Fund Contribution	Then-current fee, currently, 2% of Gross Sales from your Model Restaurant ^{3,4}	Weekly	You must pay the Brand Fund Contribution in the same manner as Royalties. We may modify this amount, subject to the Maximum Advertising Expenditure (defined below).
Local Advertising Expenditure	Then-current fee, currently, 1% of Gross Sales from your Model Restaurant ^{3,4}	Weekly if paid to us; monthly if spent directly on advertising costs	We currently require you to pay this amount to us to conduct marketing for your Model Restaurant, but we may require you to pay this to another affiliate or designee in the future, and/or spend this amount yourself on marketing. We may modify this amount, subject to the Maximum Advertising Expenditure (defined below).
Other Additional Training	Then-current fee, currently \$250 per person per day ⁵	As incurred	This fee will be payable if (i) any of your Key Personnel fail to successfully complete the Initial Training Program to our satisfaction, and we require such person(s) to attend additional training, (ii) we require any of your Key Personnel to attend additional training at any time due to their failure to satisfactorily fulfill their duties, (iii) you request additional training for any of your employees or managers and we agree to provide it, or (iv) you request that we provide the training program to any of your personnel for your second or subsequent time, and we agree to.

TYPE OF FEE ¹	AMOUNT	DUE DATE	REMARKS ²
Technology Fee – Franchise Agreement	Then-current fee, currently, \$250 per month, plus out of pocket costs for any on-site support	As incurred	We may charge you a technology fee (the “Technology Fee”) for technology related services, including website or email hosting, help desk support, software or website development, enterprise solutions and other services associated with your Computer System and/or any Franchise System Website. We may modify the amount of the Technology Fee periodically. The amount of your Technology Fee may also vary based on factors determined by you or your Model Restaurant (such as the number of email addresses you request).
Technology Fee – Area Representative Agreement	Then-current fee, currently \$1,000 per month	As incurred	We may charge you a Technology Fee for technology related services, including customer relationship management (CRM) software, website or email hosting, help desk support, software or website development, enterprise solutions and other services associated with your Business. We may modify the amount of the Technology Fee periodically. The amount of your Technology Fee may vary based on factors determined by you or unique to your Business (such as the number of email addresses you request).
Renewal Fee- Franchise Agreement	50% of then-current Initial Franchise Fee	Before renewal	Payable if you renew your franchise after the expiration of the Franchise Agreement. Your right to renew your franchise is subject to certain terms and conditions (see Item 17).
Renewal Fee - Area Representative Agreement	50% of then-current Area Representative Fee, multiplied by number of Opened Restaurants in the Territory, plus Ongoing Area Representative Fees for the renewal term based on the successor Development Quota	Before renewal	Payable if you renew your area representative rights after the expiration of the Area Representative Agreement. Your right to renew your franchise is subject to certain terms and conditions (see Item 17).

TYPE OF FEE ¹	AMOUNT	DUE DATE	REMARKS ²
Transfer Fee	50% of our then-current Initial Franchise Fee or Area Representative Fee, (based on the total Unit Franchises in your Development Quota), as applicable	Before transfer	Payable as a condition of transfer; unless the transfer occurs because you (or your Principal Owner) dies or is disabled, if transfer is to an immediate family member, or an Entity wholly-owned by you, provided that in such cases you reimburse us for our processing costs, including legal fees. Your right to transfer is subject to certain terms and conditions.
Franchise Compliance Costs	Our costs	Our costs	We may charge you a portion of the costs of preparing, registering, and/or otherwise administering our compliance with franchise laws to the extent that we have incurred such costs in connection with you and/or the activities you conduct in the Territory.
Commission Refunds	Our costs	Our costs	If we pay any partial or total refund of fees to any Franchisee, whether voluntarily or involuntarily, for which you had received commission payments, you must refund us the proportionate amount of your commissions.
Audit Costs	Cost of audit, including legal and accounting fees, travel expenses, room and board, and compensation of our employees	Upon completion of audit, if applicable	If we audit your financial records because you failed to submit required reports when due, or if any audit reveals an understatement of Gross Sales of 3% or more, then you will reimburse us for the costs of the audit.
Re-Inspection Costs	Cost of re-inspections, including vendor fees, travel expenses, room and board, and compensation of our employees	Upon completion of re-inspection, if applicable	If we determine after any inspection of your Model Restaurant that one or more failures of Brand Standards exist (or any circumstances exists that prevents us or our designated representatives from properly inspecting any or all of such Model Restaurant), we may re-inspect your Model Restaurant one or more times thereafter in our discretion to evaluate whether such failures have been cured or conduct any other follow-up review, and you will reimburse all of our costs associated with such re-inspections.
Interest	Lesser of 2% per month or the maximum rate permitted by law	When billed	Interest applies to all amounts owed to us or our related parties.

TYPE OF FEE ¹	AMOUNT	DUE DATE	REMARKS ²
Insufficient Funds Fee	Then-current fee (currently, \$100 per instance)	Upon demand	If there are insufficient funds in your account to cover our withdrawals of fees under your Franchise Agreement, we may charge you our then-current insufficient funds fee for each instance.
Supplier Testing Fee	Then-current fee, currently out-of-pocket costs (estimated \$300 to \$500 per product)	As incurred	We may charge you a fee if you ask us to evaluate any proposed suppliers or products or services for your Model Restaurant.
Correction of Deficiencies	Reimbursement of all expenses, including vendor fees, travel expenses, room and board, and compensation of our employees	Upon demand	If you fail to maintain your Model Restaurant in accordance with our Brand Standards, your Business in accordance with our Area Representative Standards, or to de-identify your Business or Model Restaurant upon termination or expiration, we may cure the deficiencies, and you must reimburse our costs.
Insurance	Then-current fee, currently, our out-of-pocket costs.	Upon demand	If you fail or refuse to obtain and maintain the insurance we specify, we may obtain such insurance for you on your behalf, and you must reimburse us for all costs and expenses, plus a reasonable fee.
Management Fee	Then-current fee (currently, 5% of Gross Sales, plus expenses) ³	As incurred	If we or a third party we designate assume your Model Restaurant's management upon abandonment, termination, expiration, or failure to operate in accordance with Brand Standards beyond applicable cure periods, you must pay this fee in addition to all other fees owed (i.e., Royalties and Brand Fund Contributions).
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for any damages, claims, or costs arising from your operation of your Model Restaurant and your Business, your conduct under or breach of the Franchise Agreement and/or Area Representative Agreement, and/or your gross negligence or willful misconduct.

TYPE OF FEE ¹	AMOUNT	DUE DATE	REMARKS ²
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	The prevailing party in any arbitration or litigation arising is entitled to recover from the other party all damages, costs, and expenses, including court costs and reasonable legal fees.
Mystery Shopper Fee	Reimbursement of our expenses	As incurred	You must reimburse us for the cost of any mystery shoppers that we engage to inspect your Model Restaurant.
Lost Revenue Damages	Will vary under circumstances	Within 15 days of termination	If we terminate your Franchise Agreement because of your default (or you terminate without cause), you must pay us the net present value of the balance of your Royalties and Brand Fund Contributions, from the date of termination until the earlier of (i) 2 years from the date of termination, or (ii) the scheduled expiration date of your Franchise Agreement (based on the average monthly Gross Sales during the preceding 12 months, or if you have been operating your Model Restaurant for less than 12 months, on the average monthly Gross Sales of all Restaurants during our previous fiscal year).

NOTES

1. Except as described in this Item 6, all fees are non-refundable and are paid to us. We are not obligated to impose all fees uniformly. Our fees may vary based on specific terms negotiated with Franchisees, Area Representatives, and/or the facts or circumstances of a particular situation, Franchisee, or Area Representative. All amounts payable by to us must be in United States Dollars (\$USD).

2. You must pay the Royalty, the Brand Fund Contribution, and other amounts due under the Franchise Agreement or Area Representative Agreement as we periodically prescribe. Currently, we require all one-time payments to be made by wire transfer, and all recurring payments to be made through an electronic funds transfer system that allows us to debit a business account you designate for all amounts you owe us on their due dates or the next business day if the due date is a national holiday or a weekend day. You must ensure that funds are available in your designated account to cover our withdrawals. If the amounts that we debit from your account are greater than the amounts you actually owe us, we will credit the excess against the amounts we otherwise would debit from your business account on the next payment due date. We may require you to make payments through any other method at any time, and you must comply with our payment instructions. We may change the timing and intervals of your payments with 30 days' notice to you.

3. “Gross Sales” means the total gross revenue or consideration derived from your sale of products and services and all other income of every kind and nature, directly or indirectly, from operating your Model Restaurant, including all revenue or consideration you derive from delivery, catering or otherwise at or away from the Premises, and whether from cash, check, credit and debit card, exchange, trade credit, or other credit transactions. There will be no deductions allowed for uncollected or uncollectible credit accounts or bad debts, or for discounts or promotional pricing. Gross Sales includes the proceeds of any business interruption insurance or similar insurance. If we authorize or require participation in online group-bought deals, gift certificate and/or gift card programs, the payments you receive for those online group-bought deals, gift certificates or gift cards will be included in Gross Sales in accordance with our then-current guidelines for calculating Gross Sales. Gross Sales does not include the amount of any tax imposed by any federal, state, municipal or governmental authority directly on sales and collected from customers if such tax is added to the selling price and actually paid by you to such governmental authority. If we ever stop having access to information from your Computer Systems (as defined in Item 11), and you fail to report your Model Restaurant’s Gross Sales when due, then for each payment due under the Franchise Agreement that is calculated based on Gross Sales, we may debit your business account 110% of the average of the last three payments that we debited. If the amounts that we debit from your business account are less than the amounts you actually owe us (once we have determined your Model Restaurant’s true and correct Gross Sales), we will debit your business account for the balance on any day we specify.

4. We may change the amount of the Brand Fund Contribution or Local Advertising Expenditure, with 30 days’ notice to you, provided that the combined Brand Fund Contribution and Local Advertising Expenditure will not at any time exceed 5% of your Gross Sales.

5. You must pay all travel and living expenses (including wages, transportation, food, lodging, and workers’ compensation) incurred by you (or your Principal Owner), your Approved Manager or any other members of your team during all training courses and programs. You must also pay all travel and living expenses (including transportation, food, and lodging) incurred by any of our representatives that we send to your Model Restaurant to provide training courses or programs.

Item 7.
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT
AREA REPRESENTATIVE AGREEMENT

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT ¹	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	Low	High			
Area Representative Fee ²	\$250,000	\$500,000	Lump sum	Upon signing Area Representative Agreement	Us

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT ¹	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	Low	High			
Initial Training Program Expenses ³	\$800	\$1,500	As incurred	Before you open your Business	Third-party providers of travel, lodging, and food services
Insurance Policies ⁴	\$6,000	\$7,500	As incurred	As incurred	Third Parties
Additional Funds – 3 Months ⁵	\$5,000	\$8,000	As incurred	As incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT ^{6,7}	\$261,800	\$517,000			

NOTES

1. Except as otherwise provided, none of the amounts payable to us or our affiliates in this table are refundable under any circumstances. All amounts payable to third parties will be paid pursuant to the terms of your agreement with these respective third parties.

2. As described in Item 5, the Area Representative Fee will be \$10,000, multiplied by the number of Unit Franchises in your Development Quota. Currently, we estimate that an Area Representative would acquire a Development Quota of 25 to 50 Unit Franchises; therefore, the estimated Area Representative Fee would be \$250,000 to \$500,000. We will identify your Development Quota in the Area Representative Agreement before you sign it, based on the size of your Territory, its demographic characteristics, the market for Unit Franchises, and your capacity to recruit and provide services.

3. You must pay for the transportation, food, lodging, and other expenses that your Key Personnel will incur when attending the area representative portion of the Initial Training Program. Our estimate above is the incremental cost of attending only the area representative portion of the Initial Training Program, and must be incurred in addition to the other costs associated with attending the portion of the Initial Training Program for your Model Restaurant (described below). These expenses may vary based on the distance travelled and the standard of living your attendees desire while attending the Initial Training Program. For this estimate, we have assumed you will send only 1 Principal Owner and 1 additional management level employee (which must be your Approved Manager, if applicable).

4. You must obtain and maintain certain types and amounts of insurance. Insurance costs depend on policy limits, types of policies, nature and value of physical assets, revenue, number of employees, wages paid, square footage, location, business contents, and other factors bearing on risk exposure. Insurance providers may require either an annual payment or semi-annual installments. Your insurance costs will vary widely based on the location of your Business, the number of employees you hire and your own background. You should review the rates in the state in which your Business will operate for an estimate of the premium you will be required to pay. Our estimate contemplates a semi-annual installment paid in advance of your Business commencing operations.

5. This includes fees for legal and start-up costs associated with entering into the Area Representative Agreement and three months of Technology Fees. These costs will vary, in part, based on the amount of professional services you elect to use, and the cost of the service providers you elect to retain.

6. We do not operate any Area Representative Businesses. The estimated initial investment figures for developing and opening an Area Representative Business are based primarily on our and our affiliates expertise in the restaurant industry generally. You should review these figures carefully with a business advisor before deciding to acquire the franchise. The estimated initial investment figures provided assume that you are operating your Business as its Principal Owner. This estimate does not include any estimate for payroll costs for you (as Principal Owner). None of the amounts reflected in this Item 7 include any applicable taxes.

7. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of financial institutions from which you request a loan.

YOUR ESTIMATED INITIAL INVESTMENT

FRANCHISE AGREEMENT (MODEL RESTAURANT)

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT ¹	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	Low	High			
Initial Franchise Fee	\$45,000	\$45,000	Lump sum	Upon signing Franchise Agreement	Us
Construction / Leasehold Improvements ²	\$8,388	\$153,470	As incurred	Before you open your Model Restaurant	Third Parties
Furniture, Fixtures and Décor ³	\$9,347	\$57,078	As incurred	Before you open your Model Restaurant	Third Parties
Equipment & Smallwares ⁴	\$40,705	\$185,592	As incurred	Before you open your Model Restaurant	Third Parties
Computer Systems ⁵	\$12,000	\$25,000	As incurred	Before you open your Model Restaurant	Third Parties
Drive Thru ⁶	\$25,690	\$34,007	As incurred	Before you open your Model Restaurant	Third Parties
Signage ⁷	\$8,935	\$17,869	As incurred	Before you open your Model Restaurant	Third Parties

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT ¹	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	Low	High			
Three Months' Rent ⁸	\$20,000	\$55,000	As incurred	As incurred	Landlord
Utilities ⁹	\$2,500	\$12,500	As incurred	As incurred	Third Parties
Security Deposit ¹⁰	\$5,000	\$25,000	As incurred	Before you open your Model Restaurant	Landlord
Initial Inventory and Supplies ¹¹	\$25,500	\$34,000	As incurred	Before you open your Model Restaurant	Ohio Valley Foods
Initial Inventory and Supplies ¹¹	\$4,500	\$6,000	As incurred	Before you open your Model Restaurant	Third Parties
Grand Opening Advertising ¹²	\$15,000	\$15,000	As incurred	Before you open your Model Restaurant	Third Parties
Initial Training Program Expenses ¹³	\$5,000	\$10,000	As incurred	Before you open your Model Restaurant	Third-party providers of travel, lodging, and food services
Crew Training & Pre-Opening Salaries ¹⁴	\$10,000	\$20,000	As incurred	Before you open your Model Restaurant	Third Parties
Licenses and Permits ¹⁵	\$2,500	\$7,500	As incurred	Before you open your Model Restaurant	Governmental authorities and other Third Parties
Professional Fees ¹⁶	\$5,000	\$15,000	As incurred	As incurred	Third Parties
Insurance ¹⁷	\$3,000	\$25,000	As incurred	Before you open your Model Restaurant	Insurance Companies
Additional Funds - 3 months ¹⁸	\$10,000	\$50,000	As incurred	As incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT ^{19, 20}	\$258,065	\$793,016			

NOTES

1. Except as otherwise provided, none of the amounts payable to us or our affiliates in this table are refundable under any circumstances. All amounts payable to third parties will be paid pursuant to the terms of your agreement with these respective third parties.

2. You will be responsible for all costs associated with leasehold improvements. We may require you to obtain layout plans and/or schematics for your Model Restaurant from a designated or approved vendor, which may be us or our affiliates, and you must pay the then-current fees charged by such vendor. If you do not obtain layout plans and/or schematics from us or our designated vendor, you must hire an architect that meets our Brand Standards to prepare all required plans and/or schematics for your Model Restaurant. The low estimate is based on the conversion of an existing restaurant space. The high estimate is based on the conversion of a “white box” or “vanilla shell” space, which will incur higher costs of development. Our estimate of leasehold improvements does not include any build-out costs associated with installing HVAC systems, concrete slab, or alarm/fire-suppression systems. Leasehold improvements do include the cost of bathroom plumbing or fixtures, electrical service and wiring, four walls that are prepped for painting, ceiling, store front and door, millwork, interior wall construction, paint, wall and floor finishes, floor sinks, grease trap and sinks, decorative lighting, and other costs of developing your Model Restaurant in accordance with our specifications. Our estimate for leasehold improvements does not include any tenant improvement allowance that may be granted by landlords. You should maintain a substantial contingency reserve for any cost overruns, particularly if you are developing at a conversion site from a prior restaurant. Tenant improvement allowances are site specific and dependent upon several variables, including rent, occupancy levels and local market conditions, which are beyond our control. The cost for leasehold improvements can also be impacted by a number of other factors, including size, location and condition of the Premises. Pricing in materials, labor and code-related costs may also be more or less depending on the location, size, layout, and other factors, such as the brands and quality of materials.

3. The cost of the furniture, fixtures and equipment will depend on the brands purchased, freight and installation costs, applicable state and local taxes and other factors.

4. The cost for furniture, fixtures and decor is dependent on brand purchased, whether the location is a conversion site and can also be impacted by a number of other factors, including size, location and condition of the Premises. Pricing in materials, labor and code-related costs may also be more or less depending on the location, size, layout, and other factors, such as the brands and quality of materials.

5. The cost of your Computer System will depend on whether you already own components of the Computer System, freight and installation costs, the cost of internet and connectivity services in your area, applicable state and local taxes and other factors.

6. Some locations will have the option of a drive-thru. The estimated cost for the drive-thru is based on there already being an existing drive-thru lane and window at the location, and the costs estimated above are only related to converting to the brand for your Model Restaurant. The cost can be impacted by a number of factors, including size, location and condition of the Premises, and the contract and prices you negotiate with your suppliers, and local freight and installation.

7. The cost of signage can be impacted by a number of factors, including size, location and condition of the Premises, and the contract and prices you negotiate with your suppliers, and local freight and installation.

8. The cost of acquiring or leasing your Premises will vary significantly depending upon the market in which the proposed site is located. A suitable building for a Restaurant will range in size from approximately 1,000 square feet to 5,000 square feet. Local market conditions and changes in the economy will all contribute to your real property costs. The location of the parcel of real property, its relationship to and the nature of any adjoining uses, and its accessibility will also affect both its size

and price. Lease agreements vary but usually require the lessee to pay for maintenance, insurance, taxes and any other charges or expenses for the land and building and the operation of your Model Restaurant or they may require that the lessee reimburse the lessor for its proportionate share of these payments (plus interest) made for the lessee and pay minimum monthly rent and/or percentage rent. Our estimate above includes only basic rent and does not include an estimate of any other fees imposed by your landlord, local taxes, insurance, or other similar occupancy costs. You should read your Lease carefully before signing it and discuss all provisions with your financial advisors.

9. You must maintain all utilities necessary to operate your Model Restaurant in accordance with the Brand Standards, including gas service, telephone service, electric service and other similar utilities. Utility costs will vary widely depending on the practice of the utility companies and the costs in your market area. Utility companies may require you to place a deposit before installing telephone, gas, electricity and related utility services, which may be refundable in accordance with the agreements made with the utility companies. You should review the rates in the state in which your Model Restaurant will operate for an estimate of the utility costs you will be required to pay.

10. The amount of the security deposit you pay under your Lease will depend on the size, condition and location of your Model Restaurant and the demand among prospective lessees. The security deposit may be refundable under the terms of the Lease.

11. Opening supplies and inventory includes food, beverage, packaging, and other supplies. Due to differences in local laws, prices, suppliers, geography, and commercial practices, you may elect to carry a larger inventory. The cost of your opening supplies and inventory will depend on the brands purchased, local costs and other factors. As described in Item 5, some of your opening inventory must be acquired from Ohio Valley Foods and any refund or replacement rights you have will be subject to Ohio Valley Foods then-current policies.

12. The Franchise Agreement requires you to spend a minimum of \$15,000 for a grand opening marketing program for your Model Restaurant (as described in Item 11). You may spend more than that amount though to advertise the grand opening of your Model Restaurant. The cost of your grand opening advertising will depend on the products and advertising services you purchase, and the amount of advertising (above the minimum) that you elect to conduct. We may require some or all of this amount to be paid to us and our affiliates to conduct marketing on your behalf.

13. You must pay for the transportation, food, lodging, and other expenses that you will incur for your Key Personnel when they attend the Initial Training Program. These expenses may vary based on the distance travelled and the standard of living your attendees desire while attending the Initial Training Program. For this estimate, we have assumed you will send only 1 Principal Owner and 2 additional management level employees (one of which must be your Approved Manager, if applicable). You may request that we provide any portion of the Initial Training Program on-site at your Model Restaurant, but we are not required to grant your request, and such training would be subject to additional fees (currently, \$250 per person per day, plus expenses). The estimate above does not include on-site training at your Model Restaurant. We do not offer the Initial Training Program for your second or subsequent Model Restaurants, though if we agree to provide such training at your request, it would be subject to additional fees (currently, \$250 per person per day, plus expenses). The estimate above is based on the first Model Restaurant and does not include any such additional fees for the Initial Training Program.

14. You are responsible for providing a training program for all your employees other than the attendees of the Initial Training Program. All employees must satisfactorily pass a training program that meets our minimum criteria before providing services at your Model Restaurant. Costs associated with training your employees will include training materials, and salary and payroll expenses. Costs will depend on how many employees you hire.

15. You must obtain certain business, health, and various other licenses or permits for the operation of your Model Restaurant, as applicable. The costs of these licenses and permits will vary substantially based on the location of your Model Restaurant. In particular, the cost to obtain a liquor license varies greatly depending on the licensing authority involved and the local liquor license resale market, if any. You are not required to serve alcohol products at your Model Restaurant but may have the option to do so based on the location of your Model Restaurant. The cost of obtaining a liquor license is not included in our estimate because we do not require you to obtain such a license. If you intend to serve or otherwise sell alcohol products at your Model Restaurant, you should carefully review the system of liquor licensing in your state and review the expected range of costs.

16. We recommend that you consult with a lawyer and an accountant to advise you in connection with forming an Entity, entering into a franchise relationship with us, and developing a business plan for the operation of your Model Restaurant. However, the amount of professional fees you incur will vary based on the number of representatives you engage, the experience and sophistication of those representatives, and the geographic market in which you operate. You may also elect to retain additional business consultants, general contractors, or other representatives to assist you, which may cause your expenses to be higher than the amounts listed.

17. You must obtain and maintain certain types and amounts of insurance. Insurance costs depend on policy limits, types of policies, nature and value of physical assets, revenue, number of employees, wages paid, square footage, location, business contents, and other factors bearing on risk exposure. Insurance providers may require either an annual payment or semi-annual installments. Your insurance costs will vary widely based on the location of the Restaurant, the specifications of the Premises, the number of employees you hire and your own background. You should review the rates in the state in which your Model Restaurant will operate for an estimate of the premium you will be required to pay. Our estimate contemplates a semi-annual installment paid in advance of your Model Restaurant opening.

18. This item estimates your initial start-up expenses (other than the items identified separately in the table) for your Model Restaurant's first three months of operation, including miscellaneous supplies and equipment, payroll costs, petty cash, and other miscellaneous costs. Other than this estimate for the first three months, our estimates above do not include any estimate of working capital. You will be required to invest additional funds to support ongoing expenses until a positive cash flow is produced, if at all. You should estimate what working capital you require and have your professional business advisors carefully review the estimate.

19. The estimated initial investment figures shown above for constructing and opening your Model Restaurant are based primarily on our and our affiliates' experience and expertise in the restaurant industry generally, and with the Company Restaurants. You should review these figures carefully with a business advisor before deciding to acquire the franchise. The estimated initial investment figures provided in this chart assume that you are operating your Model Restaurant as its Principal Owner. This estimate does not include any estimate for salary or payroll costs for you (or your Principal Owner). None of the amounts reflected in this Item 7 include any applicable taxes.

20. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of financial institutions from which you request a loan.

Item 8.

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases of Products and Services from Suppliers

Area Representative Business. We may establish certain mandatory specifications, standards, operating procedures, and rules that we periodically prescribe for your Business (together, the “Area Representative Standards”). You must conduct your Business in full compliance with our Area Representative Standards, as we may modify, replace, amend, substitute, or add to them periodically. You must implement any changes to the operation of your Business necessary to comply with updated or new Area Representative Standards within the time period we request. The Area Representative Standards may require you to obtain, at your expense, certain products or services to operate your Business, including: (a) advertising materials and services; (b) computer hardware, software, and telecommunications equipment that meet our minimum requirements, including for software and connectivity; and (c) branded collateral such as business cards and stationary. You must obtain, maintain, and use any such products or services in compliance with the Area Representative Standards. We may also establish Area Representative Standards for the suppliers of such products or services, or establish designated, approved, or exclusive suppliers, which may be us or our affiliates.

Currently, for your Business, you must purchase: (a) franchise advertising materials and services from suppliers we have approved; and (b) customer relationship management (CRM) software from our designated supplier. In our prior fiscal year ended May 31, 2023, neither we nor our affiliates received any compensation or benefits from suppliers on the basis of sales to Area Representatives or derived any revenue from the sale of products and services to Area Representatives, except for such fees disclosed in Items 5 and 6.

We may condition our selection or approval of a product or supplier on requirements relating to product quality, prices, consistency, reliability, financial capability, customer relations, concentration of purchases, standards of service or other criteria. We may elect not to issue to you or any of our approved suppliers (except as we deem necessary for purposes of production) these standards and specifications. Our standards and specifications for products and services, and criteria for suppliers, are not currently issued to Area Representatives or approved suppliers. You do not have the right to request that we consider alternative suppliers under your Area Representative Agreement.

If you would like us to consider approving a supplier that is not currently an approved supplier, you must submit your request in writing before purchasing any items or services from that supplier. We will make all determinations about whether to approve an alternative supplier based on our then-current criteria, which may change periodically. Currently, we estimate that we will provide notice of our decision to approve or disapprove an alternative supplier within 30 days of receiving the request. We may also refuse to consider and/or approve any proposed alternative supplier for any reason. We may charge you a fee if you ask us to evaluate any proposed alternative suppliers (currently, our direct costs). We may revoke our approval of any vendor at any time with notice to you.

Collectively, the purchases you obtain according to our standards and specifications or from approved or designated suppliers represent approximately 5% to 15% of your total purchases to establish your Business and 5% to 15% of your total purchases to operate your Business.

Model Restaurant. We have developed or may develop Brand Standards specifying the types, models and brands of required fixtures, furniture, equipment, components of the Computer System, furnishings, signs, inventory, and other products, materials, supplies, and services to be used at your Model Restaurant (the “Operating Assets”). You must purchase and use only the products and services meeting our Brand Standards. You must also purchase certain Operating Assets only from suppliers that we have designated or approved (or that otherwise meet our Brand Standards).

Currently, for your Model Restaurant, you must purchase (i) proprietary sauces, proprietary proteins, and branded supplies from Ohio Valley Foods, (ii) certain e-commerce support for online ordering and virtual brand management from Franklin Junction, (ii) soft drinks, signage and menu boards, meat products, other food items, credit card processing, point-of-sale, mystery shopper services, architectural services, sanitation services, insurance, marketing services, and compliance services from our other designated exclusive suppliers of such products and services, and (iii) all other food, ingredients, printed paper and packaging, signage, and Operating Assets from suppliers that we have approved. In our prior fiscal year ended May 31, 2023, neither we nor our affiliates derived any revenue from the sale of products and services to our Franchisees.

We may condition our selection or approval of a product or supplier on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service or other criteria. We may elect not to issue to you or any of our approved suppliers (except as we deem necessary for purposes of production) these standards and specifications. Our standards and specifications for products and services, and criteria for suppliers, are not currently issued to Franchisees or approved suppliers.

If you would like us to consider approving a supplier that is not currently an approved supplier, you must submit your request in writing before purchasing any items or services from that supplier. We will make all determinations about whether to approve an alternative supplier based on our then-current criteria, which may change periodically. Currently, we estimate that we will provide notice of our decision to approve or disapprove an alternative supplier within 30 days of receiving the request. We may also refuse to consider and/or approve any proposed alternative supplier for any reason. We may charge you a fee if you ask us to evaluate any proposed alternative suppliers (currently, our direct costs). We may revoke our approval of any vendor at any time with notice to you.

Collectively, the purchases you obtain according to our standards and specifications or from approved or designated suppliers represent approximately 60% to 80% of your total purchases to establish your Model Restaurant and up to 40% to 80% of your total purchases to operate your Model Restaurant.

Insurance

You must obtain and maintain the minimum insurance coverage that we periodically require, at your own expense and from carriers who maintain a Best’s Financial Strength rating of “A-/VIII” or above. Currently, we require the following types of minimum coverage for your Model Restaurant: general liability (\$1,000,000), personal injury (\$1,000,000), motor vehicle combined (\$1,000,000), product liability (\$2,000,000), employment practices liability insurance (\$500,000), employee workers’ compensation (statutory limits), general aggregate umbrella (\$2,000,000) and errors and omissions

insurance per claim and aggregate (\$1,000,000). The liability insurance must cover claims for bodily and personal injury, death, and property damage caused by or occurring in connection with your Model Restaurant operations or activities of your personnel in the course of their employment. In addition to the policies above, we require you to carry a franchise errors & omissions policy written on a miscellaneous consulting form for your Business (\$1,000,000).

We may require you to obtain all or a portion of your required insurance from a designated supplier and on the terms and according to the specifications we approve. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverages (including reasonable excess liability insurance) at any time.

Except for the errors and omissions insurance policy, each of the aforementioned insurance policies for liability coverage must name us and any affiliates we designate as additional named insureds, using a form of endorsement that we have approved, and provide for 30 days' prior written notice to us of a policy's material modification, cancellation or expiration. Each insurance policy must contain a waiver of all subrogation rights against us, our affiliates and their successors and assigns. You must routinely provide us copies of your Certificates of Insurance or other evidence of your maintaining this insurance coverage and paying premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies including termination, we may (but are not required to) obtain such insurance for you, your Business or Model Restaurant on your behalf, in which event you must cooperate with us and reimburse us on demand for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee.

Purchase Agreements and Material Benefits

In some cases, we or our affiliates will negotiate purchase agreements, including prices and terms, with designated and approved suppliers on behalf of Area Representative Businesses and Restaurants. Currently, we have negotiated or are in the process of negotiating purchase arrangements, including pricing terms, with suppliers of food and beverage products, signage, POS system, CRM software, credit card processing, signage and menu boards, mystery shopping services, sanitation services, and compliance services. You may be required to purchase these items at a price or on other terms we have negotiated in advance.

We and/or our affiliates may derive consideration, revenue and profits based on your purchases from us and/or our designated suppliers (including from charging you for products and services we or our affiliates provide to you and from promotional allowances, rebates, sponsorships, volume discounts and other payments, services or consideration we receive from suppliers and others that we designate or approve for some or all of our franchise owners). We and/or any of our affiliates may retain and use such consideration, revenue, and profit without restriction. Currently, neither we nor our affiliates derive any revenue or other consideration from suppliers on the basis of sales to Franchisees or Area Representatives, but we may do so at any time in the future. During our last fiscal year ended May 31, 2023, neither we nor our affiliates received any revenue or other consideration from suppliers on the basis of sales of products or services to franchisees. We do not currently provide material benefits to Franchisees or Area Representatives for purchasing particular products or services or using particular suppliers. As of the issuance date of this Disclosure Document, we have not established purchasing or distribution cooperatives.

As of the issuance date of this Disclosure Document, none of our officers own any interest in any of our approved suppliers, other than interests in our affiliate Ohio Valley Foods and Franklin Junction.

Item 9.

FRANCHISEE’S OBLIGATIONS

This table lists our principal 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 this Disclosure Document.

Obligation	Section in Agreements	Disclosure Document Item
(a) Site selection and acquisition/lease	Sections 2A and 2B in Franchise Agreement	Item 11
(b) Pre-opening purchases/leases	Section 7A in Area Representative Agreement Section 2 in Franchise Agreement	Items 5, 7, 8, and 11
(c) Site development and other pre-opening requirements	Section 2 in Franchise Agreement	Items 7, 8, and 11
(d) Initial and ongoing training	Section 5 in Area Representative Agreement Section 4 in Franchise Agreement	Items 6, 7, and 11
(e) Opening	Sections 2B and 2G in Area Representative Agreement Sections 2D and 8A in Franchise Agreement	Item 11
(f) Fees	Sections 3 and 11C(10) in Area Representative Agreement Sections 3 and 14(6) in Franchise Agreement	Items 5, 6, 7, and 11
(g) Compliance with Standards and Policies/Brand Standards Manual	Sections 7A and 7B in Area Representative Agreement Sections 4D and 6 in Franchise Agreement	Items 8, 11, and 16
(h) Trademarks and proprietary information	Sections 6 and 9 in Area Representative Agreement Sections 5 and 11 in Franchise Agreement	Items 13 and 14
(i) Restrictions on products/services offered	Sections 7C, 7D and 7I in Franchise Agreement	Items 8, 11, 12, and 16

Obligation	Section in Agreements	Disclosure Document Item
(j) Warranty and customer service requirements	Section 7B in Area Representative Agreement Section 7E in Franchise Agreement	Item 11
(k) Territorial development and sales quotas	Section 2A in Area Representative Agreement	Item 12
(l) On-going product/service purchases	Sections 7C and 7D in Franchise Agreement	Items 6 and 8
(m) Maintenance, appearance, and remodeling requirements	Section 7B in Franchise Agreement	Items 6, 8, 11, and 17
(n) Insurance	Section 7D in Area Representative Agreement Section 7H in Franchise Agreement	Items 7 and 8
(o) Advertising	Section 8 in Area Representative Agreement Section 8 in Franchise Agreement	Items 6, 7, 8, and 11
(p) Indemnification	Section 15D in Area Representative Agreement Section 17D in Franchise Agreement	Item 6
(q) Owner's participation/management/staffing	Section 1C, 7C and 7E in Area Representative Agreement Sections 1C, 7A and 7G in Franchise Agreement	Items 11 and 15
(r) Records and reports	Section 7G in Area Representative Agreement Section 9 in Franchise Agreement	Item 6
(s) Inspections and audits	Section 7H in Area Representative Agreement Section 10 in Franchise Agreement	Items 6 and 11

Obligation	Section in Agreements	Disclosure Document Item
(t) Transfer	Section 11 in Area Representative Agreement Section 13 in Franchise Agreement	Items 6 and 17
(u) Renewal	Section 12 in Area Representative Agreement Section 14 in Franchise Agreement	Items 6 and 17
(v) Post-termination obligations	Section 14 in Area Representative Agreement Section 16 in Franchise Agreement	Item 17
(w) Non-competition covenants	Sections 10 and 14D in Area Representative Agreement Sections 12 and 16F in Franchise Agreement	Item 17
(x) Dispute resolution	Section 16 in Area Representative Agreement Section 18 in Franchise Agreement	Item 17

Item 10.

FINANCING

We do not offer direct or indirect financing. We do not guarantee your promissory notes, mortgages, leases, or other obligations.

Item 11.

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

Assistance to Begin Operation of Your Business

Before you open your Business, we or our designees will:

1. Take the actions we deem necessary or prudent to comply with applicable franchise laws for the sale of Unit Franchises in your Territory. (Area Representative Agreement – Section 2C)

2. Provide the Initial Training Program to you (or if you are conducting business as an Entity, your Principal Owner) and 1 management-level employee (which must be your Approved Manager, if applicable). (Area Representative Agreement – Section 4A)
3. Provide you the Area Representative Standards for your Business, including mandatory specifications, standards, operating procedures, and rules that we periodically prescribe for your Business. (Area Representative Agreement – Section 7A)

Assistance to Begin Operation of Your Model Restaurant

Before you begin operation of your Model Restaurant, we or our designees will:

1. Review and either accept or reject the proposed site for your Model Restaurant. (Franchise Agreement – Section 2A)
2. Review and either approve or disapprove your Lease for your Model Restaurant. (Franchise Agreement – Section 2B)
3. Provide you access to and/or a copy of the Brand Standards Manual (as defined in Item 11) containing the Brand Standards for your Model Restaurant, including for dimensions, design, image, signage, interior layout, decor, Operating Assets. (Franchise Agreement – Sections 2C, 4D, and 6A)
4. Provide the Initial Training Program to you (or if you are conducting business as an Entity, your Principal Owner) and 2 additional management level employees of your Model Restaurant (one of which must be your Approved Manager, if applicable). (Franchise Agreement – Section 4A)
5. On or around your Model Restaurant's opening date, we will provide on-site guidance and initial operations support in connection with the opening of the Model Restaurant, at no cost to you. We will determine the identity and composition of the training team that we send in our discretion, which may be comprised of only one person. (Franchise Agreement – Section 4B)

Site Selection

You are not required to maintain a separate business premises for your Business. You may elect to obtain office space at your sole discretion and expense. We do not provide you any assistance in locating a site for your Business's office, nor do we select or approve a site where you conduct your Business. Neither we nor our affiliates generally own the sites for Area Representative Businesses and lease those sites to Area Representatives.

For your Model Restaurant, you must use the Premises indicated in your Franchise Agreement. If you have not yet located a site for the Premises when you sign your Franchise Agreement, then you must select a suitable site for your Premises and obtain our acceptance of that site as your Premises. We will identify a site selection area in your Franchise Agreement, and unless you have our prior written approval you will not be permitted to search for a proposed site outside of that site selection. Neither we nor our affiliates generally own the sites for Restaurants and lease those sites to Franchisees. We may require that you hire a service provider that we designate, which may be one of our affiliates, to assist you with the site selection process. We must accept the site of your Model Restaurant before you

sign any Lease (defined below) and before that site will be deemed your Premises under the Franchise Agreement. You must send us all of the information we require for the proposed site. We will make all determinations about whether to accept a site based on our then-current criteria, which may change periodically. Currently, we estimate that we would provide notice of our decision to accept or reject a proposed site within 30 days of receiving the request and all associated information about the site. The criteria we use to evaluate the selected site include visibility, size, layout, adjacent uses, parking, demographics, local competition, and other factors we determine periodically.

Lease of Premises

You must obtain lawful possession of the approved site of the Premises of your Model Restaurant within 120 days of the date of the Franchise Agreement by entering into a lease, sublease or other document we approve (the “Lease”), or we may terminate the Franchise Agreement. The Lease must contain certain provisions we require, including collateral assignment of lease, pursuant to the form of lease rider attached as Exhibit D to your Franchise Agreement (“Lease Rider”). Our approval of your Lease is subject to our receipt of the Lease Rider, without modification or negotiation, executed by you and the landlord. You must deliver to us an executed Lease and Lease Rider after they are signed.

Development of Model Restaurant

We will provide you with Brand Standards for your Model Restaurant, including requirements for dimensions, design, color scheme, image, interior layout, decor, and Operating Assets which include fixtures, equipment, signs, and furnishings. We may also require you to obtain layout plans and/or schematics for your Model Restaurant from a designated or approved vendor, which may be us or our affiliates, and you must pay the then-current fees charged by such vendor. If you do not obtain layout plans and/or schematics from us or our designated vendor, you must hire an architect that meets our Brand Standards to prepare all required plans and/or schematics for your Model Restaurant. Regardless of who prepares the layout plans and/or schematics for your Model Restaurant, you are responsible for ensuring that all plans and schematics for your Model Restaurant comply with applicable laws, regulations, zoning, ordinances, building codes, permits, lease requirements and restrictions, and our Brand Standards. You are also responsible for obtaining approval of all such plans and schematics from any applicable governmental authority.

Opening Requirements

You must open your Model Restaurant by the first anniversary of your Area Representative Agreement, or within 180 days after signing your Lease, whichever is earlier. If you fail to open your Model Restaurant within this time, we may terminate your Franchise Agreement and Area Representative Agreement and retain initial fees paid to us. The typical length of time between signing the Franchise Agreement and opening a Restaurant is 3 to 9 months. Factors that affect this time include obtaining a satisfactory site, financing arrangements, lease negotiations, local ordinances, delivery, and installation of equipment, obtaining insurance, obtaining licenses and permits, and renovation of the Premises.

You may begin providing Sales Services for your Business after you (or your Principal Owner) and 1 management-level employee (which must be your Approved Manager, if applicable) have completed the Initial Training Program, unless we notify you that we need to take additional actions to comply with applicable franchise laws in the Territory. You may begin providing Support Service for your Business once you have opened a Model Restaurant in compliance with an applicable Franchise

Agreement. There may be a delay before you may begin providing Sales Services in your Territory. Such delay may be a few days or a few months depending on the state in which we must register, but we estimate that you will be able to start the Sales Services portion of your Business 2 to 6 weeks after signing your Area Representative Agreement in a state with no franchise registration law, or 2 to 6 months in a state with a franchise registration law. You will be able to start providing the Support Services to Franchisees upon opening of your Model Restaurant, which we estimate will be 3 to 9 months from the date you sign your Franchise Agreement for such Restaurant. Factors that affect this time include obtaining financing arrangements, local ordinances, delivery, and installation of equipment, obtaining insurance, obtaining licenses and permits, registration of franchise disclosure documents and obtaining other franchise sales materials.

Assistance During the Operation of Your Business

During the operation of your Business, we or our designees will:

1. Continue to take the actions we deem necessary or prudent to comply with applicable franchise laws for the sale of Unit Franchises in your Territory. (Area Representative Agreement – Section 2C)
2. Review the application materials you submit for each prospective Franchisee in the Territory and approve or disapprove such prospective Franchisees. (Area Representative Agreement – Sections 2D and 2E)
3. Approve or disapprove the grand opening of all Unit Franchises in the Territory. (Area Representative Agreement – Section 2G)
4. Provide you advice from time to time regarding your Business operations, subject to scheduling, availability, and similar resources. (Area Representative Agreement – Section 5B)
5. Approve or disapprove proposed advertising materials submitted by you, if applicable. (Area Representative Agreement – Section 8A)

Assistance During the Operation of Your Model Restaurant

During your operation of your Model Restaurant, we (or our designees) will:

1. Continue to provide you an electronic copy of the Brand Standards Manual. (Franchise Agreement – Section 4D)
2. Approve or disapprove proposed advertising materials submitted by you, if applicable. (Franchise Agreement – Section 8C)
3. Provide you advice from time to time regarding your Model Restaurant's operations, subject to scheduling, availability, and similar resources. (Franchise Agreement – Section 4C).
4. Administer the Brand Fund(s) as described below, if one or more Brand Fund(s) have been established. (Franchise Agreement – Section 8D)

5. If we require you to pay the Local Advertising Expenditure to us or our affiliates, we or our designees will use such funds to conduct local advertising for your Model Restaurant (Franchise Agreement – Section 8B)
6. We have the right to periodically set maximum or minimum prices that you may charge for products and services offered by your Model Restaurant. (Franchise Agreement – Section 7I)

Manuals

We will inform you of our Brand Standards, other suggested or recommend specifications and standards, and information on your other obligations under your Franchise Agreement, through one or more separate manuals, as well as via software, applications, internet or intranet sites or other Online Presence, bulletins and/or other written materials (collectively, the “Brand Standards Manual”). We may modify the Brand Standards Manual periodically, including changes in Brand Standards. The current table of contents of the Brand Standards Manual is attached to this Disclosure Document as Exhibit C. There are currently a total of 94 pages in our Brand Standards Manual.

We do not currently maintain a separate manual for Area Representative Businesses, though we may do so in the future. Currently, we communicate our Area Representative Standards to Area Representatives only through email and oral communications, written bulletins and newsletters, and via training modules, materials, and programs that we periodically provide.

Advertising and Promotion

Franchise Sales Advertising. You are solely responsible for conducting all advertising to solicit Franchisees for your Business. You must conduct all franchise advertising in any medium we determine, using forms of advertisement we approve. Your advertising, promotion, and marketing must be completely clear, factual, and not misleading and conform to the highest standards of ethical advertising, the Area Representative Standards, and any marketing and the advertising and marketing policies that we prescribe from time to time. At least 30 days before you intend to use them, must send us samples of all advertising, promotional and marketing materials that you wish to use, that we have previously not approved. If we do not approve of the materials within 14 days of our receipt of such materials, then they will be deemed disapproved. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved. Neither you, nor any of your owners or affiliates, may file any franchise sales advertising materials with any state agencies. We may require you to provide notice of any website or other Online Presence associated with the Franchise System in the advertising, marketing, and promotional materials that you develop for your Business.

Grand Opening Advertising for Model Restaurant. You must spend at least \$15,000 for a grand opening marketing program for your Model Restaurant to take place on the dates we designate before and after your Model Restaurant opens. You must spend this amount in addition to all other amounts you must spend on advertising. The amount you spend on grand opening advertising will not count towards your Local Advertising Expenditure (defined below) or your Maximum Advertising Expenditure (defined below). You must use media, materials, programs, and strategies we approve in connection with the grand opening advertising program. We may require you to pay this amount to us, or our affiliate or designee, to conduct marketing on your behalf, though we do not currently do so.

Brand Fund(s). We may periodically establish and administer one or more brand fund(s) to administer certain advertising, marketing, and public relations programs for “The Original Hot Chicken” and/or

“Inked Tacos” system and brand and the promotion of Restaurants (each a “Brand Fund”). You must contribute to each Brand Fund the amount that we determine (the “Brand Fund Contribution”). Currently, the Brand Fund Contribution is 2% of Gross Sales from your Model Restaurant. The amount of the Brand Fund Contribution is subject to change, though the amount of your Brand Fund Contribution, together with your Local Advertising Expenditure will not collectively exceed the Maximum Advertising Expenditure (defined below). You are not required to contribute any of the revenue from your Business to the Brand Fund.

The purpose of the Brand Fund(s) are to promote the Marks, the Franchise System, the brands, and Restaurants generally, and you may not benefit in proportion to your Brand Fund Contribution. We expect Restaurants operated by us and our affiliates to contribute to the Brand Fund(s) on the same basis as Franchisees. Certain Franchisees may contribute to the Brand Fund(s) in different amounts than described in this Disclosure Document or may not contribute to the Brand Fund(s) at all, on the basis of prior Franchise Agreements with us and/or negotiated terms.

We will have exclusive control over all programs and services administered by the Brand Fund(s), including all creative concepts, materials, and campaigns and their geographic market, media placement and allocation. The Brand Fund(s) may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining any Online Presences or other software or applications; administering advertising and marketing campaigns; administering regional and multi-regional marketing and advertising programs; using advertising, promotion, and marketing agencies and other advisors to provide assistance; supporting public relations, market research, and other advertising, promotion, and marketing strategy or implementation activities; and/or any other expenditures that are directly or indirectly related to promoting the Marks, the Franchise System, the brands, and/or Restaurants. The Brand Fund(s) may pay for its administrative and overhead costs, including the reasonable salaries and benefits of personnel who manage and administer the Brand Fund(s), and any other expenses that we or our affiliates incur that are related to administering or directing the Brand Fund(s) and its programs. We may also elect to use (but will not have the obligation to use) the Brand Fund(s) to pay for or reimburse Franchisees for the costs they may incur for promoting their Restaurants and/or complying with updated branding guidelines. We may modify Brand Fund(s) programs, services, or expenditures at any time in our sole discretion.

We will account for the Brand Fund(s) separately from our other funds, but neither we nor any of our affiliates has any fiduciary obligation to you or any other person for administering the Brand Fund(s) or for any other reason. The Brand Fund(s) may spend in any fiscal year more or less than the total Brand Fund Contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will prepare an annual, unaudited statement of Brand Fund collections and expenses and give you the statement on written request, within 120 days after the end of each fiscal year, but not less than 30 days’ notice from you of such request. We may have the Brand Fund(s) audited annually, at the Brand Funds’ expense, by an independent chartered accountant. We may also administer the Brand Fund(s) through a separate Entity whenever we deem appropriate, and such Entity will have all of the rights and duties specified here.

We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Brand Fund Contributions at the Brand Funds’ expense. We may also forgive, waive, settle, and compromise all claims by or against the Brand Fund(s) as we determine.

We may at any time reduce, suspend, terminate, and/or re-instate Brand Fund Contributions and/or operations of the Brand Fund(s) for one or more periods of any length. If we terminate the Brand

Fund(s), we will spend the remaining balance in the Brand Fund(s) until such amounts are exhausted. We may elect to maintain multiple Brand Funds, whether determined by geographic region, country, brand, or otherwise, or consolidate or merge multiple Brand Funds, in each case provided that each such Brand Fund will otherwise remain subject to the terms of your Franchise Agreement. If we maintain multiple Brand Funds, we will determine how Brand Fund Contributions will be segregated among each applicable Brand Fund, and we may modify our procedures at any time with notice to you.

Currently, we maintain separate Brand Funds for “The Original Hot Chicken” and “Inked Tacos” brands, and we segregate Gross Sales from Restaurants for the purposes of Brand Fund Contributions based on which menu items are associated with each brand (for example, Brand Fund Contributions made on the basis of Gross Sales from hot chicken tenders would be attributed to the “The Original Hot Chicken” Brand Fund). For items that are not attributable to a specific brand, such as bottled water, we will establish procedures for segregating sales as we determine periodically, which may involve dividing such revenue between each Brand Fund in a manner we determine. We do not currently maintain a Brand Fund that is dedicated to promoting Area Representative Businesses.

In our most recent fiscal year ended May 31, 2023, we did not collect any Brand Fund Contributions and therefore no amounts were spent on production, media placement, administrative expenses, or soliciting new franchise sales.

Local Advertising for Model Restaurant. You must advertise and market your Model Restaurant in any advertising medium we determine, using forms of advertisement we approve or designate. You must also list your Model Restaurant with the online directories and subscriptions we periodically prescribe (such as Yelp® and Google®), and/or establish any other Online Presence (as defined in Item 13) we require. You must comply with all of our Brand Standards for your advertising.

You must spend an amount that we designate to advertise and promote your Model Restaurant (the “Local Advertising Expenditure”). Currently, the Local Advertising Expenditure is 1% of your Gross Sales per month and must be paid to us to conduct marketing for your Model Restaurant. We may change the amount of your Local Advertising Expenditure periodically, subject to your Maximum Advertising Expenditure (5% of Gross Sales). We will determine what type of expenditures will count towards your Local Advertising Expenditure. Indirect costs you incur in managing your local advertising, such as salaries and benefits of employees administering the campaigns, will not be counted towards your Local Advertising Expenditure. Additionally, any costs you incur for advertising conducted at the Premises, such as in-store materials and signage, will not be counted towards your Local Advertising Expenditure. At our request, you must send us, in the manner we prescribe, an accounting of your Local Advertising Expenditures during the preceding months. We may at any time, on one or more occasions, cease collecting all or part of the Local Advertising Expenditure or change the proportion of the Local Advertising Expenditure that you must pay us, our designees, and/or spend yourself on marketing for your Model Restaurant. You may elect to spend more than your Local Advertising Expenditure.

Your advertising, promotion, and marketing must be completely clear, factual, and not misleading and conform to the highest standards of ethical advertising, the Brand Standards, and any marketing and the advertising and marketing policies that we prescribe. At least 30 days before you intend to use them, you must send us samples of all advertising, promotional and marketing materials that you wish to use, that we have previously not approved. If we do not approve of the materials within 14 days of our receipt of such materials, then they shall be deemed disapproved. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved.

Maximum Advertising Expenditure. The maximum combined Brand Fund Contribution and Local Advertising Expenditure that we impose will not exceed 5% of your Model Restaurant's Gross Sales (the "Maximum Advertising Expenditure"). We may change the amount of the Brand Fund Contribution or Local Advertising Expenditure with 60 days prior notice to you so long as any change does not result in a combined Brand Fund Contribution and Local Advertising Expenditure greater than the Maximum Advertising Expenditure.

Franchise System Website. We may establish, acquire, or host any website(s) to advertise, market, and promote Restaurants, the products and services that they offer and sell, and/or a Restaurant franchise opportunity (a "Franchise System Website"). We may (but are not required to) provide you with a webpage on a Franchise System Website that references your Model Restaurant. If we provide you with a webpage on a Franchise System Website, you must: (i) provide us the information and materials we request to develop, update, and modify your webpage; (ii) notify us whenever any information on your webpage is not accurate; and (iii) if we give you the right to modify your webpage, notify us whenever you change the content of your webpage. We will own all intellectual property and other rights in all Franchise System Websites, including your webpage and all information it contains (including the domain name, any associated email address, any website analytical data, and any personal or business data that visitors supply).

Even if we provide you a webpage on a Franchise System Website, we will only maintain that webpage while you are in full compliance with your Franchise Agreement and all Brand Standards we implement. If you are in default of any obligation under your Franchise Agreement or our Brand Standards, then we may temporarily remove your webpage from any Franchise System Website until you fully cure the default. We will permanently remove your webpage from all Franchise System Websites when your Franchise Agreement expires or is terminated.

We may require you to provide notice of any Franchise System Website or other Online Presence in the advertising, marketing, and promotional materials that you develop for your Business and/or Model Restaurant in the manner we designate. We have the sole and exclusive right to sell the products sold by Restaurants through any Online Presence.

Other Online Presences. Except as provided above, or as approved by us in writing, you may not develop, maintain or authorize any Online Presence that mentions your Business or Model Restaurant, links to any Franchise System Website or other Online Presence associated with the Franchise System or otherwise displays any of the Marks, or engage in any promotional or similar activities, whether directly or indirectly, through any Online Presence. If we approve the use of any such Online Presence in the operation of your Business or Model Restaurant, you will develop and maintain such Online Presence only in accordance with our guidelines, including our guidelines for posting any messages or commentary on other third-party websites. We will own the rights to each such Online Presence. At our request, you must grant us independent access to each such Online Presence, and to take whatever action (including signing assignment or other documents) we request to evidence our ownership of such Online Presence, or to help us obtain exclusive rights in such Online Presence.

We may require you to obtain from us and use an email address associated with our registered domain name. If we require you to obtain and use such an email address, you must do so according to our then-current Brand Standards. We may charge you a fee for each email address we provide you as part of the Technology Fee (currently, \$250 per month for your Model Restaurant and \$1,000 per month for your Business).

Local Advertising Cooperative. You are not required to participate in a local or regional advertising cooperative.

Advertising Council. We do not currently maintain an advertising council composed of Franchisees or Area Representatives to advise us on advertising policies.

Computer System

Area Representative Business. You are not required to obtain a specific hardware or other computer system for your Business, but you must use our designated CRM software to manage all leads and information about prospective Franchisees. You must also maintain a minimum of one dedicated telephone line with 24-hour professional answering service or voicemail. We do not expect that you will incur any costs associated with acquiring, maintaining, or updating these systems. We and our affiliates have no obligation to provide ongoing maintenance, repairs, upgrades, or updates for your computer system or software. We may periodically modify the Area Representative Standards for required technology systems, and you must comply with our modified Area Representative Standards promptly after you receive notice. There are no contractual limitations on the frequency and cost of this obligation and we need not reimburse you for any costs you incur to comply with the Area Representative Standards.

Model Restaurant. You must obtain and install the computer hardware, software, point-of-sale and other technology systems that we periodically designate (the “Computer System”). We and our affiliates have no obligation to provide ongoing maintenance, repairs, upgrades, or updates for your Computer System. We may periodically modify the Brand Standards for the Computer System, including the designated or approved suppliers for the Computer System, and you must update your Computer System to comply with our modified Brand Standards promptly after you receive notice. There are no contractual limitations on the frequency and cost of this obligation and we need not reimburse you for these costs.

For your Model Restaurant, we require that you have: (i) Revel point-of-sale software, (ii) point-of-sale terminals, (iii) point-of-sale server, (iv) a cash drawer, (v) printers, (vi) four point-of-sale operator tablets, (vii) three standup kiosks, (viii) digital menu boards, (ix) a managed switch, (x) kitchen monitor tablet, (xi) mounting equipment, (xii) remote printers, (xiii) magnetic swipe-card, (xiv) pin or chip readers, (xv) DSL or other high speed connections, (xvi) firewall, office printer/scanner, (xvii) related cabling, (xviii) a hosting and maintenance contract, and (xx) other related items. We estimate the cost of acquiring and installing these components of the Computer System will be approximately \$12,000 to \$25,000. Currently, we estimate the ongoing cost of maintaining and upgrading the technology systems to meet our Brand Standards will be approximately \$1,000 to \$2,500 per year.

Technology Fees. We may require you to pay a Technology Fee to us or a service provider we designate (which may be one of our affiliates) for technology related services. We may modify the amount of your Technology Fee periodically. The Technology Fee is in addition to all direct out-of-pocket costs you must otherwise incur to acquire, maintain, or service your technology systems and Computer System. You may be required to enter into a written agreement with the provider of any technology services, with terms and conditions we approve or require. Currently, the Technology Fee is \$250 per month for your Model Restaurant, and \$1,000 per month for your Business. If we travel to your Model Restaurant to provide any technological support and/or installation services, you must also reimburse us for the costs we incur for such site visit, including travel, food, and lodging. The amount of your

Technology Fee may be determined in part by factors that are unique to your Business and Model Restaurant (such as the number of email addresses we provide you).

Our Access. You must use the CRM software we designate and your Computer System to maintain certain information about the operation of your Business and Model Restaurant. We will have access to the CRM software we designate and your Computer System, including hardware, software, security, configurations, connectivity, and data access, at all times, and we will have the right to collect and retain from the CRM software we designate and your Computer System any and all data concerning your Business and Model Restaurant. At our request, you must sign a release with any vendor of your Computer System, providing us with such independent access to the Computer System as we may request. We may require you to obtain from us and use an email address associated with our registered domain name. If we require you to obtain and use such an email address, you must do so according to our then-current Brand Standards and Area Representative Standards. We will have unrestricted access to all such email accounts, and all document, data, materials, and messages shared from or by such accounts.

Training

Initial Training. Prior to beginning to operate your Business, we will provide our initial training program for Area Representatives to you (or if you are conducting business as an Entity, your Principal Owner) and one management-level employee (which must be your Approved Manager, if applicable). Additionally, prior to opening your Model Restaurant, we will provide our initial training program for Franchisees to you (or if you are conducting business as an Entity, your Principal Owner) and 2 additional management level employees of your Model Restaurant (one of which must be your Approved Manager, if applicable). We refer to the training programs under your Area Representative Agreement and Franchise Agreement, together, as the “Initial Training Program” and the individuals to whom we provide it, your “Key Personnel”.

You may invite additional employees to attend the Initial Training Program if space allows, though we may charge you our then-current training fee for each additional individual (currently, \$250 per person, per day, plus expenses). We may also limit the number of attendees for the Initial Training Program. We are only obligated to provide the Initial Training Program one time. If you wish us to offer the Initial Training Program again in the future for any reason, including because you or your owners or affiliates are developing a second or subsequent Model Restaurant, and/or any of your owners or Key Personnel were not able to attend the Initial Training Program at the same time, we may charge you our then-current training fee for each individual we agree to train (currently, \$250 per person, per day, plus expenses). We may elect not to provide the Training Program again for any reason.

You may request that we provide any portion of the Initial Training Program relating to Restaurant operations on-site at your Model Restaurant, and if we elect to provide any portion of the Initial Training Program on-site, we may charge our then current on-site training fee for such portion of the Initial Training Program (currently, \$250 per person per day, plus expenses), in addition to any other fees that may apply to such training. We may also elect not to provide on-site training to you. We will provide the Initial Training Program at the times and locations we determine, which may include sending our trainer(s) to your Model Restaurant to conduct any part of the Initial Training Program. We will also determine the length and content of the Initial Training Program. We may vary the Initial Training Program based on the experience and skill level of the individual(s) attending.

Scheduling of the Initial Training Program is based on your and our availability, training facility availability. If any of your Key Personnel fail to successfully complete the Initial Training Program to our satisfaction, then we may require such person(s) to attend additional training at a time and location of our choice, and we will charge you our then-current training fee for such additional training (currently, \$250 per person per day, plus expenses). If your Key Personnel are unable to successfully complete the Initial Training Program to our satisfaction, we also may terminate your Franchise Agreement and/or Area Representative Agreement.

If you appoint a new Approved Manager to supervise your Model Restaurant or your Business at any time, or your Principal Owner changes at any time, he or she must attend the then-current Initial Training Program within 30 days of the appointment and you must pay our then-current training fee for such attendance (currently, \$250 per day, plus expenses). You are responsible for providing a training program, designated by us, for all your employees who have not attended the Initial Training Program. All employees must satisfactorily pass a training program that meets our minimum criteria prior to providing services at your Model Restaurant or Business. If we determine that any of your Key Personnel are unable to satisfactorily supervise and fulfill their duties at your Model Restaurant or Business, we may require such persons to cease providing services at your Model Restaurant or Business until they complete additional training, and you must pay our then-current training fee for attendance in any training we provide (currently, \$250 per person per day, plus expenses).

If you and your Key Personnel complete the Initial Training Program to our satisfaction and have not expressly informed us at the end of the Initial Training Program that you or they do not feel sufficiently trained, then you and your Key Personnel will be deemed to have been trained sufficiently to operate your Business and Model Restaurant. You may request additional training for any of your Key Personnel during the term of your agreements with us. We and you will jointly determine the duration of this additional training, and we may charge you our then-current training fee for such additional training (currently, \$250 per person per day, plus expenses).

We may require you and your Key Personnel and/or certain other employees to attend various training courses, trade shows, ongoing education or certification programs, and/or webinars at the times and locations designated by us, including courses and programs provided by third parties we designate. Besides attending these training courses, programs, and events, we may additionally require you and/or any of your Key Personnel to attend periodic meetings of franchise owners or managers. These meetings will be held at our discretion and at the locations we designate.

You will be solely responsible for all travel and living expenses (including, wages, transportation, food, lodging, and workers' compensation insurance) that you and your Key Personnel or any other employee incurs during any and all meetings and/or training courses and programs. You are also responsible for the travel and living expenses and out-of-pocket costs we incur in sending our trainer(s) to your Model Restaurant to conduct training, including food, lodging and transportation.

As of the date of this Disclosure Document, the Initial Training Program has the following segments:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Area Representative Training			
Franchisee & Real Estate Site Selection	2	0	Atlanta metro area
Coaching & Operations Support	2	0	Atlanta metro area
Marketing	2	0	Atlanta metro area
Technology	2	0	Atlanta metro area
Sub-Total	8	0	
Restaurant Training			
Brand Introduction	0.5	0	Atlanta metro area
Customer Service	1	1	Atlanta metro area
Financial Management	2	2	Atlanta metro area
Kitchen Equipment Review	0	1	Atlanta metro area
Marketing & Digital Landscape	2	0	Atlanta metro area
Operating Forms & Controls	0	2	Atlanta metro area
People & Culture	1.5	0	Atlanta metro area
POS Training	2	4	Atlanta metro area
Prep Training & Practice	0	10	Atlanta metro area
Shift Management/Floor Control	0	8	Atlanta metro area
Station Training & Practice	0	10	Atlanta metro area
Initial Training Program & Access	1	0	Atlanta metro area
Sub-Total	10	38	
TOTAL	18	38	

The hours devoted to each subject are estimates and may vary based on how quickly trainees learn the material, their prior experience with the subject, and scheduling. On-the-job training includes cross training in all subject areas of the business. The training materials used during the Initial Training Program will include the Brand Standards Manual and other written manuals and guides we develop from time to time. Currently, Sunny Ashman, our Head of Franchise Development and Training, manages franchisee training for the Franchise System. Ms. Ashman has less than one year of experience with us and our affiliates and over 19 years of experience in restaurant operations. Certain other employees may also provide assistance or services to Franchisees in connection with the training programs. We may choose to conduct any or all training virtually, and you must comply with our

instructions for all virtual programs. You will be responsible for conducting franchisee training at one of your Model Restaurants for Opened Restaurants in your Territory.

On-Site Assistance. We will provide on-site advice, guidance, and initial operations support in connection with your opening of your Model Restaurant, at no fee to you, for no fewer than 5 days (which may not necessarily be consecutive, and which will be scheduled at our discretion before or after the opening date of your Model Restaurant). We will determine the identity and composition of the training team that we send in our discretion and may be comprised of only 1 person.

General Guidance: Subject to limitations on scheduling, availability, and similar resources, we may provide you advice from time to time regarding your Business and Model Restaurant's operation, including advice regarding: (1) standards, specifications, and operating procedures and methods; (2) equipment and facility maintenance; (3) guest service procedures and quality control; and (4) advertising, marketing, and branding strategies. Our advice and guidance will be furnished in the form of our Brand Standards Manual and via telephone, virtually, and/or in-person consultation. If you request, and we agree to provide, additional or special guidance, assistance, or training, we may charge you our then-applicable fee, including our personnel's per diem charges and travel and living expenses.

Item 12.

TERRITORY

Area Representative Agreement – Territory

You will not receive an exclusive territory under the Area Representative Agreement. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. However, if you are in full compliance with the terms and conditions of your Area Representative Agreement, including your Development Quota, and all other agreements with us and our affiliates (subject to our reservation of rights below), we and our affiliates will not offer or grant any other person area representative rights in your Territory.

The designation of your Territory by us depends on various market conditions, including density of population, number of competitors in the market, site availability, growth potential and geographic barriers. We typically define the boundaries of your Territory by political subdivisions (e.g., cities or counties), streets and highways, zip code boundaries, or other similar designations.

Other than the rights described in the preceding sentence for your Territory, you have no territorial protection for your Business and we and our affiliates retain all rights with respect to the offer and grant of Area Representative Businesses, the placement of Restaurants, the operation of all businesses using the Marks, the sale of the same, similar or dissimilar products and services, and any other business activities in any manner or in any location whatsoever, including the right to:

- (1) grant franchises for Area Representative Businesses using the Marks and the Franchise System, at any location outside the Territory, on such terms and conditions we deem appropriate;
- (2) establish and operate, and grant others the right to establish and operate, any other type of business of any kind under trade names, trademarks, service marks and commercial symbols other than the Marks, at any location, including in the Territory, and including any business that may offer products and services which are identical to, similar to, or competitive with

products and services offered by Restaurants, and/or similar to or competitive with Area Representative Businesses;

- (3) establish and operate, and grant others the right to establish and operate Restaurants at any location, including in the Territory (subject to your right to receive Sales Commissions, as defined in Item 16, as applicable);
- (4) to conduct Sales Services and/or Support Services (as defined in Item 16), and/or otherwise use the Marks or Franchise System to solicit prospective Franchisees and/or support, manage, or operate the franchise system, in any location, including in the Territory (subject to your right to receive Sales Commissions or Royalty Commissions, as defined in Item 16, as applicable);
- (5) be acquired by or acquire (regardless of the form of transaction), any other business, including any business that establishes or operates, or grants others the right to establish and operate businesses similar to, the same, or competitive with Area Representative Businesses or Restaurants, at any location, including in the Territory; and in the event of such an acquisition, the acquirer and its affiliates will have the right to continue to such business, at any location, including in the Territory; and
- (6) to engage in all other activities not expressly prohibited by the Area Representative Agreement.

If you fail to comply with the Development Quota specified in your Area Representative Agreement, we may terminate your Area Representative Agreement, or terminate or reduce the size of the Territory. Otherwise, continuation of your area representative rights under the Area Representative Agreement does not depend upon you achieving a certain sales volume, market penetration, or other contingency.

You may only operate your Business in the Territory. You may not relocate your Business outside of the Territory. You may not solicit prospective Franchisees or offer Unit Franchises in any location other than the Territory. Additionally, you may not engage in any promotional or similar activities, and/or sell any products or services, whether directly or indirectly, via the internet or other Online Presence without our approval.

We are not required to pay you if we exercise any of the rights specified in this Item 12.

Franchise Agreement – Protected Territory

You will not receive an exclusive territory under the Franchise Agreement. You may face competition from other Franchisees, from outlets that we own or from other channels of distribution or competitive brands that we control. However, if you are in full compliance with the terms and conditions of your Franchise Agreement and all other agreements with us and our affiliates, we will not, during the term of the Franchise Agreement, operate or grant others the right to operate a Restaurant using the Marks and the Franchise System in the geographic area designated in your Franchise Agreement as the “Protected Territory” for your Model Restaurant. If a Protected Territory is not designated in your Franchise Agreement, you have not been awarded any Protected Territory. If we identify a site selection area in your Franchise Agreement, that area is strictly to limit your site selection activities.

You will receive no territorial protection of any kind in the site selection area, or any other geographic area, other than your Protected Territory.

The designation of the Protected Territory by us depends on various market conditions around the proposed Premises, including density of population, number of competitors in the market, site availability, growth potential and geographic barriers. We typically define the boundaries of your Protected Territory as a circle with your Model Restaurant as its center and a specific radius approximately 1 to 3 miles long. We may also define the boundaries of your Protected Territory by political subdivisions (e.g., cities or counties), streets and highways, zip code boundaries, or other similar designations. If we have not specified your Protected Territory at the time you execute your Franchise Agreement, we will determine the Protected Territory at the time your Premises is approved.

Other than your Protected Territory, if any, you have no territorial protection for your Model Restaurant and we and our affiliates retain all rights with respect to the placement of Restaurants and other businesses using the Marks, the sale of the same, similar or dissimilar products and services, and any other business activities in any manner or in any location whatsoever, including, the right to:

- (1) establish and operate, and grant others the right to establish and operate, other Restaurants using the Marks and the Franchise System, at any location outside the Protected Territory, on such terms and conditions we deem appropriate;
- (2) establish and operate, and grant others the right to establish and operate, any other type of business under trade names, trademarks, service marks and commercial symbols other than the Marks, at any location, including any restaurant business that may offer products and services which are identical to, similar to, or competitive with products and services offered by Restaurants;
- (3) establish and operate, and grant others the right to establish and operate businesses and distribution channels other than a Restaurant, wherever such businesses or their customers are located, including offering and selling products at retail or wholesale, through any Online Presence, and/or through license arrangements with other third-party restaurant or commercial kitchen operators;
- (4) establish and operate, and grant others the right to establish and operate any business, including any Restaurant or other business using the Marks and/or the Franchise System, at or through any nontraditional venues, including permanent, temporary, or seasonal facilities, ghost kitchen or virtual kitchen models, and/or in any captive or limited markets such as stadiums, entertainment or amusement parks, airports, malls, universities, commercial buildings, hospitals, special events, at any location;
- (5) license or otherwise grant the right to offer and sell certain products offered by Restaurants to third-party individuals or entities that sell products or services that are similar to, the same, or competitive with, those that Restaurants customarily sell;
- (6) be acquired by or acquire (regardless of the form of transaction), any other business, including businesses that establishes or operates, or grants others the right to establish and operate businesses similar to, the same, or competitive with Restaurants, at any location; and in the event of such an acquisition, the acquirer and its affiliates will have the right to continue to such business, at any location; and

- (7) engage in all other activities not expressly prohibited by your Franchise Agreement, at any location.

There are no limitations on your ability to solicit customers in any location. However, you may not engage in any promotional or similar activities, and/or sell any products or services, whether directly or indirectly, via the internet or other Online Presence without our approval.

You may only operate your Model Restaurant at the Premises. You may not relocate your Model Restaurant to a location other than the Premises without our approval.

We are not required to pay you if we exercise any of the rights specified in this Item 12.

Additional Franchise Rights

We do not grant any rights to obtain additional franchises. If you wish to obtain an additional franchise location, you must enter into a separate Franchise Agreement.

Affiliated Brands

As described further in Item 1, we are under common control with Frisch's Franchising, LLC, which offers franchises under the "Frisch's Big Boy" trademarks, which offers some food products and services that are similar those offered by Restaurants, and which may be competitive with Restaurants. Additionally, although our affiliate Franklin Junction does not offer franchises, it does provide management services for virtual restaurants that may offer products and services similar to those offered by Restaurants, and which may be competitive with Restaurants. These affiliated entities may operate, or solicit or accept orders, within your Protected Territory or Development Area, as applicable. If a conflict should arise between any Restaurant and any other business operated or franchised by an affiliate of ours, we will analyze the conflict and take any action (or no action) as we deem appropriate. The principal business address of Frisch's Franchising, LLC and Franklin Junction are in Item 1. Frisch's Franchising, LLC currently operates from separate corporate offices and training facilities from us. Franklin Junction operates from the same corporate office as us, but separate training facilities. We may periodically also receive support from these affiliates, or other affiliates of ours, to conduct our operations or fulfill the obligations to our franchisees described in this Disclosure Document.

Item 13.





TRADEMARKS

We grant you the non-exclusive right and obligation to use the Marks, and you must use the Marks as we require. You must faithfully, honestly, and diligently promote the Marks in connection with operating your Business and Model Restaurant. You must identify yourself as the independent owner of your Business and Model Restaurant in the manner we prescribe. You have no right to sublicense or assign your right to use the Marks. You may not use any other trademarks, service marks or commercial symbols to identify or operate your Business and Model Restaurant. You may not use any Mark (1) as part of any corporate or legal business name; (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you); (3) in selling any unauthorized services or products; (4) as part of any website, domain name, email address, social media account, other online presence or presence on any electronic medium of any kind ("Online Presence"), except in accordance with our Brand Standards and Area Representative Standards; (5) in advertising

any prospective transfer that would require our approval under the Area Representative Agreement or Franchise Agreement, as applicable; or (6) in any other manner that we have not expressly authorized in writing.

The Marks may evolve over time, including after you sign the Area Representative Agreement and Franchise Agreement. If we decide to modify, add, or discontinue the use of any Marks for the Franchise System, we may at any time require you to modify or discontinue using any mark and/or use one or more additional or substitute Marks. You must replace the Marks at your Business and Model Restaurants with the modified, additional or substitute Marks we specify and comply with all other directions we give regarding the Marks at your Business and Model Restaurant within a reasonable time after receiving notice from us. We are not required to reimburse you for any costs or expenses associated with making such changes, for any loss of revenue due to any modified or discontinued Mark, or for your expenses promoting a modified or substitute Mark. All rights in and goodwill from the use of the Marks accrue to us and our affiliates, as applicable, and not you.

The following table sets forth the list of our principal Marks and the status of applications filed (if any) with the U.S. Patent and Trademark Office for the Principal Register to protect the principal Marks.

Mark	App. Number	Filing Date
THE ORIGINAL HOT CHICKEN	97674794	11/12/2022
	97674801	11/12/2022
INKED TACOS	97693372	11/28/2022
INKED TACOS A TATTOO TAQUERIA	97693394	11/28/2022
	97744344	1/6/2023
	97744351	1/6/2023
	Not filed	Not filed

We do not have a federal registration for our principal trademarks. Therefore, our trademarks do not have as many legal benefits and rights as a federally registered trademark. If our right to

use any trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

We license the Marks from TOHC IP LLC under an Intellectual Property License Agreement dated April 28, 2023 (the "License Agreement"). The term of the License Agreement will continue for a term of 99 years unless sooner terminated as provided in the License Agreement. The License Agreement may be terminated by mutual agreement of the parties, or by TOHC IP LLC if we default on any obligations, or cease to be an affiliate of TOHC IP LLC. The termination of the License Agreement will impact only our ability to use the Marks to grant new franchises going forward, but you and our other existing Franchisees and Area Representatives will not be affected in the event the License Agreement terminates or expires during the term of your franchise. Certain applications for the Marks were filed in the name of our affiliate Global Equity Holdings LLC and cannot be transferred to TOHC IP LLC during the application process, but such affiliate has licensed those Marks to TOHC IP LLC on substantially the same terms as the License Agreement, granting TOHC IP LLC the right to sublicense the same to us on the terms contemplated by the License Agreement, and has committed to transfer the Marks to TOHC IP LLC as promptly as practical. Except as described above, no agreement significantly limits our rights to use or sublicense the Marks in a manner material to the franchise.

All required affidavits of use will have been filed in a timely manner. There is presently no effective determination of the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor any pending infringement, opposition or cancellation proceeding or any pending material litigation involving our principal Marks.

We know of no superior rights or infringing uses that could materially affect your use of the Marks in any state. You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and you may not communicate with any person other than us and our and our affiliates' attorneys, regarding any infringement, challenge, or claim. We and/or our affiliates may take the action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding or other administrative proceeding from the infringement, challenge or claim or otherwise concerning any Mark. You must sign the documents and take the actions that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in the Marks. We will reimburse you for your reasonable costs of taking any action that we have asked you to take, if you have timely notified us of the proceeding, and complied with our directions in responding to it.

You must not contest, or assist any other person in contesting, the validity of our and our affiliates' ownership of the Marks. Your use of the Marks and any goodwill established by that use are exclusively for our and TOHC IP LLC's benefit.

Under the Franchise Agreement and Area Representative Agreement, we must indemnify you against, and reimburse you for, all damages for which you are held liable in any proceeding in which your use of any Mark in compliance with the Franchise Agreement and Area Representative Agreement is held to constitute trademark infringement, and for all reasonable costs you incur in the defense of any claim brought against you or in any proceeding in which you are named as a party, only if you have timely notified us of the claim or proceeding and comply with our directions in responding to the proceeding, up to the amount of the Initial Franchise Fee or Area Representative Fee that you paid us, as applicable. At our option, we and/or TOHC IP LLC may defend and control the defense of any proceeding from your use of any Mark under the Franchise Agreement and the Area Representative Agreement.

Item 14.

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any patents that are material to the franchise. We have not filed any patent applications that are material to the franchise.

We and/or our affiliates claim copyrights in the Brand Standards Manual, all Franchise System Websites, any or all of the design elements contained within the Marks, and other advertising or marketing materials used in operating any Area Representative Business, Restaurant, and the Franchise System. We have not registered these copyrights with the United States Copyright Office. There currently are no effective adverse determinations of the United States Copyright Office or any court regarding these copyrighted materials. No agreement limits our right to use or allow others to use these copyrighted materials, other than the License Agreement with TOHC IP LLC. We know of no infringing uses of our copyrighted materials which could materially affect your use of them. We need not protect or defend our copyrighted materials, although we intend to do so if we determine that it is in the Franchise System's best interests. We may control any action involving copyrighted materials, even if you voluntarily bring the matter to our attention. We need not participate in your defense nor indemnify you for damages or expenses in a proceeding involving any copyrighted materials.

Our copyrighted materials include information that we and our affiliates deem confidential and proprietary (some of which constitutes trade secrets under applicable law) (the "Confidential Information"), including: (1) training programs and materials; (2) the Brand Standards Manual; (3) Area Representative Standards; (4) market research and marketing strategies, including expansion strategies and targeted demographics; (5) specifications for, products, services and suppliers including menu recipes and ingredients; (6) any software or technology which is proprietary to us or the Franchise System, including digital passwords and identifications and any source code of, and data and reports generated by the software or similar technology; (7) the operating results and financial performance of Restaurants, including your Model Restaurant, or area representative businesses, including your Business; (8) customer data, such as customer names, addresses, telephone numbers, e-mail addresses, buying habits, preferences, demographic information and related information, and any other information contained from time to time in the Computer System; and (9) any other information designated as confidential or proprietary.

You may not use our Confidential Information in an unauthorized manner. You must adopt and implement procedures to prevent unauthorized use or disclosure of Confidential Information, including restricting its disclosure to personnel of your Business and Model Restaurant and certain other people and using non-disclosure and non-competition agreements with those having access to Confidential Information in a form determined by us. We may regulate the form of agreement that you use and be a third party beneficiary of that agreement with enforcement rights. All Confidential Information is owned by us and you must only use Confidential Information for the promotion of your Business and Model Restaurant. You will not use or sell Confidential Information to any third parties and you will comply with all applicable laws governing the use and protection of Confidential Information.

All ideas, concepts, techniques, or materials relating to your Business or Model Restaurant created by you, your owners, or your employees (or for you, your owners, or your employees), whether or not protectable intellectual property, must be promptly disclosed to us and will be our sole and exclusive property, part of the Franchise System, and works made-for-hire for us. To the extent that any item does not qualify as a "work made-for-hire" for us, you must assign ownership of that item, and all

related rights, to us and agree to take whatever action (including signing assignment or other documents) we request to evidence our ownership or to help us obtain intellectual property rights.

We have the sole right to all telephone numbers, directory listings, and/or any other type of contact information or directory listing for your Business and Model Restaurant or that you use in the operation or promotion of your Business and Model Restaurant (the “Contact Information”). The Contact Information may be used only for your Business and Model Restaurant in accordance with the applicable Area Representative Agreement or Franchise Agreement and our Area Representative Standards and Brand Standards. We reserve the right to notify any telephone company, listing agencies, website hosting company, domain registrar, social network, and any other third-party owning or controlling any Contact Information, if any information relating to your Business or Model Restaurant is inaccurate or violates our Area Representative Standards or Brand Standards, and request that they modify such Contact Information, and/or remove such Contact Information until it can be corrected.

Item 15.

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

If you are an Entity, you must identify one of your owners who is a natural person with at least a 10% ownership interest and voting power in you (you “Principal Owner”). We must approve the person that will be your Principal Owner. The Principal Owner must be authorized to deal with us on your behalf for all matters that may arise with respect to your Business, Model Restaurant, Area Representative Agreement and/or your Franchise Agreement. Any decision made by the Principal Owner will be final and binding on you and we will be entitled to rely solely on the decision of the Principal Owner without discussing the matter with any other party. We will not be held liable for any actions based on any decisions or actions of the Principal Owner.

You (or if you are conducting business as an Entity, your Principal Owner) must supervise the management and day-to-day operations of your Business and Model Restaurant on a full-time basis and continuously exert best efforts to promote and enhance your Business and Model Restaurant and the goodwill associated with the Marks. If you do not (or if you are conducting business as an Entity, your Principal Owner does not) wish to supervise the day-to-day operation of your Business and/or Model Restaurant, then you must obtain our approval of any management level employee and/or other person, agent, or management company that you wish to engage to supervise the management of your Business and Model Restaurant (your “Approved Manager”). We may establish conditions for approving any such Approved Manager, which may include the completion of training, confirmation that it will have no competitive business activities, and/or execution of a non-disclosure agreement or other covenants we require. During any period in which no Approved Manager is approved (including because the Approved Manager resigns or otherwise indicates to us or you that he or she wishes to cease acting as your Approved Manager, or we disapprove of your Approved Manager for any reason), you (or if you are conducting business as an Entity, your Principal Owner) must supervise the day-to-day operations of your Business and Model Restaurant. Your Business and Model Restaurant must always be under the direct supervision of one or more person(s) whom we have approved.

We have the right but not the obligation to enter the Premises and assume your Model Restaurant’s management, or to appoint a third party to assume its management, for any period of time we deem appropriate, if: (1) you abandon or fail actively to operate your Model Restaurant; (2) you fail to comply with any provision of your Franchise Agreement or any Brand Standard and do not cure the

failure within the time period we specify in our notice to you; or (3) your Franchise Agreement expires or is terminated and we are transitioning your Model Restaurant operations to us or another person we designate, or determining whether to do so. All funds from your Model Restaurant's operation while it is under our or our designee's management will be kept in a separate account, and all expenses will be charged to this account. If we or our designee assume your Model Restaurant's management, you must pay us (in addition to the Royalty Fee, Brand Fund Contributions, and other amounts due to us or our affiliates) our then-current fee (currently, 5% of Gross Sales per day) for such management services, plus our or our designee's direct out-of-pocket costs and expenses.

If you are an Entity, your direct and indirect owners must personally guarantee your obligations under the Area Representative Agreement and Franchise Agreement, as applicable, and must agree to be bound personally by every contractual provision, including all obligations to pay us money, and all covenants not to compete, not to disparage, and to protect confidential information. This Guaranty and Assumption of Obligations is attached as Exhibit B to the Franchise Agreement and the Area Representative Agreement, as applicable. In addition, if these owners are married, their spouse may have to consent in writing to the Guaranty and Assumption of Obligations.

We may require that any employee, agent, or independent contractor that you hire and that will have access to Confidential Information to execute a non-disclosure and non-competition agreement we approve to protect the Confidential Information. We may regulate the form of non-disclosure agreement that you use and to be a third-party beneficiary of those agreements with independent enforcement rights.

Item 16.

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Area Representative Business

Your Business must offer and sell only Unit Franchises for the Restaurant models we approve ("Sales Services") and offer the support services to Unit Franchises that we authorize ("Support Services"). The Support Services may include any or all of the services that we are required to perform for Franchisees under a Franchise Agreement. Subject to certain exclusions and limitations described in your Area Representative Agreement, you will earn commissions on the initial franchise fee ("Sales Commission"), royalty fees ("Royalty Commission"), and transfer fees ("Transfer Commission") that we receive from Franchisees in your territory, provided that we actually collect such fees without holdback, escrow, deferral, or other restriction on use. The amount of those commissions may vary depending on the specific factual circumstances, such as that you meet certain criteria to qualify for the commissions, our collection of the underlying fees from Franchisees, and/or any waiver, restructuring, negotiations, or other terms we agree on with Franchisees. Your Area Representative Agreement will describe the specific terms and conditions for all commissions. Subject to your right to receive commissions, nothing prevents or restricts us from selling Unit Franchises in your Territory, or providing any Support Services to Franchisees, including Unit Franchises in your Territory.

You may not negotiate any terms or conditions of the Franchise Agreement on our behalf. You are not authorized to execute a Franchise Agreement and/or any other documents or instruments on our behalf, including any non-binding agreements. You may not, and you must cause your affiliates, owners, representatives, employees or agents not to, execute any agreement, side letter, instrument, or other document with any prospective Franchisees (including any non-binding agreements), and/or accept

any funds, fees, or deposits of any kind (including refundable amounts) from any prospective Franchisees, without our prior written approval.

Neither you nor any of your employees or representatives may offer or solicit any Unit Franchise sales in the Territory until we have expressly notified you that such activities are permitted under applicable laws, as determined by us. You must immediately cease and cause your employees and representatives to immediately cease all activity in any or all of the Territory if we at any time notify you that such activities would not be permitted or advisable under applicable laws, as determined by us. You may use only the franchise disclosure documents and other documents and materials as we designate to solicit prospective Franchisees and/or otherwise conduct services, in each case, in strict compliance with our instructions for use and all applicable laws.

Your Model Restaurants

You must offer and sell at your Model Restaurant the products and services that we periodically specify. You will offer and sell the approved products and services only in the manner and at the locations we have prescribed and will not sell any products or services wholesale or through alternative channels of distribution (including, the internet or retail stores) without our approval. You may not offer or sell any products or services we have not approved (including any delivery, catering or other off-site or ghost kitchen services we have not authorized) at any location. If we at any time disapprove a product or service, you will immediately discontinue selling and offering that product or service at your Model Restaurant. Your Model Restaurant will provide services and sell products only on the days and during the hours we approve.

We may require you to offer and provide delivery, catering, and/or other off-site services. We may also require you to act as a ghost kitchen, to fulfill orders for other brands with whom we have partnerships. If we require you to offer and provide such services, you must bring your Model Restaurant into compliance with our Brand Standards for such services within 60 days from receiving our notice, including by purchasing or leasing any necessary Operating Assets, making any required changes to signage and advertising materials, and updating your Computers System to include any software, hardware or other equipment necessary to offer such services. We may limit the geographic area in which you may offer delivery, catering and/or any other off-site services, and we may modify that geographic area from time to time (and such geographic area may be different from your Protected Territory). If we specify a geographic area in which you may offer and provide delivery, catering and/or other off-site services, you agree not to offer or provide such services outside of that area. If we at any time (including after our initial approval) determine that you fail to meet our Brand Standards for providing any products or services that we require (including delivery, catering and/or ghost kitchen services), we may permanently or temporarily terminate your right to offer such products or services (in addition to our right to terminate your Franchise Agreement for default).

Unless prohibited by applicable law, we may periodically set a maximum or minimum price that you may charge for products and services offered by your Model Restaurant. If we impose such a maximum or minimum price for any product or service, you must ensure that customer pricing at your Model Restaurant complies with such minimum and maximum pricing standards. The designated maximum and minimum prices for the same product or service may be the same. For any product or service for which we do not impose a maximum or minimum price, we may require you to comply with an advertising policy adopted by us which will prohibit you from advertising any price for a product or service that is different than our suggested price. Although you must comply with any advertising

policy we adopt, you will not be prohibited from selling any product or service at a price above or below the suggested price unless we impose a maximum price or minimum price.

Item 17.

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

PROVISION	SECTION IN AGREEMENTS	SUMMARY
(a) Length of the franchise term	Section 1B in Area Representative Agreement	Term of the Area Representative Agreement is 5 years.
	Section 1B in Franchise Agreement	Term of the Franchise Agreement is 10 years.
(b) Renewal or extension of the term	Section 12 in Area Representative Agreement	If you satisfy all the conditions specified below, you may acquire one successive term of 5 years.
	Sections 14 in Franchise Agreement	If you satisfy all the conditions specified below, you may acquire one successive term of 10 years.
(c) Requirements to renew or extend	Section 12 in Area Representative Agreement	To obtain a successor franchise, you must: (i) give us notice no less than 180 days before expiration (but not more than 540 days before); (ii) substantial compliance with the Area Representative Agreement; (iii) you and we agree on a Development Quota for the successor term, and you pay us our then-current ongoing area representative fee for each Restaurant in that Development Quota; (iv) sign our then-current Area Representative Agreement, which may materially differ from your current Area Representative Agreement; (vi) sign general releases and other ancillary agreements (subject to state law); and (vii) we are offering developer rights in your market area.
	Sections 14 in Franchise Agreement	To obtain a successor franchise, you must: (i) give us notice no less than 180 days before expiration (but not more than 540 days before); (ii) have

PROVISION	SECTION IN AGREEMENTS	SUMMARY
		substantially complied with the Franchise Agreement and Brand Standards during the term, (iii) maintain possession of and agree to remodel and/or expand your Model Restaurant, add or replace improvements or Operating Assets, and otherwise modify your Model Restaurant, or secure and develop a new premises we approve, (iv) sign our then-current Franchise Agreement, which may materially differ from your current Franchise Agreement, (v) you and your owners sign (if state law allows) general releases, (vi) you pay a renewal fee, and (vii) we offer franchises in your geographic market at the time of your notice.
(d) Termination by franchisee	Section 13A in Area Representative Agreement; Section 15A in Franchise Agreement	You may terminate the Franchise Agreement or Area Representative Agreement if you are in full compliance with the applicable agreement and we materially breach the agreement and do not cure the default within 30 days after notice from you, or, if we cannot correct the failure within 30 days, we fail to give you reasonable evidence of our effort to correct the failure within 30 days after your notice (subject to state law).
(e) Termination by franchisor without cause	Section 13C in Area Representative Agreement Franchise Agreement	We may terminate the Area Representative Agreement for any reason or no reason; provided that we pay you the buy-out price as provided in the Area Representative Agreement. We may not terminate the Franchise Agreement without cause.
(f) Termination by franchisor with cause	Section 13B in Area Representative Agreement; Section 15B in Franchise Agreement	We may terminate the Franchise Agreement and/or Area Representative Agreement if you or your owners commit one of several violations.

PROVISION	SECTION IN AGREEMENTS	SUMMARY
(g) "Cause" defined — curable defaults	<p>Section 13B in Area Representative Agreement</p> <p>Section 15B in Franchise Agreement</p>	<p>Curable defaults under the Area Representative Agreement: (i) 10 days to cure violations of laws (unless otherwise stated); (ii) 10 days to cure failure to pay us or our affiliates any amounts owed; (iii) 10 days to cure insurance requirements; (iv) 30 days to cure any other failure to comply with the Area Representative Agreement or any Area Representative Standard; and (vii) 180 days to identify replacement franchisee for any Opened Restaurant which closed for its failure to meet Brand Standards.</p> <p>Curable defaults under the Franchise Agreement: (i) 10 days to pay past due amounts owed to us, (ii) applicable cure period to pay past due amounts owed third-parties, (iii) 24 hours to cure health and safety violations, (iv) 10 days to cure any insurance requirements; (v) 30 days to cure an attachment, seizure, warrant, writ, or levy on your Model Restaurant, or any order appointing a receiver, trustee, or liquidator on a substantial part of your property; and (vi) 30 days to cure a breach of any other provision or obligation under the Franchise Agreement, or applicable cure period (if any) under any other agreement between you (and your affiliates) and us (and our affiliates).</p>

<p>(h) "Cause" defined — non-curable defaults</p>	<p>Section 13B in Area Representative Agreement</p>	<p>Non-curable defaults under the Area Representative Agreement: (i) material misrepresentation or omission; (ii) failure to complete Initial Training Program; (iii) failure to operate Model Restaurant in compliance with Area Representative Agreement and applicable Franchise Agreement (iv) abandonment or failure to actively operate your Business for 14 days during 12-month period; (v) failure to meet Development Quota; (vi) false or misleading reports; (vii) the total number of Opened Restaurants is lower than 90% of the total number of Opened Restaurants (viii); unauthorized transfers; (ix) conviction of or no contest plea to a felony or other crime; (x) fail maintain required insurance; (xi) dishonest or unethical conduct affecting your Business’s goodwill or reputation; (xii) unauthorized use or disclosure of Confidential Information; (xiii) failure to pay taxes; (xiv) 3 defaults within a 12-month period (even if cured); (xv) bankruptcy or similar proceeding; (xvi) violation of any anti-terrorism law; or (xvii) termination of any other area representative agreement or franchise agreement between you or your affiliates and us or any of our affiliates.</p>
	<p>Section 15B in Franchise Agreement</p>	<p>Non-curable defaults under the Franchise Agreement: (i) material misrepresentations or omissions; (ii) failure to develop and open your Model Restaurant by deadline; (iii) failure to sign Lease and Lease Rider by deadline; (iv) abandonment; (v) unapproved transfers; (vi) failure to complete training; (vii) conviction (or pled guilty or no contest) to an indictable or hybrid offense; (viii) default or termination of Lease or loss of right to occupy the Premises; (ix) unauthorized use or disclosure of Confidential Information; (x) immediate health or safety risks, (xi) failure to have sufficient funds in your account 3 or more times in 12 months; (xii) failure to correctly state your Model Restaurant’s Gross Sales 3 or more times or by more than 3%; (xiii) assignment for the benefit of creditors, (xiv) terrorist activities, (xv) breach agreement on three or more occasions (including, receiving a below average or unsatisfactory grade on 3 or more mystery shopper examinations or data security audit) in 12 months, and (xvi) violation of</p>

PROVISION	SECTION IN AGREEMENTS	SUMMARY
		non-competition, non-interference or non-disparagement covenants.
(i) Franchisee's obligations on termination/non-renewal	<p>Section 14 in Area Representative Agreement</p> <p>Section 16 in Franchise Agreement</p>	<p>Under the Area Representative Agreement, you must (i) pay outstanding amounts; (ii) cease operating business; (iii) remove all signage, unless we are buying your Business; (iv) cease using Marks; (v) cease to identify yourself as an Area Representative; (vi) cease using Contact Information and Online Presences or transfer to us; (vii) return Confidential Information and turn over lists of prospective Franchisees; (viii) comply with de-identification standards; and (ix) comply with the post-term non-compete provisions.</p> <p>Under the Franchise Agreement, you must (i) pay all amounts due within 15 days; (ii) de-identify your Model Restaurant, unless we are acquiring it from you; (iii) close your Model Restaurant for business; (iv) cease using the Marks and Franchise System; (v) cease identifying yourself as a current or former franchisee; (vi) cease using and, at our direction, transfer or assign full control of all Contact Information and Online Presences used in the operation of your Model Restaurant to us; (vii) comply with all laws and Brand Standards and applicable law for closure of your Model Restaurant; (viii) return to us or destroy any and all Confidential Information; (ix) at our option, sell or assign to us your rights in the Premises and the assets used in the business; and (x) comply with the post-term non-compete provisions. You must also pay us Lost Revenue Damages if we terminate for your breach, or you terminate other than as permitted under the Franchise Agreement.</p>
(j) Assignment of contract by franchisor	Section 11A in Area Representative Agreement; Section 13A in Franchise Agreement	There is no restriction on our right to assign.

PROVISION	SECTION IN AGREEMENTS	SUMMARY
(k) “Transfer” by franchisee — defined	Section 11B in Area Representative Agreement; Section 13B in Franchise Agreement	Any voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition, including transfer by reason of merger, consolidation, issuance of additional securities, death, disability, divorce, insolvency, encumbrance, foreclosure, surrender or by operation of law of: (i) your Franchise Agreement or Area Representative Agreement; (iii) your Model Restaurant or Business (or any right to receive all or a portion of your profits or losses or capital appreciation); (iv) substantially all of the assets of your Model Restaurant or Business; or (v) any direct or indirect ownership interest in you.
(l) Franchisor approval of transfer by franchisee	Section 11B in Area Representative Agreement; Sections 13B in Franchise Agreement	You may not conduct any transfer or attempt to conduct any transfer without our prior written approval.
(m) Conditions for franchisor approval of transfer	Sections 11B and 11C in Area Representative Agreement; Sections 13B and 13C in Franchise Agreement	<p>If you wish to transfer the Franchise Agreement or Area Representative Agreement to an Entity that you own 100% of the equity of, and you are in full compliance with the applicable agreement, our consent will not be required, but: (i) you must transfer all Business operations and assets to such Entity, (ii) that Entity must conduct no business other than your Business, (iii) that Entity must expressly assume all of your obligations under the Franchise Agreement and/or Area Representative Agreement (as applicable); (iv) you must provide us with all organizational documents for the new Entity; and (v) you must reimburse us for all direct costs we incur in connection with the transfer.</p> <p>For any other transfers, we will not approve a transfer unless you: (i) you submit an application for the transfer, and provide all information we request about transfer, transferee, and transferee owners, and each satisfy our requirements; (ii) you provide us executed versions of all agreements with the transferee; (iii) you execute all transfer documents we require, including a general release of claims against us and our affiliates, (iv) you and your owners have not violated any provision of your agreements with us during the prior 60-day period (including payment of monetary obligations); (v) the transferee and its managers complete the Initial Training Program; (vii) all necessary notices and approvals from third parties are received (as</p>

PROVISION	SECTION IN AGREEMENTS	SUMMARY
		<p>applicable); (viii) transferee signs our then-current Franchise Agreement and/or Area Representative Agreement and other documents, provisions of which may differ materially from those contained in the agreement you signed; (ix) the transferee or its owners sign our then-current form of personal guaranty, (x) you pay a transfer fee; (xi) transferee financing is subordinate to the Franchise Agreement; (xii) if you are an Area Representative, the transferee acquires any and all Restaurants that you and your affiliates operate in the Territory, including your Model Restaurant and satisfies the conditions to transfer under the applicable Franchise Agreement (xii) you correct existing deficiencies in your Business and/or Model Restaurant(s) (as applicable) of which we notify you and/or the transferee agrees to upgrade or remodel your Business and/or Model Restaurant for which we may require transferee to escrow an amount we approve for the payment of this upgrade or remodel; and (xii) you provide evidence that all other appropriate measures have been taken to transfer operations of your Business and Model Restaurant(s) to transferee.</p>
(n) Franchisor's right of first refusal to acquire your business	Section 11E in Area Representative Agreement; Section 13D in Franchise Agreement	We have a 30-day right of first refusal to match offers (and an additional 60 days to close on the transaction).
(o) Franchisor's option to purchase your business	Section 13C in Area Representative Agreement Section 16E in Franchise Agreement	<p>We may terminate your Area Representative Agreement at any time, with 90 days' notice, causing you to lose your Business, if we pay you a specified buy-out price calculated as: (i) refund of any unused Area Representative Fees; and (ii) your Royalty Commission on Opened Restaurants in the last 12 months multiplied by 3.5x (or if you have not been in operation for at least 12 months, based on system-wide Franchisees).</p> <p>We may purchase your Model Restaurant at fair market value upon the termination or expiration of the Franchise Agreement. We may exercise this right by giving you written notice of our election within 30 days after the termination or expiration.</p>

PROVISION	SECTION IN AGREEMENTS	SUMMARY
(p) Your death or disability	Section 11F in Area Representative Agreement; Section 13E in Franchise Agreement	Upon death or disability of you (or any of your owners), such person’s executor, administrator, conservator, guardian, or other personal representative must transfer the ownership interest to an individual we have approved within 9 months of the date of death or disability. We may assume your Model Restaurant’s management or appoint an interim manager to operate your Model Restaurant.
(q) Non-competition covenants during the term of the franchise	Section 10A in Area Representative Agreement; Section 12A in Franchise Agreement	Neither you nor your direct or indirect owners may have an ownership interest in or perform services for a Competitive Business located anywhere. “Competitive Business” means any business (excluding any other Restaurants you operate) operating, or granting franchises or licenses to others to operate, a restaurant or other food business deriving more than 15% of its revenue from the sale of: (i) chicken menu items or recipes, including chicken tenders, sandwiches, nuggets, or other chicken menu items or products; (ii) traditional Mexican inspired menu items or recipes, including tacos and nachos, and/or (iii) other products or services substantially similar in concept or cuisine as those products and services offered by Restaurants.
(r) Non-competition covenants after the franchise is terminated or expires	Sections 14D in Area Representative Agreement Sections 16F in Franchise Agreement	Neither you nor your direct or indirect owners may have an ownership interest in or perform services for a Competitive Business located or operating within the Territory, or within a 10-mile radius of the Territory for 2 years after termination or expiration (or after transfers, for the transferor). Neither you nor your direct or indirect owners may have an ownership interest in or perform services for a Competitive Business located or operating at the Premises, within a 15-mile radius of the Premises, or within a 10-mile radius of any other Restaurant for 2 years after termination or expiration of your agreements with us (or after transfers, for the transferor).
(s) Modification of the agreement	Section 16K in Area Representative Agreement; Section 18I in Franchise Agreement	No modification unless by written agreement of both parties, but Brand Standards Manual, Brand Standards, Area Representative Standards, and certain fees, are subject to change at any time.

PROVISION	SECTION IN AGREEMENTS	SUMMARY
(t) Integration/ merger clause	Section 17 in Area Representative Agreement; Section 18N in Franchise Agreement	Only the written terms of the Franchise Agreement, Area Representative Agreement, and other related written agreements are binding (subject to state law). However, nothing in the Franchise Agreement or Area Representative Agreement is intended to disclaim the representations we made in the Disclosure Document that we furnished to you.
(u) Dispute resolution by arbitration or mediation	Section 16E and 16F in Area Representative Agreement; Sections 18A and 18B in Franchise Agreement	Either of us may initiate a mediation proceeding by notifying the other in writing. Regardless of who initiates the mediation, the mediation will be conducted at a location in or within 50 miles of our then-principal place of business (currently, Atlanta, Georgia) (subject to state law, if applicable) unless we agree upon a mutually acceptable alternative location. Regardless of whether mediation has been initiated, all disputes between us must be submitted for binding arbitration to the American Arbitration Association on demand of either party. We and you must arbitrate all disputes at a location in or within 50 miles of our then-principal place of business (currently, Atlanta, Georgia) (subject to state law, if applicable).
(v) Choice of forum	Section 16H in Area Representative Agreement; Section 18C in Franchise Agreement	You must sue us in the state or federal court closest to our then-current principal place of business (currently, Atlanta, Georgia) (subject to state law, if applicable).
(w) Choice of law	Section 16G in Area Representative Agreement; Section 18D in Franchise Agreement	Except for the Federal Arbitration Act and other federal law, the law of the State of Delaware governs (subject to state law).

Item 18.

PUBLIC FIGURES

We do not use any public figure to promote the franchise system.

Item 19.

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a

franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Sunny Ashman, our Head of Franchise Development and Training, 2859 Paces Ferry Road, Suite 412, Atlanta, Georgia 30339, (404) 499-1960, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20.

OUTLETS AND FRANCHISEE INFORMATION

AREA REPRESENTATIVE BUSINESSES

**TABLE NO. 1
SYSTEMWIDE OUTLET
SUMMARY FOR YEARS 2020 TO 2022**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
Company Owned or Managed	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
Total	2020	0	0	0
	2021	0	0	0
	2022	0	0	0

TABLE NO. 2
TRANSFERS OF OUTLETS FROM AREA REPRESENTATIVES TO NEW OWNERS
(OTHER THAN FRANCHISOR OR AN AFFILIATE)
FOR YEARS 2020 TO 2022

State	Year	Number of Transfers
All States	2020	0
	2021	0
	2022	0
Totals	2020	0
	2021	0
	2022	0

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2020 TO 2022

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
All States	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Totals	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0

TABLE NO. 4
STATUS OF COMPANY-OWNED
OUTLETS FOR YEARS 2020 TO 2022

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
All States	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Totals	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0

**TABLE NO. 5
PROJECTED OPENINGS FOR 2023**

State	Area Representative Agreements Signed But Not Opened	Projected New Franchised Openings	Projected New Company-Owned Openings
All States	0	0	0
Totals	0	0	0

RESTAURANTS

**TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2020 TO 2022**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
Company Owned or Managed ¹	2020	0	0	0
	2021	0	0	0
	2022	0	1	1
Total	2020	0	0	0
	2021	0	0	0
	2022	0	1	1

1. Company Restaurants are operated by our affiliate(s).

**TABLE NO. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO
NEW OWNERS (OTHER THAN FRANCHISOR OR AN AFFILIATE)
FOR YEARS 2020 TO 2022**

State	Year	Number of Transfers
All States	2020	0
	2021	0
	2022	0
Totals	2020	0
	2021	0
	2022	0

**TABLE NO. 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2020 TO 2022**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
All States	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Totals	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0

**TABLE NO. 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2020 TO 2022**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Georgia	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
Totals	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1

**TABLE NO. 5
PROJECTED OPENINGS FOR 2023**

State	Franchise Agreements Signed But Not Opened	Projected New Franchised Openings	Projected New Company-Owned Openings
Florida	0	1	0
Georgia	0	1	0
Totals	0	2	0

Exhibit E-1 contains a list of the names, addresses and telephone numbers of our current Area Representatives and Franchisees as of May 31, 2023 (our 2023 fiscal year end); and Exhibit E-2 contains a list of the names and last known address and telephone number of each Area Representative and Franchisee who had an Area Representative Agreement or Franchise Agreement terminated, cancelled, not renewed or who otherwise voluntarily or involuntarily ceased to do business under the

Area Representative Agreement or Franchise Agreement during the most recently completed fiscal year, or who had not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to buyers when you leave the franchise system.

No Area Representative or Franchisee has signed confidentiality agreements during the last 3 fiscal years restricting its ability to speak openly about its experience with our Franchise System. We are not aware of any trademark-specific franchisee organizations associated with our Franchise System.

Item 21.

FINANCIAL STATEMENTS

Exhibit D contains our audited opening balance sheet as of March 15, 2023. We have only been operating since the date of this Disclosure Document, and therefore cannot provide all financial statements required by the FTC Rule. Our fiscal year ends on May 31 of each year.

Item 22.

CONTRACTS

The following contracts are attached as exhibits to this Disclosure Document:

- Exhibit B-1 – Area Representative Agreement
- Exhibit B-2 – Franchise Agreement
- Exhibit B-3 – Sample General Release
- Exhibit B-4 - Representations Statement
- Exhibit F - State Riders and Addenda

Item 23.

RECEIPTS

Exhibit G contains detachable documents acknowledging your receipt of this Disclosure Document.

EXHIBIT A

STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

EXHIBIT "A"

STATE ADMINISTRATORS

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

CALIFORNIA

Department of Financial Protection &
Innovation:
Toll Free: 1 (866) 275-2677

Los Angeles

Suite 750
320 West 4th Street
Los Angeles, California 90013
(213) 576-7505

Sacramento

2101 Arena Blvd.
Sacramento, California 95834
(916) 445-7205

San Diego

1455 Frazee Road, Suite 315
San Diego, California 92108
(619) 610-2093

San Francisco

One Sansome Street, Suite 600
San Francisco, California 94104
(415) 972-8559

CONNECTICUT

State of Connecticut
Department of Banking
Securities and Business Investments Division
260 Constitution Plaza
Hartford, CT 06103
Phone: (860) 240-8230

GEORGIA

Corporations Division
2 Martin Luther King Jr. Dr., Suite 315
Atlanta, GA 30334-1530
404-656-2817

HAWAII

(state administrator)

Business Registration Division
Securities Compliance Branch
Department of Commerce
and Consumer Affairs
P.O. Box 40
Honolulu, Hawaii 96810
(808) 586-2722

(agent for service of process)

Commissioner of Securities of the State of
Hawaii
Department of Commerce and Consumer
Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS

Franchise Bureau
Office of the Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA

(state administrator)

Indiana Secretary of State
Securities Division, E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

(agent for service of process)

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

LOUISIANA

State of Louisiana
Secretary of State
8585 Archives Ave
Baton Rouge, LA 70809
225-925-4704

MARYLAND

(state administrator)

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

(agent for service of process)

Maryland Securities Commissioner
at the Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

MICHIGAN

(state administrator)

Michigan Attorney General’s Office
Consumer Protection Division
Attn: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48909
(517) 373-7177

(agent for service of process)

Michigan Department of Commerce,
Corporations and Securities Bureau
P.O. Box 30054
6546 Mercantile Way
Lansing, Michigan 48909

MINNESOTA

(state administrator)

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1600

(agent for service of process)

Commissioner of Commerce
Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1600

NEW YORK

(state administrator)

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8236 Phone
(212) 416-6042 Fax

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Attention: New York Secretary of State
New York Department of State
One Commerce Plaza,
99 Washington Avenue, 6th Floor
Albany, NY 12231-0001
(518) 473-2492

NORTH CAROLINA

North Carolina Secretary of State
2 South Salisbury Street
Raleigh, North Carolina 27601-2903
(919) 814-5344

NORTH DAKOTA

(state administrator)

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol - Fifth Floor
Bismarck, North Dakota 58505
(701) 328-4712

(agent for service of process)

Securities Commissioner
600 East Boulevard Avenue
State Capitol - Fifth Floor
Bismarck, North Dakota 58505
(701) 328-4712

OREGON

Department of Business Services
Division of Finance & Corporate Securities
350 Winter Street, NE, Room 410
Salem, Oregon 97310-3881
(503) 378-4387

RHODE ISLAND

Department of Business Regulation
Division of Securities
John O. Pastore Complex
Building 69-1
1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9645

SOUTH DAKOTA

Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

VIRGINIA

(state administrator)

State Corporation Commission
Division of Securities
and Retail Franchising
1300 East Main Street, Ninth Floor
Richmond, Virginia 23219
(804) 371-9051

(agent for service of process)

Clerk, State Corporation Commission
1300 East Main Street, First Floor
Richmond, Virginia 23219
(804) 371-9733

WASHINGTON

(state administrator)

Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, Washington 98507-9033
(360) 902-8760

(agent for service of process)

Director
Department of Financial Institutions
Securities Division
150 Israel Road, S.W.
Tumwater, Washington 98501

WISCONSIN

(state administrator)

Securities and Franchise Registration
Wisconsin Department of Financial Institutions
4022 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-1064

(agent for service of process)

Office of the Secretary
Wisconsin Department of Financial Institutions
P.O. Box 8861
Madison, Wisconsin 53708-8861
(608) 261-9555

EXHIBIT B-1

AREA REPRESENTATIVE AGREEMENT



THE ORIGINAL HOT CHICKEN & INKED TACOS

AREA REPRESENTATIVE AGREEMENT

AREA REPRESENTATIVE

TERRITORY DESCRIPTION

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EXHIBITS

- EXHIBIT A ENTITY INFORMATION
- EXHIBIT B GUARANTY AND ASSUMPTION OF OBLIGATIONS
- EXHIBIT C TERRITORY & DEVELOPMENT QUOTA

AREA REPRESENTATIVE AGREEMENT

THIS AREA REPRESENTATIVE AGREEMENT (the “**Agreement**”) is made and entered into by and between **TOHC FRANCHISING LLC**, a Delaware limited liability company, with its principal business address at 2859 Paces Ferry Road, Suite 412, Atlanta, Georgia 30339 (“**we**,” “**us**,” or “**our**”), and _____, a _____ whose principal business address is _____ (“**you**” or “**your**”) as of the date signed by us on the signature page of this Agreement (the “**Effective Date**”).

1. GRANT OF FRANCHISE.

1A. BACKGROUND

(1) We and our affiliates have developed (and continue to develop and modify) a franchise system to establish, operate and promote distinctive restaurants featuring: (a) southern-style hot chicken tenders and sandwiches, chicken and waffles, and other products and services under the name “The Original Hot Chicken” and (b) traditional, Mexican-inspired, tacos, nachos, and other products and services under the name “Inked Tacos” (each a “**Restaurant**”).

(2) We and our affiliates use and promote, and license others to use and promote, certain trademarks, service marks and other commercial symbols in operating Restaurants, which have gained and will continue to gain public acceptance and goodwill, and we and our affiliates may create, use, and license other trademarks, service marks and commercial symbols to identify the Restaurants in the future (collectively, the “**Marks**”).

(3) Restaurants will offer the services and goods we authorize, and use our distinctive and proprietary business formats, business system, methods, procedures, signs, designs, layouts, standards, specifications, and the Marks, all of which we may improve, substitute, further develop, or otherwise modify from time to time (collectively, the “**Franchise System**”).

(4) We grant franchises for Restaurants to persons who meet our qualifications and are willing to undertake the investment and effort to own and operate Restaurants (“**Franchisees**”) pursuant to our then-current form of Franchise Agreement (including any exhibits, riders, guarantees, or other supporting documents we then-require) (“**Franchise Agreement**”).

(5) You wish to solicit franchise sales on our behalf and provide certain development and support services to Franchisees, within a defined geographic area, and we are willing to grant you such rights to operate a business under the terms and conditions contained in this Agreement (your “**Business**”).

1B. GRANT OF AREA REPRESENTATIVE RIGHTS.

Subject to this Agreement’s terms, we hereby grant you the right (the “**Area Representative Rights**”) to act as our authorized representative within the geographic area described in the attached **Exhibit C** (the “**Territory**”) to (i) solicit and promote franchise sales within the Territory, and (ii) render those certain services and discharge those certain obligations that we may designate from time to time for Opened Restaurants (as defined in Section 2A), for a term beginning on the Effective Date and expiring five (5) years from the Effective Date (the “**Term**”). You agree at all times

faithfully, honestly, and diligently to perform your obligations under this Agreement and to use your best efforts to promote the sale of Franchises in the Territory.

1C. BUSINESS ENTITIES.

If you are a corporation, limited liability company, or general or limited partnership, or other form of legal business entity (collectively, an “**Entity**”), you agree and represent that **Exhibit A** to this Agreement presents complete and accurate information about such Entity as of the Effective Date. You also agree and represent that you are validly existing and in good standing under the laws of the state of your incorporation or formation, and have the authority to execute this Agreement, and perform your obligations under this Agreement. You agree to maintain organizational documents at all times that state that this Agreement restricts the issuance and transfer of any of your ownership interests, and all certificates and other documents representing your ownership interests will bear a legend referring to this Agreement’s restrictions.

You must identify one of your owners on **Exhibit A** who is a natural person with at least a ten percent (10%) ownership interest and voting power in you to act as your “**Principal Owner**”. You acknowledge and agree that your Principal Owner is authorized to deal with us on your behalf for all matters whatsoever that may arise with respect to your Business and/or this Agreement. Any decision made by the Principal Owner will be final and binding on you and we will be entitled to rely solely on the decision of the Principal Owner without discussing the matter with any other party. We will not be held liable for any actions based on any decisions or actions of the Principal Owner. You represent and agree that the person acting as your Principal Owner has full power and authority to enter into this Agreement and any other documents to which you are a party, and to make binding decisions on your behalf. The execution and delivery by your Principal Owner of this Agreement has been duly authorized by all requisite corporate action.

Each of your owners and their respective spouses must execute a guaranty in the form we prescribe, agreeing to be personally bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us and/or our affiliates. Our current form of guaranty is attached hereto as **Exhibit B**.

1D. TERRITORIAL RIGHTS.

The Area Representative Rights may only be exercised within the Territory. Subject to your continued compliance with this Agreement and all other agreements with us and our affiliates, during the Term, neither we nor any of our affiliates will offer or grant any other person Area Representative Rights in the Territory. Other than the rights described in the preceding sentence for the Territory, we and our affiliates retain all rights with respect to the offer and grant of Area Representative Rights, the placement of Restaurants, the operation of all businesses using the Marks, the sale of the same, similar, or dissimilar products and services, and any other business activities in any manner or in any location whatsoever, including the right to:

- (1) grant Area Representative Rights using the Marks and the Franchise System, at any location outside the Territory, on such terms and conditions we deem appropriate;
- (2) establish and operate, and grant others the right to establish and operate, any other type of business of any kind under trade names, trademarks, service marks and commercial symbols other than the Marks, at any location, including in the Territory, and

including any business that may offer products and services which are identical to, similar to, or competitive with products and services offered by Restaurants, and/or similar to or competitive with Area Representative Rights;

(3) establish and operate, and grant others the right to establish and operate Restaurants at any location, including in the Territory (subject to your right to receive Sales Commissions, as applicable under this Agreement);

(4) to conduct Sales Services and/or Support Services, and/or otherwise use the Marks or Franchise System to solicit prospective Franchisees and/or support, manage, or operate the franchise system, in any location, including in the Territory (subject to your right to receive Sales Commissions or Royalty Commissions, as applicable under this Agreement);

(5) be acquired by or acquire (regardless of the form of transaction), any other business, including any business that establishes or operates, or grants others the right to establish and operate businesses similar to, the same, or competitive with Area Representative Rights or Restaurants, at any location, including in the Territory; and in the event of such an acquisition, the acquirer and its affiliates will have the right to continue to such business, at any location, including in the Territory; and

(6) to engage in all other activities not expressly prohibited by this Agreement.

2. EXERCISE OF AREA REPRESENTATIVE RIGHTS.

2A. DEVELOPMENT QUOTA.

You agree to satisfy the minimum development quota set forth in **Exhibit C** to this Agreement (“**Development Quota**”). The determination of whether you have satisfied your Development Quota will be based on the number of Restaurants that are open and operating on a full-time basis in the Territory in compliance with an effective Franchise Agreement with us (“**Opened Restaurants**”) by the end of each period described on **Exhibit C** (each a “**Development Period**”). You agree that during the Term, in addition to meeting your Development Quota, you must at all times faithfully, honestly, and diligently perform your obligations hereunder and will continuously exert your best efforts to promote and enhance the development and operation of Restaurants within the Territory, the goodwill of the Marks, and to fully exploit the Area Representative Rights throughout the Territory. You further acknowledge and agree that satisfaction of the Development Quota does not automatically mean you have complied with your obligations hereunder.

You acknowledge and agree that we have granted you the Area Representative Rights under this Agreement in the Territory exclusively conditioned on your satisfaction of the Development Quota. Therefore, if you fail to comply with the Development Quota as of the end of any Development Period, in addition to terminating this Agreement under Section 13 and asserting any other rights we have under this Agreement as a result of such failure, we may elect to terminate your protections in the Territory or reduce the Territory to a lesser area that we determine.

2B. MODEL RESTAURANT

You must develop and open no fewer than one Restaurant in your Territory by the first anniversary of the Effective Date pursuant to our then-current form of Franchise Agreement (your “**Model Restaurant**”). Beginning on the earlier of the date you open your Model Restaurant, or the first anniversary of the Effective Date, you must own and operate no fewer than one Model Restaurant, in full compliance with a Franchise Agreement with us, at all times during the Term. You must utilize such Model Restaurant for the purposes of marketing Franchises within the Territory and providing Sales Services and Support Services to Franchisees within the Territory. Your Model Restaurants will count towards your Development Quota.

2C. COMPLIANCE WITH FRANCHISE LAWS

You acknowledge and agree that the offer and sale of franchises and the ongoing relationship with Franchisees is subject to certain federal, state, agency, and self-regulatory laws, regulations, rules, guidelines, orders, and other requirements (“**Franchise Laws**”). You agree to cooperate with all of our and our affiliates’, representatives’ and agents’ efforts and strategies relating to compliance with applicable Franchise Laws in the Territory. You acknowledge and agree that, notwithstanding the Term of this Agreement and/or your Development Quota, neither you nor any of your employees or representatives may conduct any Sales Services in the Territory until we have expressly notified you notice that such activities are permitted under applicable Franchise Laws, as determined by us. You must immediately cease and cause your employees and representatives to immediately cease all Sales Services and/or Support Services in any or all of the Territory if we at any time notify you that such activities would not be permitted or advisable under applicable Franchise Laws, as determined by us. You may use only the franchise disclosure documents and other documents and materials as we designate to solicit prospective Franchisees and/or otherwise conduct the Sales Services, in each case, in strict compliance with our instructions for use and all applicable Franchise Laws. You must promptly prepare, forward, and/or execute any and all documents, materials, information or other forms that we deem are necessary or prudent for us or our affiliates to comply with applicable Franchise Laws, and/or mitigate the risk of claims relating to your activities in the Territory. You agree to review all information pertaining to you and your activities in the Territory prepared to comply with applicable Franchise Laws and verify its accuracy if we so request. We reserve the right to charge you a portion of the costs of preparing, registering, and/or otherwise administering our legal compliance efforts to the extent that we have incurred such costs in connection with you and/or the activities you conduct in the Territory.

2D. ADVERTISING, RECRUITING, AND SCREENING.

You are responsible for advertising, recruiting, screening, and interviewing prospective Franchisees within the Territory. You may not solicit prospective Franchisees or offer franchises for Restaurants in any location other than the Territory. You must provide prospective Franchisees with approved written information regarding franchises or communicate information regarding franchises via e-mail, telephone, face-to-face meetings, or visits to other Restaurants within the Territory. You must submit each applicant for a franchise (“**Applicant**”) to us for approval. You must submit to us or our designated affiliate each franchise application you receive. Each application must contain all information respecting the Applicant, the Applicant’s owner(s), if applicable, the Applicant’s proposed franchise location, if known, and all other information we then customarily require concerning Applicants, including such financial statements, background/credit authorizations, and other information as we may require. You may not use the services of any third-party broker to offer

or sell Restaurant franchises unless we grant you our prior approval to use such broker. You agree to notify us promptly after hiring any employees that will be soliciting or offering franchises for Restaurants, and/or having interactions with prospective Franchisees and Applicants. For the purposes of this Agreement, all services you provide related to promoting franchise sales, interacting with prospective Franchisees, and screening Applicants, are referred to as “**Sales Services**”.

Notwithstanding anything to the contrary in this Agreement, we may at any time elect to perform Sales Services in the Territory, subject to your right to collect the Sales Commission for any new Opened Restaurant. You acknowledge and agree that we have no obligation to conduct any advertising or franchise sales efforts in your Territory.

2E. APPROVAL OF PROSPECTIVE FRANCHISEES.

We will notify you of our approval or disapproval of Applicants to become Franchisees. We will endeavor to deliver such notification to you within ten (10) business days after the later of: (a) receipt of a complete application, financial statements, and other materials regarding the Applicant requested by us; (b) the personal interview of Applicant by us or our designated affiliate, if any; and/or (c) any other screening protocol that we establish or require of Applicants from time to time. We may refuse to grant a franchise to an Applicant in our sole discretion for any reason whatsoever. The grant of the franchise will be affected only upon and after the full execution of a Franchise Agreement by us and the Applicant. You may not negotiate any terms or conditions of the Franchise Agreement on our behalf. You are not authorized to execute a Franchise Agreement and/or any other documents or instruments on our behalf, including any non-binding agreements. You may not, and you must cause your affiliates, owners, representatives, employees or agents not to execute any agreement, side letter, instrument, or other document with any Applicant (including any non-binding agreements), and/or accept any funds, fees, or deposits of any kind (including refundable amounts) from any Applicant, without our prior written approval.

2F. SUPPORT SERVICES.

You must perform those certain ongoing support services that we may designate from time to time for each Opened Restaurant within the Territory, in accordance with our Area Representative Standards (defined in Section 7A) (the “**Support Services**”), including:

(1) Assisting with site selection for Franchisees, including facilitating site submission packages which will be reviewed and approved or rejected by us;

(2) Providing Franchisees our mandatory specifications, standards, operating procedures, and rules that we periodically prescribe for operating Restaurants in general or any Restaurant in particular (collectively, the “**Brand Standards**”), including requirements for dimensions, design, image, interior layout, decor, operating assets, color scheme, approved and designated products and vendors, and interior decorating services;

(3) If we request that you provide our then-current initial training program to each Franchisee and such additional persons as provided in the applicable Franchise Agreement, plus additional training and refresher courses we periodically require for Franchisees (“**Training Services**”); provided, that regardless of whether you provide Training Services to Franchisees, you must nonetheless offer guidance, assistance and support to Franchisees in the ordinary course of business on an ongoing basis;

(4) Provide advice and assistance to Franchisees in connection with the opening of Restaurants, and on an ongoing basis in connection with the development, operation, and improvement of their Restaurants, including support in complying with all applicable Brand Standards, supply chain management, use and display of signage and branding, participation in customer service, loyalty, and similar customer programs, use of third-party vendors or partners for technology or other services, and/or any other aspects of operating a Restaurant;

(5) Provide Franchisees access to advertising and promotional materials as we may periodically develop, and provide guidance on marketing practices;

(6) Meet with each Franchisee at least one time per calendar quarter (or such other intervals as we designate from time to time), whether in person or virtually, to establish and review performance goals and strategies; and

(7) Visit each Restaurant at least one time per calendar month (or such other intervals as we designate from time to time) to review, inspect, or meet with the Franchisee, in accordance with our Brand Standards for inspections, audits, and support.

If we determine at any time that any Opened Restaurant is not in full compliance with its Franchise Agreement, including all of our Brand Standards, we may require you to provide additional Support Services, additional inspections, or otherwise take actions that we deem necessary to assist us, our affiliate, or the applicable Franchisee to bring such Restaurant back into compliance. If we notify you of any additional Support Services that we require you to provide, you must promptly provide such Support Services according to our Area Representative Standards.

Notwithstanding anything in this Agreement to the contrary, we may elect at any time to perform any of the Support Services ourselves or through any other agent or designee, for one or all Franchisees in your Territory, for any reason. In such an instance, we may require you to cease providing such Support Services except in accordance with our instructions.

2G. APPROVAL OF RESTAURANT OPENING.

We will approve or disapprove the grand opening of all Restaurants in the Territory after we receive a final grand opening report from you indicating that you believe such Restaurant is ready to open, and you provide us all photographs, schematics, invoices, and other materials we request as evidence that the Restaurant is ready to open in accordance with our then-current Brand Standards. We will determine whether the Restaurant is approved to open in our sole discretion based on our then-applicable criteria, which may change from time to time. We may refuse to grant a Restaurant the right to open, in our sole discretion for any reason, and we will inform you of the deficiencies that need to be corrected for such Restaurant to be approved to open.

3. PAYMENTS TO US.

3A. AREA REPRESENTATIVE FEE.

Upon execution of this Agreement, you must pay us an initial fee in consideration for your Area Representative Rights in the amount equal to \$10,000 multiplied by the number of Restaurants in your Development Quota (the “**Area Representative Fee**”). The Area Representative Fee is fully earned by us on the Effective Date and is nonrefundable. You must pay us the Area Representative

Fee by wire transfer of immediately available funds to an account we designate, or by any other method we specify. You acknowledge that the Area Representative Fee does not include payment of any initial franchise fees for any franchises you acquire or payment for any other amounts which may be owed by you to us or our affiliates in connection with your Business.

3B. ONGOING AREA REPRESENTATIVE FEE.

If you have met your Development Quota, but you wish to develop additional franchises in your Territory, you must pay us a development fee equal to \$10,000 for each additional franchise you would propose to develop in your Territory (the “**Ongoing Area Representative Fee**”). You must pay us the Ongoing Area Representative Fee no later than the date that the Franchisee executes a Franchise Agreement for a Restaurant that, if opened, would result in more than your Development Quota of Opened Restaurants being operated in your Territory. The Ongoing Area Representative Fee is fully earned by us upon receipt and is nonrefundable once paid.

3C. INTEREST ON LATE PAYMENTS.

All amounts that you owe us for any reason will bear interest accruing as of their original due date at the lesser of 2% per month or the maximum rate of interest permitted by law. We may debit your bank account automatically for service charges and interest. You acknowledge that this Section 3C is not our agreement to accept any payments after they are due or our commitment to extend credit to you or finance the operation of your Business.

3D. METHOD OF PAYMENT.

You must make all payments due under this Agreement in the manner we designate, and you agree to comply with all of our payment instructions, including that we reserve the right to require you to establish automatic debit payments from your business account subject to terms we approve, and in such case, you must ensure that funds are available in your designated account to cover our withdrawals. If there are insufficient funds in your designated account or any payment you make to us is rejected, we may charge you our then-current insufficient funds fee for each instance.

You must pay us all fees and amounts you owe us or our affiliates under this Agreement on the days and at the intervals that we specify. We may change the timing and frequency of any such payments from time to time, but with no less than 30 days’ prior written notice to you.

3E. TECHNOLOGY FEE.

We may require you to pay a fee to us, or a service-provider we designate (which may be one of our affiliates) for technology related services, including website or email hosting, help desk support, software or website development, enterprise solutions and other services (your “**Technology Fee**”). We may modify the amount of your Technology Fee. You must pay the Technology Fee at the times, and in the manner, designated by the provider of such services. We may require you to enter into a written agreement with the provider of any technology services, with terms and conditions we approve or require. The amount of your Technology Fee may be determined in part by factors that are unique to your Business. You acknowledge and agree that different area representatives may pay different Technology Fees based on the peculiarities of their businesses.

4. PAYMENTS TO YOU.

4A. SALES COMMISSIONS.

During the Term, provided you have complied with all of your obligations under this Agreement, we will pay you a sales commission (the “**Sales Commission**”) for each instance in which: (a) a Franchisee executes a Franchise Agreement with us for a new Restaurant in the Territory (and not the transfer of an existing Restaurant), and (b) the initial franchise fee has been paid in full by such applicable Franchisee and actually received by us. The amount of the Sales Commission will be 40% of the initial franchise fee actually paid by the Franchisee. Sales Commissions will be payable to you in two installments, as follows: (1) 50% of the Sales Commission will be paid to you within 30 days after we receive the full and final payment of the initial franchise fee from the Franchisee; and (2) 50% of the Sales Commission will be paid to you upon the opening of the respective Restaurant in compliance with the applicable Franchise Agreement.

4B. ROYALTY COMMISSIONS.

During the Term, you will be paid a monthly commission (the “**Royalty Commission**”), equal to 33% of the royalty fees actually received by us from each Franchisee of an Opened Restaurant in the Territory. For the avoidance of doubt, royalty fees do not include any amounts paid to us or our affiliates for advertising, technology, or other fees or amounts contemplated by the applicable Franchise Agreement, or arising from our sale of products or services to Franchisees. If an Opened Restaurant on which you are paid Royalty Commission is transferred to another Franchisee approved by us, you will continue to receive Royalty Commissions during the Term for so long as such Restaurant continues to qualify as an Opened Restaurant after the transfer.

4C. TRANSFER COMMISSION.

If an Opened Restaurant in your Territory is transferred by an existing Franchisee during the Term to a new Franchisee, which is not us or our affiliates and/or an existing Franchisee, and the sale results in the payment of a transfer fee to us, then you will be paid a commission equal to 25% of the net transfer fee actually received by us, after deduction of our direct out-of-pocket costs processing such transfer (including legal costs) (“**Transfer Commission**”). The Transfer Commission is payable on the later of: (a) 30 days after we receive the full and final payment of the applicable transfer fee; or (b) 30 days after the final satisfaction of all our conditions to the applicable transfer.

4D. COLLECTION AND WAIVER OF FEES.

For the purposes of this Agreement, all calculations of initial franchise fees, royalty fees, or transfer fees, will be made in accordance with the terms of the applicable Franchise Agreement between us and the Franchisee. All such fees will counted towards the calculation of Sales Commission, Royalty Commission, and Transfer Commission, as applicable, strictly to the extent that we have actually collected and recognized such amounts as revenue from the applicable Franchisee, without holdback, escrow, deferral, set-off, encumbrance, or other restriction on use.

We reserve the right to waive or reduce a Franchisee’s initial franchise fee, royalty fees, or transfer fee without prior notice to you, or approval from you. If we waive or reduce any or all Franchisee’s fees, at all times during such waiver or reduction, applicable Sales Commission, Royalty Commission, and Transfer Commission owed to you will be proportionately reduced. We

have no obligation to pursue any action against Franchisees or otherwise seek to collect payments from Franchisees that are past due. We will make all determinations about pursuing amounts due from Franchisees and/or waiving or restructuring such amounts in our sole discretion.

If we pay any partial or total refund of any initial franchise fees, royalty fees, or transfer fees, whether voluntarily or involuntarily, including pursuant to a settlement or any court or arbitration award, for a Franchisee that has signed a Franchise Agreement in the Territory for which you have received a Sales Commission, Royalty Commission, and Transfer Commission, as applicable, we will be entitled to collect from you, and you agree to pay us on demand, a proportional amount of such refund from the applicable amounts that we have paid you.

If any Franchisee pays us less than all the fees and/or other amounts it owes us and our affiliates, we may apply such amounts to any outstanding balance we determine.

4E. COMMISSION EXCLUSIONS.

Notwithstanding anything in this Agreement to the contrary, you will not be entitled to share in or receive any full or partial:

(1) Sales Commissions, Transfer Commission, or Royalty Commissions for any Restaurants outside of the Territory, including any Restaurant that was previously located in the Territory and is re-located outside of the Territory during the Term;

(2) Sales Commissions or Royalty Commissions for any Restaurants operated by us or our affiliates, even if such Restaurants are located within the Territory, including any Restaurant transferred to us by a Franchisee during the Term;

(3) Royalty Commissions for any Opened Restaurants within the Territory for which we have assumed the Support Services after you fail to comply with any of our Area Representative Standards with respect to the provision of your Support Services; or

(4) Royalty Commissions for any Opened Restaurant that ceases to operate or for which the Franchise Agreement is terminated by us or our affiliates, although you will receive all amounts which have accrued to you as of the effective date of such termination.

4F. SETOFFS.

You will not be allowed to set off amounts owed to us or our affiliates for fees or other amounts due under this Agreement against any monies owed to you by us or our affiliates, which right of set off is hereby expressly waived by you. We and our affiliates will be allowed to set off against amounts owed to you under this Agreement any monies owed to us or our affiliates by you under the terms of this Agreement or any other agreement between you or your affiliates and us or our affiliates.

5. TRAINING AND ASSISTANCE

5A. INITIAL AND ONGOING TRAINING.

We will provide you (or if you are conducting business as an Entity, your Principal Owner) and 1 management-level employee (which must be your Approved Manager, if applicable) (your “**Key Personnel**”) training in the material aspects of the Area Representative Standards and other information about exercising Area Representative Rights (the “**Area Representative Training Program**”). You may invite additional management-level employees to attend the Area Representative Training Program if space allows, and such employees attend training at the same time as you (or your Principal Owner). Your Key Personnel must complete the Area Representative Training Program to our satisfaction before you begin conducting your Business. We are only obligated to provide the Area Representative Training Program one time. If you wish us to offer the Area Representative Training Program to your or any of your affiliates again in the future for any reason, we may charge you our then-current training fee for each individual we agree to train. We may elect not to provide the Training Program again for any reason.

We will determine the identity and composition of the trainer(s) conducting all portions of the Area Representative Training Program in our discretion. We will provide the Area Representative Training Program at the times and locations we determine, which may include conducting any portion of the Area Representative Training Program virtually. We will also determine the length and content of the Area Representative Training Program. We may vary the Area Representative Training Program based on the experience and skill level of the individual(s) attending. Scheduling of the Area Representative Training Program is based on your and our availability. If any of your Key Personnel fail to satisfactorily complete the Area Representative Training Program, then we may require such person(s) to attend additional training at a time and location of our choice, and we will charge you our then-current training fee for such additional training. If you and your Key Personnel complete the Area Representative Training Program to our satisfaction and have not expressly informed us at the end of the Area Representative Training Program that they do not feel sufficiently trained in the operation of the Business, then you and your Key Personnel will be deemed to have been trained sufficiently to operate a Restaurant.

If you appoint a new Approved Manager at any time, or your Principal Owner changes at any time, he or she must attend the then-current Area Representative Training Program within thirty (30) days of appointment and you must pay our then-current training fee for such attendance. If we at any time during the Term determine that any of your Key Personnel are unable to satisfactorily supervise and fulfill their duties at your Restaurant, we may require such persons to cease providing services at your Restaurant until they complete additional training, and you must pay our then-current training fee for such attendance in any additional training we provide.

You are responsible for providing a training program for all your employees who have not attended Area Representative Training Program. All employees must satisfactorily pass a training program that meets our minimum criteria prior to providing services in connection with your Business.

We may require you and your Key Personnel and/or certain other employees of your Business to attend various training courses, trade shows, ongoing education, or certification programs, and/or webinars at the times and locations designated by us, including courses and programs provided by third-parties we designate. Besides attending these training courses, programs,

and events, we may additionally require you and/or any of your Key Personnel to attend periodic meetings of franchise owners or managers. These meetings will be held at our discretion and at locations we designate.

You agree to pay all travel and living expenses (including, wages, transportation, food, lodging, and workers' compensation insurance) that you and your Key Personnel or any other employee incurs during any and all meetings and/or training courses and programs. You are also responsible for the travel and living expenses and out-of-pocket costs we incur in sending our trainer(s) to your area to conduct local training, including food, lodging and transportation.

5B. GENERAL GUIDANCE.

Subject to limitations on scheduling, availability, and similar resources, we may provide you general advice and supplemental resources from time to time in support of your Business' operation, including regarding practices for Franchisee support, Restaurant operations, Area Representative Standards and Brand Standards, and other assistance as we may deem reasonably required. If you request, and we agree to provide, additional or special guidance, assistance, or training, we may charge you our then-applicable fee, including our personnel's per diem charges and travel and living expenses. You understand and agree that any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which we may discontinue and modify from time to time.

6. INTELLECTUAL PROPERTY

6A. YOUR LICENSE.

We grant you a non-exclusive license to use the Marks and the Franchise System to operate your Business, subject to the terms of this Agreement. Your right to use the Marks and the Franchise System is derived only from this Agreement. You may use the Marks and the Franchise System only for your Business, and only according to this Agreement and in accordance with all Area Representative Standards and Brand Standards. You have no right to sublicense or assign your right to use the Marks or the Franchise System. **YOU ACKNOWLEDGE THAT OUR MARKS MAY NOT BE FEDERALLY REGISTERED WHEN YOU SIGN THIS AGREEMENT, WHICH WILL MEAN THAT YOU HAVE FEWER RIGHTS TO THE MARKS, AND/OR MAY BE REQUIRED TO CHANGE THE MARKS IN THE FUTURE.**

6B. USE OF MARKS.

You agree at all times to faithfully, honestly, and diligently promote the Marks in connection with operating your Business. You agree to identify yourself as the independent owner of your Business in the manner we prescribe. You may not use any Mark (1) as part of any corporate or legal business name; (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you); (3) in selling any unauthorized services or products; (4) as part of any website, domain name, email address, social media account, other online presence or presence on any electronic medium of any kind ("**Online Presence**"), except in accordance with our Area Representative Standards and/or Brand Standards; (5) in advertising any prospective transfer that would require our approval under this Agreement; or (6) in any other manner that we have not expressly authorized in writing. You agree to give the notices of trademark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law. You

may not use any other trademarks, service marks or commercial symbols other than the Marks to identify or operate your Business.

6C. OWNERSHIP AND GOODWILL OF MARKS.

We and/or our affiliates are the sole and exclusive owners of the Marks and the Franchise System, and all goodwill arising from the Marks and the Franchise System. Your unauthorized use of the Marks or the Franchise System is a breach of this Agreement and infringes our and our affiliates' intellectual property rights. Your unauthorized use of the Marks or the Franchise System will cause us and our affiliates irreparable harm for which there is no adequate remedy at law and will entitle us and our affiliates to injunctive relief. You acknowledge and agree that your use of the Marks and the Franchise System and any goodwill established by that use are exclusively for our and affiliates' benefit and this Agreement does not confer any goodwill or other interests in the Marks and the Franchise System to you or your affiliates, other than the right to operate your Restaurant under this Agreement. All provisions of this Agreement relating to the Marks and the Franchise System apply to any changes and/or additions to the Marks or the Franchise System that we authorize from time to time. You may not at any time during or after the Term contest or assist any other person in contesting the validity of the Marks or the Franchise System or our or affiliates' rights to the Marks or the Franchise System.

6D. NOTIFICATION OF INFRINGEMENTS AND CLAIMS.

You agree to notify us immediately of any apparent infringement or challenge to your use of any Mark or component of the Franchise System, or of any person's claim of any rights in any Mark or component of the Franchise System, and not to communicate with any person other than us, our attorneys, and your attorneys, regarding any possible infringement, challenge, or claim. We and/or our affiliates may take any action we deem appropriate (including no action) and exclusively control any litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark or the Franchise System. You agree to sign any documents and take any other reasonable action that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in any litigation or other proceeding or otherwise to protect and maintain our interests in any Mark and the Franchise System. We will reimburse you for your reasonable documented out-of-pocket costs for taking any action that we have asked you to take.

6E. CHANGES TO THE MARKS AND FRANCHISE SYSTEM.

You understand that the Marks and the Franchise System may evolve over time, including after you sign this Agreement. If we decide to modify, substitute, add or discontinue the use of any Marks or the Franchise System, you agree to make such modifications and updates as we specify and to comply with all other directions we give regarding the use of the Marks and the Franchise System in connection with your Business within a reasonable time after receiving notice from us, at your sole expense. We are not required to reimburse you for any costs or expenses associated with making such changes, promoting a modified or substitute Mark, or for any loss of revenue due to any modification to the Marks or the Franchise System.

6F. INDEMNIFICATION FOR USE OF MARKS.

We agree to reimburse you for all damages and expenses that you incur in responding to any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement, if you have timely notified us of the proceeding, and complied with our directions in responding to it and are otherwise in compliance with the terms and conditions of this Agreement. At our option, we and/or our affiliates may defend and control the defense of any proceeding arising from your use of any Mark under this Agreement. Our liability under this Section 6F will be limited to an aggregate amount not to exceed the amount actually collected by us from you as the Area Representative Fee.

7. OPERATING YOUR BUSINESS

7A. AREA REPRESENTATIVE STANDARDS.

We may establish certain mandatory specifications, standards, operating procedures, and rules that we periodically prescribe for your Business, including the Support Services, Sales Services, and/or Training Services (together, the “**Area Representative Standards**”). You agree to conduct your Business in full compliance with our Area Representative Standards, as we may modify, replace, amend, substitute, or add to them from time to time during the Term. You agree to implement any changes to the operation of your Business necessary to comply with updated or new Area Representative Standards within the time period we request, including implementing new technology solutions, and/or modifying your procedures for inspecting, supporting or soliciting Franchisees. You acknowledge and agree that we reserve the right to vary Area Representative Standards for area representative based on the peculiarities of any condition that we consider important to that area representative’s successful operation. We may choose not to authorize similar variations or accommodations to you as we do to other area representatives.

The Area Representative Standards may require you to obtain, at your expense, certain products or services to operate your Business, including: (a) advertising materials and services; (b) computer hardware, software, and telecommunications equipment that meet our minimum requirements, including for software and connectivity; and (c) branded collateral such as business cards and stationary. You agree to promptly obtain, maintain, and use any such products or services in compliance with the Area Representative Standards. We may also establish Area Representative Standards for the suppliers of such products or services for your Business, or establish designated, approved, or exclusive suppliers, which may be us or our affiliates.

You acknowledge that we have the sole right to all telephone numbers, facsimile numbers, directory listings, and/or any other type of contact information or directory listing that you use in the operation or promotion of your Business (the “**Contact Information**”). The Contact Information may be used only for your Business in accordance with this Agreement and our Area Representative Standards.

7B. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES.

You must secure and maintain all required licenses, permits, and certificates relating to the operation of your Restaurant and must at all times operate your Business in full compliance with all applicable laws, ordinances, and regulations. You agree to comply and assist us in our compliance efforts with any and all laws and regulations, including those relating to truth in lending, restaurants and food service businesses, safety and sanitation, truth in advertising, occupational hazards, health

and anti-discrimination laws, Executive Orders or otherwise relating to anti-terrorist activities (including the U.S. Patriot Act, Executive Order 13224, and related U.S. Treasury and/or other regulations). In connection with such compliance efforts, you agree not to enter into any prohibited transactions and to properly perform any currency reporting and other activities relating to your Restaurant as may be required by us or by law. You confirm that you are not listed in the Annex to Executive Order 13224 and agree not to hire any person so listed or have any dealing with a person so listed (the Annex is currently available at <http://www.treasury.gov>). You are solely responsible for ascertaining what actions must be taken by you to comply with all such laws, orders and/or regulations, and specifically acknowledge and agree that your indemnification responsibilities as provided in Section 15D (Indemnification) pertain to your obligations hereunder.

You agree to comply with our website privacy policy, as it may be amended periodically. You further agree to comply with any requests to return or delete customer's personal information, whether requested by us or directly by the customer, as required by applicable data sharing and privacy laws.

Your Business must adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct in all dealings with Franchisees, suppliers, us and the public. You agree to refrain from any business or advertising practice which may injure our business and the goodwill associated with the Marks, Restaurants, or Franchise System. Promptly upon receipt, you agree to provide us a copy of any and all notices you receive from any person, entity or governmental authority claiming that you (or your affiliates or representatives) have violated any laws, regulations, permits, licenses, agreements or other committed any other breach, default or violation in connection with your Business, including Franchise Laws, and/or any audit, investigation, or similar proceeding by any such person or governmental authority is pending or threatened against you on the basis of any of the foregoing, including any default notices from any landlord or supplier, any violation notices from a health or safety regulatory board, and any customer complaints alleging violations or law, or which may otherwise adversely affect your operation or financial condition or that of your Business.

7C. MANAGEMENT OF YOUR BUSINESS.

Subject to the terms and conditions of this Agreement, you are solely responsible for the management, direction and control of your Business. You (or if you are conducting business as an Entity, your Principal Owner) must supervise the management and day-to-day operations of your Business on a full-time basis and continuously exert best efforts to promote and enhance the Franchise System and the goodwill associated with the Marks.

If you do not (or if you are conducting business as an Entity, your Principal Owner does not) wish to supervise the day-to-day operation of your Business, then you must obtain our approval of any management level employee and/or other person, agent, or management company that you wish to engage to supervise the management of your Business (your "**Approved Manager**"). We may establish conditions for approving any such Approved Manager in our discretion, which may include the completion of training, confirmation that it will have no competitive business activities, and/or execution of a non-disclosure agreement or other covenants we require.

During any period in which no Approved Manager is approved (including because the Approved Manager resigns or otherwise indicates to us or you that he or she wishes to cease acting as your Approved Manager, or we disapprove of your Approved Manager for any reason), you (or if you are conducting business as an Entity, your Principal Owner) must supervise the day-to-day

operations of your Business. Your Business must always be under the direct supervision of one or more persons who we have approved.

7D. INSURANCE.

During the Term you must maintain in force at your sole expense the types and amounts of insurance that we require and that comply with the terms of your lease. We reserve the right to require you to obtain all or a portion of your insurance policies from a designated vendor and on the terms and according to the specifications we approve. The liability insurance must cover claims for bodily and personal injury, death, and property damage caused by or occurring in connection with your Business' operation or activities of your personnel in the course of their employment. All of these policies must contain the minimum coverage we prescribe from time to time and must have deductibles not to exceed the amounts we specify. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverages (including reasonable excess liability insurance) at any time. These insurance policies must be purchased from licensed insurers having a rating of "A/VIII" or higher by the then-current edition of Best Insurance Reports published by A.M. Best Company (or other similar publication or criteria we designate).

Each insurance policy for liability coverage must name us and any affiliates we designate as additional named insureds, using a form of endorsement that we have approved, and provide for 30 days' prior written notice to us of a policy's material modification, cancellation or expiration. Each insurance policy must contain a waiver of all subrogation rights against us, our affiliates and their successors and assigns. You must furnish us copies of your Certificates of Insurance or other evidence of your maintaining this insurance coverage and paying premiums upon request. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may (but are not required to) obtain such insurance for you and your Business on your behalf, in which event you agree to cooperate with us and reimburse us on demand for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee.

Our requirements for minimum insurance coverage are not representations or warranties of any kind that such coverage is sufficient for your Business' operations. Such requirements represent only the minimum coverage that we deem acceptable to protect our interests. It is your sole responsibility to obtain insurance coverage for your Business that you deem appropriate, based on your own independent investigation. We are not responsible if you sustain losses that exceed your insurance coverage under any circumstances.

7E. YOUR PERSONNEL.

You acknowledge and agree that you are solely responsible for all decisions relating to employees, agents, and independent contractors that you may engage, retain or hire to assist in the operation of your Business. You agree that any employee, agent or independent contractor that you hire will be your employee, agent or independent contractor, and not our employee, agent or independent contractor. You also agree that you are exclusively responsible for the terms and conditions of employment of your employees, including recruiting, hiring, firing, training, compensation, work hours and schedules, work assignments, safety and security, discipline, and supervision. You agree to manage the employment functions of your Business in compliance with federal, state, and local employment laws.

7F. INFORMATION SECURITY.

You must implement all administrative, physical and technical safeguards necessary to protect any information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric or health data, government-issued identification numbers and credit report information (“**Personal Information**”) in accordance with applicable law and industry best practices, including, where required, obtaining necessary consents and making required disclosures. It is entirely your responsibility (even if we provide you any assistance or guidance in that regard) to confirm that the safeguards you use to protect Personal Information comply with all applicable laws and industry best practices related to the collection, access, use, storage, disposal and disclosure of Personal Information. If you become aware of a suspected or actual breach of security or unauthorized access involving Personal Information, you will notify us immediately and specify the extent to which Personal Information was compromised or disclosed. You also agree to follow our instructions regarding curative actions and public statements relating to the breach.

7G. REPORTS.

You must deliver to us and/or our designees a written report of your Business activities at the intervals, and in such form and detail as we may from time to time specify (collectively, the “**Reports**”), including:

- (1) a weekly report of the status of all Sales Services, including a list of all prospective Franchisees, a list of all Applicants, and the status of each such party within the application and sales process;
- (2) a monthly report of your ongoing Support Services in the Territory, including information about the status of any Restaurants under development, projected opening dates for all Restaurants under development, and a description of any additional Support Services that you provided to address any compliance issues;
- (3) a monthly report for each Opened Restaurant, including our then-current form of inspection report, and other reports, photographs and other materials and information we require (collectively, the “**Report Card**”);
- (4) a final grand opening report for each Restaurant, including all other information we then customarily require to determine whether a Restaurant should be approved for opening; and
- (5) submit other periodic reports related to Franchisee activities using procedures and forms prescribed by us.

7H. INSPECTIONS.

You must, through field audits, reviews, and inspections, ascertain that each Opened Restaurant satisfactorily complies with all of the terms and conditions of its Franchise Agreement, and all other Brand Standards. You must promptly notify Franchisee in writing of any deficiencies, with a copy and evaluation report to us, and any associated documents, photos, or other supporting

materials. You understand and acknowledge that this Agreement does not in any manner limit our right to inspect Restaurants and/or ascertain Franchisee compliance in any manner whatsoever. You understand and agree that we have the sole right to: (a) send notices of default to Franchisees, (b) terminate a Franchise Agreement, and (d) take any legal action with respect to any default or any violation of a Franchise Agreement. If you believe that any Franchisee has breached any of the terms of its Franchise Agreement, or is not in compliance with our Brand Standards, you must document all facts related to the alleged non-compliance and notify us immediately of such alleged non-compliance. We have the right to take any action, or no action, as we deem appropriate.

We also have the right to conduct such additional inspections, visits, and other investigations we deem appropriate to determine whether you and your Business are complying with this Agreement and all Area Representative Standards, including that we and our designated agents or representatives may at any time, without notice to our copy to you, request information from or interview any of your Businesses' personnel or representatives, and/or any Franchisee in the Territory. You agree to cooperate with us fully during the course of these inspections and tests.

8. MARKETING

8A. ADVERTISING IN TERRITORY.

You are solely responsible for conducting all advertising to solicit Franchisees for your Business. You must conduct all franchise advertising in any medium we determine, using forms of advertisement we approve. Your advertising, promotion, and marketing must be completely clear, factual, and not misleading and conform to the highest standards of ethical advertising, the Area Representative Standards, and any marketing and the advertising and marketing policies that we prescribe from time to time.

At least 30 days before you intend to use them, you agree to send us samples of all advertising, promotional and marketing materials that you wish to use, that we have previously not approved. If we do not approve of the materials within 14 days of our receipt of such materials, then they will be deemed disapproved. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved. Neither you, nor any of your owners or affiliates, may file any franchise sales advertising materials with any state agencies.

8B. ONLINE PRESENCES.

We may require you to provide notice of any website or other Online Presence associated with the Franchise System in the advertising, marketing, and promotional materials that you develop for your Business in the manner we designate.

We reserve the right to require you to obtain from us and use an email address associated with our registered domain name. If we require you to obtain and use such an email address, you must do so according to our then-current Area Representative Standards. We reserve the right to charge you a fee for each email address we provide you as part of the Technology Fee.

You may not develop, maintain or authorize any Online Presence that mentions your Business and/or any Restaurants, links to any Online Presence that is associated with the Franchise System or displays any of the Marks, or engage in any promotional or similar activities, whether directly or indirectly, through any Online Presence. If we approve the use of any such Online

Presence in the operation of your Business, you will develop and maintain such Online Presence only in accordance with our guidelines, including our guidelines for posting any messages or commentary on other third-party websites, including preparing and linking a privacy policy to such Online Presence that complies with all applicable laws, our Area Representative Standards, and other terms and conditions, that we may prescribe in writing. We will own the rights to each such Online Presence. At our request, you agree to grant us access to each such Online Presence, and to take whatever action (including signing assignment or other documents) we request to evidence our ownership of such Online Presence, or to help us obtain exclusive rights in such Online Presence.

9. CONFIDENTIAL INFORMATION.

In connection with your Area Representative Rights under this Agreement, you and your owners and personnel may from time to time be provided and/or have access to non-public information about the Franchise System and the operation of Restaurants or area representative businesses, including your Business (the “**Confidential Information**”), including: (1) training programs and materials; (2) the Area Representative Standards; (3) market research and marketing strategies, including expansion strategies and targeted demographics; (4) specifications for products, services and suppliers, including menu recipes and ingredients; (5) any software or technology which is proprietary to us or the Franchise System, including digital passwords and identifications and any source code of, and data and reports generated by the software or similar technology; (6) the operating results and financial performance of Restaurants or area representative businesses, including your Business; (7) customer data, such as customer names, addresses, telephone numbers, e-mail addresses, buying habits, preferences, demographic information and related information, and any other information contained from time to time in the computer system; and (8) any other information designated as confidential or proprietary by us.

All Confidential Information will be owned by us. You acknowledge and agree that you will not acquire any interest in Confidential Information, other than the right to use it as we specify in operating your Business during the Term, and that Confidential Information is proprietary, includes our trade secrets, and is disclosed to you only on the condition that you will protect it. You acknowledge that any unauthorized use or disclosure of the Confidential Information would be an unfair method of competition and a breach of trust and confidence and will result in irreparable harm to us and our affiliates. You (and if you are conducting business as an Entity, each of your owners) therefore agree that during and after the Term you will, and to cause each of your respective spouses, immediate family members, affiliates, and assigns to:

- (a) not use the Confidential Information for any purpose other than the development and operation of your Business in accordance with this Agreement;
- (b) keep confidential and not disclose, sell, distribute, or trade the Confidential Information to any person other than those of your employees and representatives who need to know such Confidential Information for the purpose of assisting you in operating the Business in accordance with this Agreement; and you agree that you will be responsible for any violation of this requirement by any of your representatives or employees;
- (c) not make unauthorized copies of any Confidential Information;
- (d) adopt and maintain reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including by establishing reasonable security and

access measures, restricting its disclosure to key personnel, and/or by requiring persons who have access to the Confidential Information to execute a non-disclosure and non-competition that we approve; and

- (e) at our request, destroy or return any of the Confidential Information.

Confidential Information does not include information, materials, knowledge, or know-how, which is lawfully known to the public without violation of applicable law or an obligation to us or our affiliates.

We are not making any representations or warranties, express or implied, with respect to the Confidential Information. We and our affiliates have no liability to you and your affiliates for any errors or omissions from the Confidential Information.

All ideas, concepts, techniques, or materials relating to your Business and/or the Franchise System created by you, your owners or your employees (or for you, your owners or your employees), whether or not protectable intellectual property, must be promptly disclosed to us and will be our sole and exclusive property, part of the Franchise System, and works made-for-hire for us. To the extent that any item does not qualify as a “work made-for-hire” for us, you hereby waive all moral rights in that item, assign ownership of that item, and all related rights to that item, to us and agree to take whatever action (including signing assignment or other documents) we request to evidence our ownership or to help us obtain intellectual property rights in the item.

10. EXCLUSIVE RELATIONSHIP

10A. COVENANTS AGAINST COMPETITION.

You acknowledge that we have granted you certain Area Representative Rights in consideration of and reliance on your agreement to deal exclusively with us. You (and if you are conducting business as an Entity, each of your owners) therefore agree, during the Term, not to and to cause each of your respective current and former immediate family members, affiliates, and each of their agents, employees, representatives, attorneys, successors, and assigns not to:

- (a) have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, lessor, representative, or agent in any Competitive Business (as defined below), wherever located or operating (except that equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);
- (b) perform services or act as a director, officer, manager, employee, consultant, lessor, representative, or agent for a Competitive Business, wherever located or operating; or
- (c) divert or attempt to divert any actual or potential business, Franchisee, Applicant, or customer of the Franchise System, any area representative business, any Restaurant, and/or us or our affiliates to a Competitive Business.

You agree to obtain similar covenants and covenants of confidentiality from your personnel as we specify, including officers, directors, managers and other employees attending our Area

Representative Training Program or having access to Confidential Information. We have the right to regulate the form of agreement that you use and to be a third-party beneficiary of that agreement with independent enforcement rights.

The term “**Competitive Business**” means any business (excluding any Restaurants operated under a franchise agreement with us or our affiliate) operating, or granting franchises or licenses to others to operate, a restaurant or other food business deriving more than 15% of its revenue from the sale of: (i) chicken menu items or recipes, including chicken tenders, sandwiches, nuggets, or other chicken menu items or products; (ii) traditional Mexican inspired menu items or recipes, including tacos and nachos and/or (iii) other products or services substantially similar in concept or cuisine, as those products and services offered by Restaurants.

10B. NON-INTERFERENCE.

During and after the Term, you (and if you are conducting business as an Entity, each of your owners) further agree not to, and to cause your respective current and former immediate family members, affiliates, and each of their agents, employees, representatives, attorneys, successors, and assigns not to interfere or attempt to interfere with our or our affiliates’ relationships with any customers, franchisees, lenders, vendors, or consultants.

10C. NON-DISPARAGEMENT.

During and after the Term, you (and if you are conducting business as an Entity, each of your owners) agree not to, and to cause your respective current and former immediate family members, affiliates, and each of their agents, employees, representatives, attorneys, successors, and assigns not to: (i) disparage or otherwise speak or write negatively, directly or indirectly, of us, our affiliates, any of our or our affiliates’ directors, officers, employees, representatives or affiliates, the “The Original Hot Chicken” or “Inked Tacos” brands, the Franchise System, any Restaurant, any area representative business, any business using the Marks, or any other brand concept operated or franchised by us or our affiliates, or (ii) take any other action which would, directly or indirectly, subject any of the foregoing to ridicule, scandal, reproach, scorn, or indignity, or which would negatively impact or injure the goodwill of the Franchise System or the Marks.

11. TRANSFER.

11A. BY US.

You acknowledge that we maintain a staff to manage and operate the Franchise System and that staff members can change as employees come and go. You acknowledge that you did not sign this Agreement in reliance on the continued participation by or employment of any of our owners, directors, officers, or employees. We may change our ownership or form of organization and/or assign this Agreement and any other agreement to a third party without restriction. After our assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any performance or the other obligations under this Agreement. This Agreement and any other agreement will inure to the benefit of any transferee or other legal successor to our interest in it.

11B. BY YOU.

You acknowledge that the rights and duties this Agreement creates are personal to you and your owners, if you are conducting business as an Entity, and that we have granted you the franchise in reliance on our perception of your and your owners', if you are conducting business as an Entity individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, none of the following may be transferred, mortgaged, pledged, or encumbered, without our prior written approval: (i) this Agreement or any interest in this Agreement; (ii) your Business (or any right to receive all or a portion of your Business' profits or losses or capital appreciation); (iii) substantially all of the assets of your Business; or (iv) any direct or indirect ownership interest in you. A transfer of your Business' ownership, possession, or control, or substantially all of its assets, may be made only with a transfer of this Agreement. Any transfer or attempt to transfer any of the foregoing (including by listing any of the following for sale on any directory or listing) without our approval has no effect. In this Agreement, the term "**transfer**" includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition, including transfer by reason of merger, consolidation, issuance of additional securities, death, disability, divorce, insolvency, encumbrance, foreclosure, surrender or by operation of law.

11C. CONDITIONS FOR APPROVAL OF TRANSFER.

Subject to the other provisions of this Section 11, we will not unreasonably withhold our approval of a transfer that meets all of the following requirements before or concurrently with the effective date of the transfer:

(1) you submit an application in writing requesting our consent and providing us all information or documents we request about the proposed transfer, transferee, and its owners that we request and each such person must have completed and satisfied all of our application and certification requirements;

(2) you provide us executed versions of any documents executed by you (or your owners) and transferee (and its owners) to effect the transfer, and all other information we request about the proposed transfer, and such transfer meets all of our requirements, including terms, closing date, purchase price, amount of debt and payment terms, and we have determined that the purchase price and payment terms of the transfer will not adversely affect the transferee's operation of your Business;

(3) you (and your owners) and the transferee (and its owners) sign all of the documents we are then requiring in connection with a transfer, in a form satisfactory to us, including: (i) a release of any and all claims (except for claims which cannot be released or waived pursuant to an applicable franchise law statute) against us and our affiliates and our and their owners, officers, directors, employees, and agents, and (ii) covenants that you and your transferring owners agree to satisfy all post-termination obligations under this Agreement;

(4) you and your owners have not violated any provision of this Agreement or any other agreement with us or our affiliates during both the sixty (60) day period before you requested our consent to the transfer and the period between your request and the effective date of the transfer, including that you have paid all amounts owed to us, our affiliates, and third-party vendors, and have submitted all required reports and statements;

(5) the transferee and its key personnel satisfactorily complete our then-current Area Representative Training Program;

(6) if the proposed transfer requires notice to or approval of any other third-party, you have taken such appropriate action and delivered us evidence of the same;

(7) the transferee must (if the transfer is of this Agreement or your Business), sign our then-current form of area representative agreement and related documents, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement; provided, however, that the term of the new area representative agreement signed will equal the remainder of the then-remaining Term;

(8) the transferee must (if the transfer is of an ownership interest in you or your owners), and/or any other parties that are direct or indirect owners of the transferee must (if the transfer is of this Agreement or your Business), sign our then-current form of guaranty, agreeing to be personally bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us;

(9) the transferee is simultaneously acquiring any and all Restaurants that you and your affiliates operate in the Territory, including your Model Restaurant, and satisfies our conditions to transfer such Restaurants under their respective Franchise Agreements with us;

(10) other than for a transfer of a non-controlling interest in you, you pay us a transfer fee equal to fifty (50%) of the area representative fee we are then-charging new area representatives of Restaurants, multiplied by the number of Restaurants in your Development Quota;

(11) if you or your owners finance any part of the purchase price, you and/or your owners agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in your Business are subordinate to the transferee's obligation to pay amounts due to us, our affiliates, and third-party vendors related to the operation of the Business and otherwise to comply with this Agreement;

(12) you have corrected any existing deficiencies of your Business of which we have notified you, and/or the transferee agrees to cure such deficiencies in accordance with our then-current requirements and specifications for Businesses within the time period we specify following the date of the transfer and the transferee agrees to escrow an amount we approve to cure such deficiencies; and

(13) you provide us the evidence we reasonably request to show that appropriate measures have been taken to effect the transfer as it relates to the operation of the Business, including, by transferring all necessary and appropriate business licenses, insurance policies, and material agreements, or obtaining new business licenses, insurance policies and material agreements.

We may review all information regarding your Business that you give the transferee, correct or supplement any information that we believe is inaccurate or incomplete, and give the transferee copies of any reports that you have given us or we have regarding your Business.

Our consent to a transfer pursuant to this Section is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of your Business's or transferee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand the transferee's full compliance with this Agreement.

11D. TRANSFER TO A WHOLLY-OWNED ENTITY.

Notwithstanding anything in Section 11B to the contrary, if you enter into this Agreement as an individual, if you are in full compliance with this Agreement, you may transfer this Agreement to an Entity, in which you maintain management control, and of which you own and control 100% of the equity and voting power of all issued and outstanding ownership interests; provided, that (i) that Entity will own all of your Business' assets, and will conduct all of its business, (ii) that Entity will conduct no business other than your Business, (iii) that Entity must expressly assume all of your obligations under this Agreement, (iv) you provide us with all organizational documents for the Entity that we require, and (v) you reimburse us for any direct costs we incur in processing such transfer, including attorneys' fees. You agree to remain personally liable under this Agreement as if the transfer to the Entity did not occur, including by signing a personal guaranty of the obligations of such entity. You must also sign the form of consent to assignment and assignment satisfactory to us which may include a release of any and all claims (except for claims which cannot be released or waived pursuant to an applicable franchise law statute) against us and our affiliates, and our and their owners, officers, directors, employees and agents.

11E. OUR RIGHT OF FIRST REFUSAL.

If you or any of your owners at any time decide to sell any of the following: (i) this Agreement (or any interest in this Agreement); (ii) your Business (or any right to receive all or a portion of your Business' profits or losses or capital appreciation); (iii) substantially all of the assets of your Business; or (iv) any direct or indirect ownership interest in you, you agree to obtain a bona fide executed written offer, relating to the proposed transfer from a responsible and fully disclosed buyer and send to us a true and complete copy of that written offer. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in a dollar amount, and the proposed buyer must submit with its offer an earnest money deposit equal to 5% or more of the offering price. We may also require you to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

We may elect to purchase the interest offered for the price and on the terms and conditions contained in the offer, provided that:

- (1) we notify you or your selling owner(s) that we intend to purchase the interest within thirty (30) days after we receive a copy of the offer and all other information we request;
- (2) we may substitute cash for any form of payment proposed in the offer (such as ownership interests in a privately held entity);
- (3) our credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes, we or our designee may provide promissory notes with the same terms as those offered by the proposed buyer);

(4) we will have an additional sixty (60) days to prepare for closing after notifying you of our election to purchase; and

(5) we must receive, and you and your owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the ownership interests in any Entity, as applicable, including representations and warranties regarding: (a) ownership and condition of and title to ownership interests and/or assets; (b) liens and encumbrances relating to ownership interests and/or assets; and (c) validity of contracts and the liabilities, contingent or otherwise, of the entity whose assets or ownership interests are being purchased.

We have the unrestricted right to assign any or all of this right of first refusal to a third party, who then will have the rights described in this Section 11E.

If we do not exercise our right of first refusal, you or your owners may complete the sale to the proposed buyer on the original offer's terms, but only if we otherwise approve the transfer in accordance with Sections 11B or 11D above, and if you and your owners and the transferee comply with the conditions in Sections 11C above.

If you do not complete the sale to the proposed buyer within sixty (60) days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the terms of the sale (which you agree to tell us promptly), we or our designee will have an additional right of first refusal on the same terms as described above.

11F. YOUR DEATH OR DISABILITY.

On the death or disability of you (or if you are an Entity, any of your owners), such person's executor, administrator, conservator, guardian, or other personal representative must transfer such person's interest in this Agreement, the Business, or ownership interest in you, to a third party (which may be such person's heirs, beneficiaries, or devisees). That transfer must be completed within a reasonable time, not to exceed nine (9) months from the date of death or disability, and is subject to all of the terms and conditions in this Section 11F (except that any transferee that is the spouse or immediate family member of the deceased, will not have to pay the transfer fee described in Section 11C(10) if the transfer meets all the other conditions in Section 11C, and the transferee reimburses us for any direct costs we incur in connection with documenting and otherwise processing such transfer, including reasonable attorneys' fees). The term "disability" means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent such person from fulfilling such person's respective duties under this Agreement, as applicable.

12. EXPIRATION OF THIS AGREEMENT

12A. CONDITIONS FOR RENEWAL.

Upon expiration of the Term, you may renew your Area Representative Rights for one successive term of 5 years, if you meet the following conditions:

(1) you must have given us written notice of your election no more than 540 days and no less than on 180 days before the expiration of the Term;

(2) you and each of your owners have substantially complied with this Agreement and all Area Representative Standards during the Term;

(3) you and your owners sign the area representative agreement and all other ancillary documents and guaranties we then use to grant franchises for Area Representative Rights (modified as necessary to reflect the fact that it is for a renewal franchise), which may contain provisions that differ materially from those contained in this Agreement, including changes to your commission structure;

(4) you and your owners agree to sign, in a form satisfactory to us, a general release of any and all claims (except for claims which cannot be released or waived pursuant to an applicable franchise law statute) against us and our shareholders, officers, directors, employees, agents, successors, and assigns;

(5) you pay us a renewal fee equal to 50% of our then-current area representative fee, multiplied by the number of Restaurants then-operating in the Territory;

(6) you and we agree on any successor Development Quota, and you pay us an Ongoing Area Representative Fee for any new development in the Territory; and

(7) at the time you give us written notice of your election to acquire a renewal franchise, we are then-offering franchises for Restaurants and area representative rights in your geographic market area.

If you and/or your owners fail to meet the conditions set forth in this Section 12, you acknowledge that we are not required to offer you a renewal franchise, whether or not we had, or chose to exercise, the right to terminate this Agreement.

13. TERMINATION OF AGREEMENT.

13A. TERMINATION BY YOU.

You may terminate this Agreement if you and your owners are in full compliance with this Agreement and we materially fail to comply with this Agreement, and (i) we fail to correct the failure within 30 days after you deliver written notice of the material failure to us, or (ii) if we cannot correct the failure within 30 days, we fail to give you reasonable evidence of our effort to correct the failure within a reasonable time. Your termination under this Section 13A will be effective 30 days after you deliver to us the written notice of termination. If you terminate this Agreement other than according to this Section, the termination will be a termination without cause and breach of this Agreement.

13B. TERMINATION BY US – YOUR DEFAULT.

We may terminate this Agreement, effective immediately on delivery of written notice of termination to you, if:

(1) you or any of your owners or affiliates have made or make any material misrepresentation or omission in acquiring the Area Representative Rights or operating your Business;

(2) you (or your Principal Owner) or your Approved Manager (if applicable), do not satisfactorily complete the Area Representative Training Program;

(3) you fail to comply with your obligations to open and operate Model Restaurants in compliance with Section 2B, in full compliance with the terms of a Franchise Agreement with us;

(4) you abandon or cease to operate the Business for a period of fourteen (14) consecutive days or any shorter period that indicates an intent by you to discontinue operation of the Business;

(5) you fail to meet your Development Quota in any Development Period;

(6) you submit any Reports that contain false or misleading statements;

(7) we terminate the Franchise Agreement(s) any Opened Restaurants in the Territory, as a result of such Franchisees' failure to meet our Brand Standards, and you do not identify a replacement Franchisee to sign a Franchise Agreement with us within 180 days of such termination; provided, that we may terminate this Agreement without opportunity to cure if the total number Opened Restaurants is at any time during the Term lower than 90% of the total number of Opened Restaurants required to be opened at such time pursuant to your Development Quota;

(8) you (or your owners) make or attempt to make any transfer in violation of Section 11;

(9) you or any of your owners are or have been convicted by a trial court of, or pleaded guilty or no contest to, an indictable or hybrid offense;

(10) you fail to maintain the insurance we require and do not correct the failure within ten (10) days after we deliver written notice of that failure to you;

(11) you (or any of your owners) engage in any dishonest or unethical conduct which, in our opinion, adversely affects your Business' operations or the goodwill associated with the Marks;

(12) you (or any of your owners) knowingly make any unauthorized use or disclosure of any part of the Confidential Information;

(13) you violate any other applicable law, regulation, ordinance or consent decree, or fail to maintain any bond, license or permit, and do not cure such violation or failure within ten (10) days after we or any applicable government agency deliver notice to you of that violation or failure;

(14) you or any of your owners or affiliates fail to pay us or our affiliates any amounts due and do not correct the failure within ten (10) days after we deliver written notice of that failure to you;

(15) you fail to pay when due any federal or state income, service, sales, or other taxes due on your Business' operation, unless you are in good faith contesting your liability for these taxes;

(16) you breach this Agreement on three (3) or more occasions, within any twelve (12) consecutive month period whether or not you correct the failures;

(17) you or any of your owners make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you or any of your owner's consent to the appointment of a receiver, trustee, or liquidator of all or the substantial part of your property;

(18) your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation; and

(19) you or your owners breach any other provision under this Agreement, or any other agreement between you or any of your owners or affiliates, and us or our affiliates, and such breach has not been cured within thirty (30) days after written notice from us.

13C. BUY OUT RIGHT.

In addition to our rights to terminate under Section 13B above, we reserve the right to terminate this Agreement, with at least 90 days prior written notice of termination to you, for any reason or no reason; provided, that we pay you the following amount (the "**Buy-Out Price**"):

(1) The Area Representative Fee that you paid per Restaurant, multiplied by the number of Restaurants in your Development Quota for which you have not yet received a Sales Commission as of the date of termination; plus

(2) The Royalty Commissions paid to you during the twelve (12) full calendar months immediately preceding the termination, multiplied by three and one-half times (3.5x). If the Business has not been in operation for at least twelve (12) full calendar months as of the termination date, the calculation of annual Royalty Commissions will be derived based the amount of Royalty Commissions that would have been due to you under the terms of Agreement if the Opened Restaurants in the Territory as of the termination date had paid royalty fees to us in the same amount as the average royalty fees paid to us on a system-wide basis by Franchisees of substantially similar Restaurants in the twelve (12) full calendar months immediately preceding the termination.

If we exercise our right under this Section 13C to terminate the Agreement for the Buy-Out Price, we or our designee will pay the Buy-Out Price as follows: (i) no less than 50% of the Buy-Out Price in immediately available funds within 30 days of termination of this Agreement; and (ii) the balance of the Buy-Out Price pursuant to the terms of a commercially reasonable promissory note, amortized over no more than 5 years, with an interest rate of no more than 5%. We may set off against the Buy-Out Price, and reduce the Buy-Out Price by, any and all amounts you or your owners owe us or our affiliates. Payment of the Buy-Out Price may be conditioned, at our discretion, on the mutual execution of a termination agreement and your execution of a release agreement, each on a

form we approve. Upon termination, you shall be required to comply with all post-term obligations contained in Section 14 of this Agreement.

14. RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT.

14A. PAYMENT OF AMOUNTS OWED TO US.

You agree to pay us all amounts owed to us and our affiliates within fifteen (15) days after this Agreement expires or is terminated, calculated as of the date of payment. We have the right to set off any amount you or your owners owe us or our affiliates against any amounts we or our affiliates owe you, your owners, or your affiliates. You acknowledge that termination or expiration of this Agreement does not affect your liability for amounts you or your owners or affiliates owe any third-parties or creditors and we do not assume any such liabilities.

14B. DE-IDENTIFICATION.

Upon termination or expiration of this Agreement you and your owners must immediately:

(a) cease operating your Business and cease to directly or indirectly sell any products and services of any kind relating to Restaurants and/or using the Marks, unless we direct you otherwise in connection with a transfer under Section 11C;

(b) cease to directly or indirectly use any Mark, any colorable imitation of a Mark, any other indicia of a Restaurant, or any trade name, trademark, service mark or other commercial symbol that indicates or suggests a connection or association with us, in any manner or for any purpose;

(c) cease to directly or indirectly identify yourself or the Business as one of our current or former area representatives and take the action required to cancel or assign all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(d) promptly and at your own expense, remove all materials bearing our Marks and remove from both the interior and exterior of the premises all materials and components of our trade dress, as we determine to be necessary to avoid any association between the Business premises and the Franchise System or that would, in any way, indicate that the premises are or were associated with our brand or the Franchise System;

(e) cease using and, at our direction, either disable or transfer, assign or otherwise convey to us full control of all Contact Information and Online Presences that you used to operate your Business or that displays any of the Marks or any reference to the Franchise System (provided that all liabilities and obligations arising from any such Contact Information or Online Presence prior to the date of the transfer, assignment, or conveyance to us, will remain your sole responsibility in all respects, and any costs we incur in connection therewith will be indemnifiable under Section 15D);

(f) return to us or destroy (as we require) all items, forms and materials containing any Mark or otherwise identifying or relating to the Business, including copies of any and all Confidential Information; and

(g) comply with all other standards and procedures we establish from time to time (and all applicable laws) in connection with the closure and de-identification of your Business, including as it relates to disposing of Personal Information, in any form, in your possession or the possession of any of your employees.

If you fail to take any of the actions or refrain from taking any of the actions described above, we may take whatever action and sign whatever documents we deem appropriate on your behalf to cure the deficiencies, including, without liability to you or third parties for trespass or any other claim, to enter the Business premises and remove any signs or other materials containing any Marks from your Business. You must reimburse us for all costs and expenses we incur in correcting any such deficiencies. You hereby appoint us your true and lawful attorney-in-fact to take such actions and execute such documents on your behalf as may be required to affect the foregoing purposes.

14C. COMMUNICATION WITH FRANCHISEES.

Upon expiration or termination, you must immediately deliver to us all Reports as of the termination or expiration date, and any other documents or records we request, including all past and present franchise sales leads and records and all contracts, acknowledgments of receipt, and other information and records related to Opened Restaurants. You must refrain from communicating in any manner with Franchisees concerning us or obligations arising from this Agreement or any franchise agreement, except as expressly authorized by us.

14D. COVENANT NOT TO COMPETE.

For two (2) years beginning on the effective date of termination or expiration of this Agreement, you (and if you are conducting business as an Entity, each of your owners) agree not to and to cause each of your respective spouses, immediate family members, affiliates, and assigns not to have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, lessor, representative, or agent in any Competitive Business located or operating: (a) in the Territory; or (b) within a 10-mile radius of the Territory.

If any person restricted by this Section 14D fails to comply with these obligations as of the date of termination or expiration, the two (2) year restricted period for that person will commence on the date the person begins to comply with this Section 14D, which may be the date a court order is entered enforcing this provision. You and your owners expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing of the covenants made in this Section 14D will not deprive you of your personal goodwill or ability to earn a living.

The restrictions in this Section 14D will also apply after any transfer, to the transferor and its owners, for a period of two (2) years beginning on the effective date of the transfer, with the force and effect as though this Agreement had been terminated for such parties as of such date.

14E. CONTINUING OBLIGATIONS.

All of our and your (and your owners') obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature

expire. Without limiting the generality of the foregoing, the parties expressly acknowledge that each of the following provisions of this Agreement will survive the Agreement's expiration or termination: Section 9 (Confidential Information); Section 10 (Exclusive Relationship); Section 13 (Termination of Agreement); Section 14 (Rights and Obligations Upon Termination or Expiration); Section 15 (Relationship of the Parties/Indemnification); and Section 16 (Enforcement).

15. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

15A. INDEPENDENT CONTRACTORS.

You and we understand and agree that each of us is an independent business and that you and we are and will be independent contractors. This Agreement does not create a fiduciary relationship between you and us, and nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. You agree to identify yourself conspicuously to all persons (including franchisees, suppliers, and public officials) as your Business' owner, and indicate clearly that you operate your Business separately and independently from our business operations. You agree to place notices of independent ownership on all interior and exterior signage, forms, business cards, stationery, advertising, and other materials that we may require from time to time. You may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in our name or on our behalf or represent that your and our relationship is anything other than franchisor and area representative.

We have no right or duty to direct your employees in the course of their employment for you. You are solely responsible for the terms and conditions of employment of your employees. We will not be obligated for any damages to any person or property directly or indirectly arising out of the business you conduct under this Agreement.

15B. NO LIABILITY FOR ACTS OF OTHER PARTY.

We and you may not make any express, implied, or collateral agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and area representative. We will not be obligated for any damages to any person or property directly or indirectly arising out of the Business you conduct under this Agreement.

15C. TAXES.

We will have no liability for any sales, use, service, occupation, excise, gross revenue, income, property, or other taxes, whether levied upon you or your Business, due to the business you conduct (except for our income taxes). You are responsible for paying these taxes and must reimburse us for any taxes that we must pay on your behalf to any state taxing authority on account of either your operation or payments that you make to us.

15D. INDEMNIFICATION.

You agree to indemnify, defend, and hold harmless us, our affiliates, and our and their respective owners, directors, officers, employees, agents, successors, and assigns (the "Indemnified Parties") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the Business you conduct under this

Agreement, and/or your breach of this Agreement, including those alleged to be or found to have been caused by the Indemnified Party's gross negligence or willful misconduct, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by our gross negligence or willful misconduct in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction.

For purposes of this indemnification, "claims" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at your expense (including choosing and retaining its own legal counsel) and agree to settlements or take any other remedial, corrective, or other actions.

This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination or purported rescission. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim for indemnity under this Section 15D. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover under this Section 15D.

16. ENFORCEMENT.

16A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.

Except as expressly provided to the contrary in this Agreement, each provision of this Agreement is severable, and if any part of this Agreement is held to be invalid or contrary to or in conflict with any applicable present or future law, ordinance or regulation for any reason (in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction), that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

If any applicable and binding law, ordinance, rule, or regulation of any jurisdiction requires more notice of this Agreement's termination or of our refusal to grant a Successor Term than this Agreement requires, or some other action that this Agreement does not require, or any provision of this Agreement is invalid, unenforceable, or unlawful, the notice and/or other action required by the law, ordinance, rule or regulation will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provision to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

16B. WAIVER OF OBLIGATIONS.

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction on the other under this Agreement, effective on delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective on delivery of ten (10) days' prior written notice. We and you will not waive or impair any right, power, or option this Agreement reserves (including our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) because of any custom or practice at variance with this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist on the other's compliance with this Agreement; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other Restaurants; the existence of area representative agreements for other Businesses which contain different provisions from those contained in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement, or accord and satisfaction. We are authorized to remove any legend or endorsement, which then will have no effect.

16C. COSTS AND ATTORNEYS' FEES.

The prevailing party in any dispute or proceeding will be entitled to recover from the other party all damages, costs and expenses, including arbitration, and court costs and reasonable attorneys' fees, incurred by the prevailing party in connection with such dispute or proceeding.

16D. RIGHTS OF PARTIES ARE CUMULATIVE.

Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.

16E. MEDIATION.

Either party may initiate a mediation process by notifying the other party in writing. The parties agree to conduct the mediation in accordance with the then current Commercial Mediation Procedures of the American Arbitration Association (the "AAA"), except to the extent the rules conflict with this Agreement, in which case this Agreement shall control; however, the mediation need not be administered by the AAA unless the parties cannot agree upon the selection of a mediator within thirty days of the receipt of the written notice of mediation. If the parties cannot reach agreement upon the selection of a mediator, either party may commence a mediation proceeding by making a request for mediation to the AAA regional office closest to our (or our successor's or assign's, as applicable) then current principal place of business (currently, Atlanta, Georgia), with a copy to the other party. The written request for mediation shall describe with specificity the nature of the dispute and the relief sought. Both parties are obligated to engage in the mediation.

The mediation will be conducted by a single mediator with no past or present affiliation or conflict with any party to the mediation. The parties agree that the mediator will be disqualified as a witness, expert, consultant or attorney in any pending or subsequent proceeding relating to the

dispute which is the subject of the mediation. If the parties cannot agree on a mediator and the AAA administers the mediation, the AAA will provide the parties with a list of mediators willing to serve. The parties will have 10 days from receipt of the list from the AAA to agree upon a mediator from the list. If neither party advises the AAA in writing of an agreement within 10 days of receipt of such list, the AAA will appoint the mediator. The fees and expenses of the AAA (or other administrator), if applicable, and the mediator's fee, shall be shared equally by the parties. Each party will bear its own attorneys' fees and other costs incurred in connection with the mediation irrespective of the outcome of the mediation or the mediator's evaluation of each party's case. The mediation will occur within 30 days after selection of the mediator.

Regardless of which party initiates the mediation, the parties agree to conduct the mediation at a suitable location chosen by the mediator that is within 50 miles of our (or our successor's or assign's, as applicable) then current principal place of business (currently, Atlanta, Georgia). At least 7 days before the first scheduled session of the mediation, each party shall deliver to the mediator a concise written summary of its position with respect to the matters in dispute (such as claims or defenses) and such other matters required by the mediator.

The parties understand and agree that neither initiation nor completion of mediation contemplated by this Section is a condition precedent to either party's commencement or pursuit of other legal actions and remedies, including arbitration, as permitted under this Agreement.

16F. ARBITRATION.

All controversies, disputes, or claims between us or any of our affiliates (and our and their respective shareholders, officers, directors, agents, and employees), on the one hand, and you (and your owners, guarantors, affiliates, and employees), on the other hand, arising out of or related to: (1) this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates); (2) our relationship with you; (3) the scope or validity of this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section, which we and you acknowledge is to be determined by an arbitrator, not a court); or (4) any Brand Standard, must be submitted for binding arbitration, on demand of either party, to the AAA. The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the AAA's then current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within 50 miles of our (or our successor's or assign's, as applicable) then current principal place of business (currently, Atlanta, Georgia). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator will be final and binding upon each party, and judgment upon the arbitrator's awards may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her awards any relief which he or she deems proper, including money damages, pre- and post-award interest, interim costs and attorneys' fees, specific performance, and injunctive relief, provided that the arbitrator may not declare any of the trademarks owned by us or our affiliates generic or otherwise invalid, or award any punitive or exemplary damages against any party to the arbitration proceeding (we and you hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any party to the arbitration proceeding). Further, at the conclusion of the arbitration, the arbitrator shall award to the prevailing party its attorneys' fees and costs.

In any arbitration proceeding, each party will be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. Each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by any party.

ARBITRATION PROCEEDINGS WILL BE CONDUCTED ON AN INDIVIDUAL BASIS. NO ARBITRATION PROCEEDING MAY BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING, (III) JOINED WITH ANY SEPARATE CLAIM OF AN UNAFFILIATED THIRD-PARTY, OR (IV) BROUGHT ON BEHALF OF ANY PARTY BY ANY ASSOCIATION OR AGENT. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the provisions of this Agreement.

In any arbitration arising as described in this Section, the arbitrator shall have full authority to manage any necessary exchange of information among the parties with a view to achieving an efficient and economical resolution of the dispute. The parties may only serve reasonable requests for documents, which must be limited to documents upon which a party intends to rely or documents that are directly relevant and material to a significant disputed issue in the case or to the case's outcome. The document requests must be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain, and must not include broad phraseology such as "all documents directly or indirectly related to." No interrogatories or requests to admit may be propounded, unless the parties later mutually agree to their use.

This Section is intended to benefit and bind certain third-party non-signatories. This Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Any provisions of this Agreement below that pertain to judicial proceedings will be subject to the agreement to arbitrate contained in this Section.

16G. GOVERNING LAW.

ALL MATTERS RELATING TO MEDIATION AND/OR ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER FEDERAL LAW, THIS AGREEMENT (OR ANY OTHER AGREEMENT BETWEEN US AND OUR AFFILIATES, AND YOU AND YOUR AFFILIATES), THE BUSINESS, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY STATE LAW REGULATING THE OFFER OR SALE OF FRANCHISES OR GOVERNING OUR RELATIONSHIP WITH YOU WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION.

16H. CONSENT TO JURISDICTION.

Subject to Section 16E and 16F above and the provisions below, we and you agree that all controversies, disputes, or claims between us or any of our affiliates (and our and their respective shareholders, officers, directors, agents, and employees), on the one hand, and you (and your owners, guarantors, affiliates, and employees), on the other hand, arising out of or related to this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates) or our relationship with you must be commenced exclusively in state or federal court closest to our (or our successor's or assign's, as applicable) then-current principal place of business (currently, Atlanta, Georgia), and the parties irrevocably consent to the jurisdiction of those courts and waive any objection to either the jurisdiction of or venue in those courts. Nonetheless, the parties agree that any of us may enforce any arbitration orders and awards in the courts of the state in which you are or your Business is located.

16I. WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.

EXCEPT FOR YOUR OBLIGATION TO INDEMNIFY US FOR THIRD PARTY CLAIMS UNDER SECTION 15D, WE AND YOU (AND YOUR OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN US AND YOU, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

WE AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING, BROUGHT BY EITHER OF US.

16J. INJUNCTIVE RELIEF.

Nothing in this Agreement, including the provisions of Sections 16E and 16F, bars our right to obtain specific performance of the provisions of this Agreement and injunctive or other equitable relief against threatened conduct that will cause us, the Marks and/or the Franchise System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and injunctions. You agree that we may obtain such injunctive relief in addition to such further or other relief as may be available at law or in equity. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

16K. BINDING EFFECT.

This Agreement is binding on us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the Area Representative Standards, this Agreement may not be modified except by a written agreement signed by both our and your duly authorized officers.

16L. LIMITATIONS OF CLAIMS AND CLASS ACTION BAR.

EXCEPT FOR CLAIMS ARISING FROM YOUR NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS YOU OWE US, ANY AND ALL CLAIMS ARISING OUT

OF OR RELATING TO THIS AGREEMENT (OR ANY OTHER AGREEMENT BETWEEN US AND OUR AFFILIATES, AND YOU AND YOUR AFFILIATES), YOUR BUSINESS, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE BARRED UNLESS A JUDICIAL OR ARBITRATION PROCEEDING IS COMMENCED IN ACCORDANCE WITH THIS AGREEMENT WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS.

WE AND YOU AGREE THAT ANY PROCEEDING WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT ANY PROCEEDING BETWEEN US AND ANY OF OUR AFFILIATES, OR OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND YOU (OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES), ON THE OTHER HAND, MAY NOT BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER PROCEEDING, (III) JOINED WITH ANY CLAIM OF AN UNAFFILIATED THIRD-PARTY, OR (IV) BROUGHT ON YOUR BEHALF BY ANY ASSOCIATION OR AGENT.

NO PREVIOUS COURSE OF DEALING SHALL BE ADMISSIBLE TO EXPLAIN, MODIFY, OR CONTRADICT THE TERMS OF THIS AGREEMENT. NO IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING SHALL BE USED TO ALTER THE EXPRESS TERMS OF THIS AGREEMENT.

17. CONSTRUCTION.

The preambles and exhibits are a part of this Agreement which constitutes our and your entire agreement, and there are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of this Agreement, the franchise relationship, or your Business. Any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in any Franchise Disclosure Document.

The following provision applies if you or the Business granted hereby are subject to the franchise registration or disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin: 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.

The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

Other than as expressly set forth herein, nothing in this Agreement is intended or deemed to confer any rights or remedies on any person or Entity not a party to this Agreement.

References in this Agreement to “we,” “us,” and “our,” with respect to all of our rights and all of your obligations to us under this Agreement, include any of our affiliates with whom you deal. The term “affiliate” means any person or Entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. The term “control” means the power to direct or cause the direction of management and policies. The use of the term “including” in this Agreement, means in each case “including, without limitation.”

If two or more persons are at any time the owners of your Business, whether as partners or joint venturers, or are your guarantors, their obligations and liabilities to us will be joint and several. References to “owner” mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you (or a transferee of this Agreement and your Business or an ownership interest in you), including any person who has a direct or indirect interest in you (or a transferee), this Agreement or your Business and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets. The term “person” means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity. The term “your Business” includes all of the assets of the Business you operate under this Agreement, including its revenue and any lease.

18. DELEGATION OF PERFORMANCE.

You agree that we have the right to delegate the performance of any portion or all of our obligations under this Agreement to third party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Agreement. You must perform all of your obligations under this Agreement, and you may not subcontract or delegate any of those obligations to any third parties without our prior written approval.

19. NOTICES AND PAYMENTS.

All written notices, reports, and payments permitted or required to be delivered by this Agreement will be deemed to be delivered: (i) at the time delivered by hand, (ii) at the time delivered via electronic transmission, (iii) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery, or (iv) three (3) business days after placement in United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid. Any notice must be sent to the party to be notified at its most current principal business address of which the notifying party has notice.

Any required payment or report which we do not actually receive during regular business hours on the date due will be deemed delinquent.

20. PROHIBITED PARTIES.

You hereby represent and warrant to us, as an express consideration for the franchise granted hereby, that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with you, is now, or has been:

1. Listed on: (a) the U.S. Treasury Department's List of Specially Designated Nationals, (b) the U.S. Commerce Department's Denied Persons List, Unverified List, Entity List, or General Orders, (c) the U.S. State Department's Debarred List or Nonproliferation Sanctions, or (d) the Annex to U.S. Executive Order 13224.
2. A person or entity who assists, sponsors, or supports terrorists or acts of terrorism, or is owned or controlled by terrorists or sponsors of terrorism.

You further represent and warrant to us that you are now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by you to us or our affiliates are and will be legally obtained in compliance with these laws. You agree not to, and to cause all employees, agents, representatives, and any other person or entity associated with you not to, during the Term, take any action or refrain from taking any action that would cause such person or entity to become a target of any such laws and regulations.

21. EXECUTION.

This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same Agreement. This Agreement and all other documents related to this Agreement may be executed by manual or electronic signature.

[Signature page to follow]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement to be effective as of the Effective Date.

TOHC FRANCHISING LLC,
a Delaware limited liability company

Sign: _____
Name: _____
Title: _____

DATED*: _____
(*Effective Date of this Agreement)

AREA REPRESENTATIVE

**(IF YOU ARE A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

Entity Name

Sign: _____
Name: _____
Title: _____

DATED: _____

AREA REPRESENTATIVE

(IF YOU ARE AN INDIVIDUAL):

Individual Name

Sign: _____

DATED: _____

EXHIBIT A

TO THE AREA REPRESENTATIVE AGREEMENT

ENTITY INFORMATION

1. **Form.** You operate as a(n): ___ individual/sole proprietorship, ___ corporation, ___ limited liability company, or _____ partnership (CHECK ONE).

2. **Formation:** You were formed on _____(DATE), under the laws of the State of _____(JURISDICTION).

3. **Management:** The following is a list of your directors, officers, managers or anyone else with a management position or title:

<u>Name of Individual</u>	<u>Position(s) Held</u>
_____	_____
_____	_____
_____	_____
_____	_____

4. **Owners.** The following list includes the full name of each individual who is one of your owners, or an owner of one of your owners, and fully describes the nature of each owner's interest (attach additional pages if necessary):

<u>Owner's Name</u>	<u>Percentage/Description of Interest</u>
_____	_____
_____	_____
_____	_____
_____	_____

5. **Principal Owner:** _____

6. **Approved Manager** (if applicable): _____

EXHIBIT B

TO THE AREA REPRESENTATIVE AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS (“**Guaranty**”) is given by the persons indicated below who have executed this Guaranty (each a “**Guarantor**”) to be effective as of the Effective Date of the Agreement (defined below).

In consideration of, and as an inducement to, the execution of that certain Area Representative Agreement executed concurrently herewith (as amended, restated, or supplemented, the “**Agreement**”) by and between TOHC Franchising LLC (the “**Franchisor**”), and _____ (“**Area Representative**”), each Guarantor hereby personally and unconditionally (a) guarantees to Franchisor, and its successor and assigns that Area Representative will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement, and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities.

Each Guarantor waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed, and (4) any right such Guarantor may have to require that an action be brought against Area Representative or any other person as a condition of liability; and (5) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligation hereby guaranteed.

Each Guarantor hereby consents and agrees that:

(a) Franchisor may proceed against any Guarantor and/or Area Representative, jointly and severally, including by proceeding against Guarantor, without having commenced any action, or having obtained any judgment against any other Guarantor or Area Representative;

(b) Guarantor will render any payment or performance required under the Agreement on demand if Area Representative fails or refuses punctually to do so;

(c) Guarantor’s liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may grant to Area Representative or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement;

(d) Guarantor is bound by the restrictive covenants, confidentiality provisions, and indemnification provisions contained in the Agreement, and any and all provisions that by their terms apply to owners of Area Representative;

Exhibit B-1

(e) At Franchisor's request, Guarantor agrees to provide the updated financial information to us as may be reasonably necessary to demonstrate his or her ability to satisfy the obligations of Area Representative under the Agreement;

(f) This Guaranty will continue unchanged by the occurrence of any bankruptcy with respect to Area Representative or any assignee or successor of Area Representative or by any abandonment of the Agreement by a trustee of Area Representative. Neither Guarantor's obligations to make payment or render performance in accordance with the terms of this Guaranty nor any remedy for enforcement will be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Area Representative or its estate in bankruptcy or of any remedy for enforcement;

(g) Guarantor agrees to pay all costs and expenses (including attorneys' fees) incurred by Franchisor or any of its affiliates in connection with the enforcement of this Guaranty, including any collection or attempt to collect amounts due, or any negotiations relative to the obligations hereby guaranteed; and

(h) Guarantor agrees to be personally bound by the dispute resolution provisions under Article 16 of the Agreement, including the obligation to submit to binding arbitration the claims described in Section 16F of the Agreement in accordance with its terms.

By signing below, the undersigned spouse of each Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty. Each Guarantor represents and warrants that, if no signature appears below for such Guarantor's spouse, such Guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

Each Guarantor that is a business entity, retirement or investment account, or trust acknowledges and agrees that if Franchisee (or any of its affiliates) is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such Guarantor (or on such Guarantor's account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

This Guaranty is binding upon each Guarantor and its respective executors, administrators, heirs, beneficiaries, and successors in interest.

[Signature page follows]

Exhibit B-2

IN WITNESS WHEREOF, each of the undersigned has affixed his signature to be effective as of the Effective Date.

GUARANTOR(S)	SPOUSE(S)
Name: _____ Sign: _____ Address: _____ _____ _____	Name: _____ Sign: _____ Address: _____ _____ _____
Name: _____ Sign: _____ Address: _____ _____ _____	Name: _____ Sign: _____ Address: _____ _____ _____
Name: _____ Sign: _____ Address: _____ _____ _____	Name: _____ Sign: _____ Address: _____ _____ _____

Exhibit B-3

EXHIBIT C

TO THE AREA REPRESENTATIVE AGREEMENT

TERRITORY & DEVELOPMENT QUOTA

The Territory of your Business is: _____

The Development Quota is:

Development Period	Number of Opened Restaurants
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

EXHIBIT B-2
FRANCHISE AGREEMENT



**THE ORIGINAL HOT CHICKEN & INKED TACOS
FRANCHISE AGREEMENT**

FRANCHISEE

UNIT NO.

RESTAURANT ADDRESS

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FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the “**Agreement**”) is made and entered into by and between **TOHC FRANCHISING LLC**, a Delaware limited liability company, with its principal business address at 2859 Paces Ferry Road, Suite 412, Atlanta, Georgia 30339 (“**we**,” “**us**,” or “**our**”), and _____, a _____ whose principal business address is _____ (“**you**” or “**your**”) as of the date signed by us on the signature page of this Agreement (the “**Effective Date**”).

1. GRANT OF FRANCHISE.

1A. BACKGROUND

(1) We and our affiliates have developed (and continue to develop and modify) a franchise system to establish, operate and promote distinctive restaurants featuring: (a) southern-style hot chicken tenders and sandwiches, chicken and waffles, and other products and services under the name “The Original Hot Chicken” and (b) traditional, Mexican-inspired, tacos, nachos, and other products and services under the name “Inked Tacos” (each a “**Restaurant**”).

(2) We and our affiliates use and promote, and license others to use and promote, certain trademarks, service marks and other commercial symbols in operating Restaurants, which have gained and will continue to gain public acceptance and goodwill, and we and our affiliates may create, use, and license other trademarks, service marks and commercial symbols to identify the Restaurants in the future (collectively, the “**Marks**”).

(3) Restaurants will offer the services and goods we authorize, and use our distinctive and proprietary business formats, business system, methods, procedures, signs, designs, layouts, standards, specifications, and the Marks, all of which we may improve, substitute, further develop, or otherwise modify from time to time (collectively, the “**Franchise System**”).

(4) We grant franchises to persons who meet our qualifications and are willing to undertake the investment and effort to own and operate a Restaurant, and you have applied and been approved for a franchise to own and operate a Restaurant.

1B. GRANT AND TERM OF FRANCHISE.

Subject to this Agreement’s terms, we grant you a franchise to use the Franchise System and the Marks to operate a Restaurant (“**your Restaurant**”) for a term beginning on the Effective Date and expiring ten (10) years from the Effective Date (the “**Term**”), unless this Agreement is sooner terminated as provided herein. You agree at all times faithfully, honestly, and diligently to perform your obligations under this Agreement and to use your best efforts to promote your Restaurant.

1C. BUSINESS ENTITIES.

If you are a corporation, limited liability company, or general or limited partnership, or other form of legal business entity (collectively, an “**Entity**”), you agree and represent that **Exhibit A** to this Agreement presents complete and accurate information about such Entity as of the Effective Date. You also agree and represent that you are validly existing and in good standing under the laws of the state of your incorporation or formation, and have the authority to execute this Agreement, and perform

your obligations under this Agreement. You agree to maintain organizational documents at all times that state that this Agreement restricts the issuance and transfer of any of your ownership interests, and all certificates and other documents representing your ownership interests will bear a legend referring to this Agreement's restrictions.

You must identify one of your owners on **Exhibit A** who is a natural person with at least a ten percent (10%) ownership interest and voting power in you to act as your "**Principal Owner**" and supervise the day-to-day operation of your Restaurant in accordance with Section 7A. You acknowledge and agree that your Principal Owner is authorized to deal with us on your behalf for all matters whatsoever that may arise with respect to your Restaurant and/or this Agreement. Any decision made by the Principal Owner will be final and binding on you and we will be entitled to rely solely on the decision of the Principal Owner without discussing the matter with any other party. We will not be held liable for any actions based on any decisions or actions of the Principal Owner. You represent and agree that the person acting as your Principal Owner has full power and authority to enter into this Agreement and any other documents to which you are a party, and to make binding decisions on your behalf. The execution and delivery by your Principal Owner of this Agreement has been duly authorized by all requisite corporate action.

Each of your owners and their respective spouses must execute a guaranty in the form we prescribe, agreeing to be personally bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us and/or our affiliates. Our current form of guaranty is attached hereto as **Exhibit B**.

If you are an Entity, your Restaurant will be the only business that such Entity operates, unless we approve you to acquire and operate additional Restaurants pursuant to additional Franchise Agreements between us and you.

1D. PROTECTED TERRITORY.

Subject to our reservation of rights in Section 1E below, and subject to your continued compliance with this Agreement and all other agreements with us and our affiliates, during the Term, neither we nor any of our affiliates will establish or operate or authorize any other person to establish or operate a Restaurant in the area described in **Exhibit C** (the "**Protected Territory**"). If no geographic area is specified on **Exhibit C**, you have not been awarded any Protected Territory, and notwithstanding any other provision of this Agreement to the contrary, we and our affiliates reserve all rights not granted to you and we will not be limited with respect to the placement of Restaurants and other businesses using the Marks, the sale of the same, similar or dissimilar products and services, and any other business activities in any manner or in any location whatsoever. If you have not selected a site for your Restaurant as of the Effective Date, we may define your Protected Territory at the time the Premises is identified and approved by us.

1E. RESERVATION OF TERRITORIAL RIGHTS.

Other than your Protected Territory, if any, you have no territorial protection and we and our affiliates retain all rights with respect to the placement of Restaurants and other businesses using the Marks, the sale of the same, similar or dissimilar products and services, and any other business activities in any manner or in any location whatsoever, including the right to:

(1) establish and operate, and grant others the right to establish and operate, other Restaurants using the Marks and the Franchise System, at any location outside the Protected Territory, on such terms and conditions we deem appropriate;

(2) establish and operate, and grant others the right to establish and operate, any other type of business under trade names, trademarks, service marks and commercial symbols other than the Marks, at any location, including any restaurant business that may offer products and services which are identical to, similar to, or competitive with products and services offered by Restaurants;

(3) establish and operate, and grant others the right to establish and operate businesses and distribution channels other than a Restaurant, wherever such businesses or their customers are located, including offering and selling products at retail or wholesale, through any Online Presence, and/or through license arrangements with other third-party restaurant or commercial kitchen operators;

(4) establish and operate, and grant others the right to establish and operate any business, including any Restaurant or other business using the Marks and/or the Franchise System, at or through any nontraditional venues, including permanent, temporary, or seasonal facilities, ghost kitchen or virtual kitchen models, and/or in any captive or limited markets such as stadiums, entertainment or amusement parks, airports, malls, universities, commercial buildings, hospitals, special events, at any location in the world;

(5) license or otherwise grant the right to offer and sell certain products offered by Restaurants to third-party individuals or entities that sell products or services that are similar to, the same, or competitive with, those that Restaurants customarily sell;

(6) be acquired by or acquire (regardless of the form of transaction), any other business, including any business that establishes or operates, or grants others the right to establish and operate businesses similar to, the same, or competitive with Restaurants, at any location; and in the event of such an acquisition, the acquirer and its affiliates will have the right to continue to such business, at any location; and

(7) engage in all other activities not expressly prohibited by this Agreement, at any location.

2. **ACQUIRING YOUR RESTAURANT**

2A. **SITE SELECTION.**

You must operate your Restaurant at a specific address and location that you select and we accept (the “**Premises**”). You must use the Premises only for your Restaurant. You must operate your Restaurant only at the Premises.

If you have already located a site for the Premises as of the Effective Date, and we have approved the location, the specific address and location is identified on **Exhibit C**. If you have not yet located a site for the Premises as of the Effective Date, then you must select a suitable site for your Premises and obtain our acceptance of that site as your Premises. Unless you have our prior written approval to search for a proposed site outside of the site selection area designated on **Exhibit C** (the

“**Site Selection Area**”), all site reports that you submit to us must be for a site within your Site Selection Area. You acknowledge and agree that you will receive no territorial protection of any kind in the Site Selection Area, or any other geographic area, other than your Protected Territory. You acknowledge and agree that the Search Area is identified for the sole purpose of facilitating the orderly development of the market, and not for purposes of granting you any exclusivity or protection within the Site Selection Area. You also acknowledge and agree that we do not guarantee that you will find an approved site within the Site Selection Area, and/or that a site submitted in the Site Selection Area will be approved by us. We have the right to approve the site of your Restaurant before you sign any Lease (as defined in Section 2B). You agree to send us all information we request for the proposed site.

2B. LEASE OF THE SITE

After you obtain our acceptance of a site, you must execute a lease, sublease, or other document that we approve to secure its possession (the “**Lease**”). If you have not yet located a site for the Premises as of the Effective Date, then after you secure possession of the site of the Premises we have approved, we will insert its address on **Exhibit C**.

The Lease must contain certain provisions we require, including collateral assignment of lease, pursuant to the form of lease rider attached as **Exhibit D** (“**Lease Rider**”). It is your sole responsibility to obtain a fully-executed Lease Rider in connection with executing your Lease. Our approval of your Lease is subject to our receipt of the Lease Rider in the form attached as **Exhibit D**, without modification or negotiation, executed by you and the landlord. The Lease Rider is intended to provide us certain protections under your Lease, and may not benefit you or the landlord. We may reject any request for modifications to the Lease Rider for any reason.

You acknowledge and agree that you have the sole responsibility to negotiate and execute your Lease. If we or our affiliates provide you a form of Lease to execute, or any information, recommendations, or assistance in negotiating or executing a Lease, it is not a representation by us or our affiliates of any kind (express, implied, or collateral) that you should sign that Lease or that the terms of that Lease are favorable to you. You are solely responsible for ensuring that you are capable of meeting all terms and conditions set forth in your Lease, including the financial provisions applicable to rent and fees. You must deliver to us a fully executed copy of your Lease and Lease Rider within 10 days after its execution.

You must satisfy all of the obligations under Section 2A and this Section 2B to obtain our acceptance of a site that will be the Premises of your Restaurant and secure possession of that site pursuant to the terms of a Lease we have approved, and deliver executed copies of that approved Lease and the Lease Rider, each within 120 days after the Effective Date.

2C. DEVELOPMENT OF YOUR RESTAURANT.

You are solely responsible, at your expense, for developing your Restaurant in accordance with our Brand Standards and all applicable federal, state, or local laws, codes, or regulations, including rules governing public accommodations for persons with disabilities and other applicable ordinances, building codes, permit and zoning requirements, and the terms of your Lease. You agree to use the vendor(s) we approve or designate for design, engineering, construction management and purchasing services in connection with the development of your Restaurant.

We will provide you with Brand Standards for your Restaurant, including requirements for dimensions, design, color scheme, image, interior layout, decor, and Operating Assets which include fixtures, equipment, signs, and furnishings. We may also require you to obtain layout plans and/or schematics for your Restaurant from a designated or approved vendor, which may be us or our affiliates, and you must pay the then-current fees charged by such vendor. If you do not obtain layout plans and/or schematics from us or our designated vendor, you must hire an architect that meets our Brand Standards to prepare all required plans and/or schematics for your Restaurant. Regardless of who prepares the layout plans and/or schematics for your Restaurant, you shall be solely responsible for ensuring that all plans and schematics for your Restaurant comply with applicable laws, regulations, zoning, ordinances, building codes, permits, lease requirements and restrictions, and our Brand Standards. You are also exclusively responsible for obtaining approval of all such plans and schematics from any applicable governmental authority.

You must notify us immediately of any changes, additions or deletions to the plans and schematics for your Restaurant that are requested or required by any local building authority, your landlord, and/or that you determine are required under applicable federal, state, or local laws, codes, or regulations, building codes, pr permit and zoning requirements. We reserve the right to accept or not accept such changes even if our objection results in your inability to construct the Restaurant.

2D. OPENING OF YOUR RESTAURANT.

You must satisfy all of our Brand Standards for developing and opening a Restaurant, and open your Restaurant for business, no later than the earlier of: (a) the first anniversary of the Effective Date, or (b) 180 days after you execute your Lease. We must approve the date that you open your Restaurant for business (the “**Opening Date**”). We may condition our approval on your satisfaction of all of our Brand Standards and other criteria for developing and operating a Restaurant, including that you must:

- (1) obtain all required zoning changes, planning consents, building, utility, sign and business permits and licenses, and any other consents, permits and licenses necessary to lawfully open and operate your Restaurant;
- (2) construct all required improvements in compliance with plans and schematics prepared or approved by us;
- (3) deliver a signed Lease Rider and Pre-Authorized Debit Agreement, and any and all other documents or instruments required by this Agreement;
- (4) deliver to us certificates of insurance demonstrating that you have obtained insurance coverage that satisfies our Brand Standards, with such endorsements and policy terms that we then require;
- (5) purchase and install all Operating Assets and decorate your Restaurant, in all respects in compliance with Brand Standards;
- (6) pay any and all amounts owed to us or our affiliates; and
- (7) obtain all customary contractors’ sworn statements and partial and final waivers of lien for construction, remodeling, decorating and installation services.

3. YOUR FEES TO US.

3A. INITIAL FRANCHISE FEE.

You agree to pay us a nonrecurring initial franchise fee of Forty-Five Thousand Dollars (\$45,000) on the Effective Date (the “**Initial Franchise Fee**”). The Initial Franchise Fee is fully earned by us on the Effective Date and is not refundable. You must pay us the Initial Franchise Fee by wire transfer of immediately available funds to an account we designate, or by any other method we specify.

3B. ROYALTY.

You agree to pay us a weekly royalty fee (the “**Royalty**”) equal to six percent (6%) of your Gross Sales (as defined in Section 3C) for the preceding week on the date we specify from time to time in accordance with Section 3G.

3C. GROSS SALES DEFINED.

For purposes of this Agreement, “**Gross Sales**” means the total gross revenue or consideration derived from your sale of products and services and all other income of every kind and nature, directly or indirectly, from operating your Restaurant, including all revenue or consideration you receive from delivery, catering or otherwise at or away from the Premises, and whether from cash, check, credit and debit card, exchange, trade credit, or other credit transactions. There will be no deductions allowed for uncollected or uncollectible credit accounts or bad debts, or for discounts or promotional pricing. Gross Sales includes the proceeds of any business interruption insurance or similar insurance. If we authorize or require participation in online group-bought deals, gift certificate and/or gift card programs, the payments you receive for those online group-bought deals, gift certificates or gift cards will be included in Gross Sales in accordance with our then-current guidelines for calculating Gross Sales. Gross Sales does not include the amount of any tax imposed by any federal, state, municipal or governmental authority directly on sales and collected from customers if such tax is added to the selling price and actually paid by you to such governmental authority.

3D. TECHNOLOGY FEE.

We may require you to pay a fee to us, or a service-provider we designate (which may be one of our affiliates) for technology related services, including website or email hosting, help desk support, software or website development, enterprise solutions and other services associated with your Computer System (as defined in Section 6B) and/or any Franchise System Website (as defined in Section 8F) (your “**Technology Fee**”). We may modify the amount of your Technology Fee periodically, in our discretion. The Technology Fee is in addition to all direct out-of-pocket costs you must otherwise incur under the terms of this Agreement or the Brand Standards Manual to acquire, maintain, or service your Computer System. You must pay the Technology Fee at the times, and in the manner, designated by the provider of such services. We may require you to enter into a written agreement with the provider of any technology services, with terms and conditions we approve or require. The amount of your Technology Fee may be determined in part by factors that are unique to your Restaurant (such as the number of email addresses we provide you and your employees). You acknowledge and agree that different franchise owners may pay different Technology Fees based on the peculiarities of their businesses.

If we travel to your Restaurant to provide any technological support and/or installation services, you must also reimburse us for the costs we incur for such site visit, including travel, food and lodging, which amounts will not be subject to any cap.

3E. INTEREST ON LATE PAYMENTS.

All amounts that you owe us for any reason will bear interest accruing as of their original due date at the lesser of two percent (2%) per month or the maximum rate of interest permitted by law. We may debit your bank account automatically for service charges and interest. You acknowledge that this Section 3E is not our agreement to accept any payments after they are due or our commitment to extend credit to you, or finance the operation of your Restaurant.

3F. APPLICATION OF PAYMENTS.

Despite any designation you make, we may apply any of your payments to us or our affiliates to any of your past due indebtedness to us or our affiliates. We may set off any amounts you or your owners owe us or our affiliates against any amounts we or our affiliates owe you or your owners. You may not withhold payment of any amounts you owe us or our affiliates for any reason, including for any alleged nonperformance by us.

3G. METHOD OF PAYMENT.

You must make all payments due under this Agreement in the manner we designate from time to time and you agree to comply with all of our payment instructions. All amounts payable by you or your owners to us or our affiliates must be in United States Dollars (\$USD). You agree to sign and deliver to us the documents we require to authorize us to debit your business checking account automatically for any or all amounts due under this Agreement (the “**Pre-Authorized Debit Agreement**”). Such Pre-Authorized Debit Agreement will remain in full force and effect during the Term. Our current form of Pre-Authorized Debit Agreement is attached as Exhibit E, but we may periodically ask you to sign additional documents in connection with authorizing us to debit payments from your account, and you agree to do so promptly upon request. We or our designee will debit the business account you designate in the Pre-Authorized Debit Agreement for amounts you owe us on their due dates (or the next business day if the due date is a national or statutory holiday or a weekend). You must ensure that funds are available in your designated account to cover our withdrawals. If there are insufficient funds in your designated account to cover our withdrawals, we may charge you our then-current insufficient funds fee for each instance.

We may receive information regarding your Gross Sales through our access to the Computer System or we may require you to submit weekly Gross Sales reports in the format we require. If we ever stop having access to information from your Computer Systems, and you fail to report your Restaurant’s Gross Sales when due, then for each payment due under this Agreement that is calculated based on Gross Sales, we may debit your business account one hundred ten percent (110%) of the average of the last three (3) applicable payments that we debited. If the amounts that we debit from your business account are less than the amounts you actually owe us (once we have determined your Restaurant’s true and correct Gross Sales), we will debit your business account for the balance on any day we specify. If the amounts that we debit from your business account are greater than the amounts you actually owe us, we will credit the excess against the amounts we otherwise would debit from your business account on the next payment due date.

You must pay us the Royalty, Brand Fund Contribution and all other fees and amounts you owe us or our affiliates under this Agreement on the days and at the intervals that we specify. We may change the timing, frequency and intervals of any such payments from time to time, but with no less than thirty (30) days' prior written notice to you.

4. TRAINING AND ASSISTANCE.

4A. INITIAL AND ONGOING TRAINING.

Prior to opening the first Restaurant developed by you or your Owners or affiliates, we will provide you (or if you are conducting business as an Entity, your Principal Owner) and 2 additional management level employees of your Restaurant (one of which must be your Approved Manager, if applicable) (together, your “**Key Personnel**”) training in the material aspects of operating a Restaurant (the “**Initial Training Program**”). You may invite additional management level employees to attend the Initial Training Program if space allows, and such employees attend training at the same time. Your Key Personnel must satisfactorily complete the Initial Training Program prior to the Opening Date.

We are only obligated to provide the Initial Training Program one time. If you wish us to offer the Initial Training Program again in the future for any reason, including because you or your Owners or affiliates are developing a second or subsequent Restaurant, and/or any of your Owners or Key Personnel were not able to attend the Initial Training Program at the same time, we may charge you our then-current training fee for each individual we agree to train. We may elect not to provide the Training Program again for any reason.

We will determine the identity and composition of the trainer(s) conducting all portions of the Initial Training Program in our discretion. We will provide the Initial Training Program at the times and locations we determine, which may include conducting any portion of the Initial Training Program virtually. We will also determine the length and content of the Initial Training Program. We may vary the Initial Training Program based on the experience and skill level of the individual(s) attending.

Scheduling of the Initial Training Program is based on your and our availability, training facility availability and the projected Opening Date for your Restaurant. If any of your Key Personnel fail to satisfactorily complete the Initial Training Program, then we may require such person(s) to attend additional training at a time and location of our choice, and we will charge you our then-current training fee for such additional training.

If you and your Key Personnel complete the Initial Training Program to our satisfaction and have not expressly informed us at the end of the Initial Training Program that they do not feel sufficiently trained in the operation of a Restaurant, then you and your Key Personnel will be deemed to have been trained sufficiently to operate a Restaurant. You may request additional training in the operation of a Restaurant for any of your Key Personnel from time to time during the Term. If we agree to provide you such additional training, we and you will jointly determine the duration of this additional training, and may charge you our then-current training fee for such additional training.

If you appoint a new Approved Manager to supervise your Restaurant at any time, or your Principal Owner changes at any time, he or she must attend the then-current Initial Training Program within thirty (30) days of appointment and you must pay our then-current training fee for such attendance. If we at any time during the Term determine that any of your Key Personnel are unable to satisfactorily supervise and fulfill their duties at your Restaurant, we may require such persons to cease

providing services at your Restaurant until they complete additional training, and you must pay our then-current training fee for such attendance in any additional training we provide.

You are responsible for providing a training program for all your employees who have not attended Initial Training Program. All employees must satisfactorily pass a training program that meets our minimum criteria prior to providing services at your Restaurant.

We may require you and your Key Personnel and/or certain other employees of your Restaurant to attend various training courses, trade shows, ongoing education, or certification programs, and/or webinars at the times and locations designated by us, including courses and programs provided by third-parties we designate. Besides attending these training courses, programs, and events, we may additionally require you and/or any of your Key Personnel to attend periodic meetings of franchise owners or managers. These meetings will be held at our discretion and at locations we designate.

You agree to pay all travel and living expenses (including, wages, transportation, food, lodging, and workers' compensation insurance) that you and your Key Personnel or any other employee incurs during any and all meetings and/or training courses and programs. You are also responsible for the travel and living expenses and out-of-pocket costs we incur in sending our trainer(s) to your Restaurant to conduct training, including food, lodging and transportation.

4B. ON-SITE ASSISTANCE.

On or around your Opening Date, we will send one or more representatives to your Premises to provide on-site advice, guidance, and initial operations support in connection with your opening of the Restaurant. We will determine the identity and composition of the trainer(s) conducting all portions of the on-site opening assistance in our discretion, and may be comprised of only one person. We will also determine the dates and duration of such on-site assistance based on your and your Key Personnel's experience and the nature of your Restaurant. We may vary the Initial Training Program based on the experience and skill level of the individual(s) attending. You may request that we provide additional assistance on-site at your Restaurant, and if we elect to provide any additional assistance on-site we may charge our then current fee for such assistance.

Notwithstanding anything to the contrary in this Agreement, we will not be required to send any of our representatives to your Restaurant to provide any training, assistance, or services of any kind if, in our sole determination, it is unsafe to do so. Such determination will not relieve you from your obligations under this Agreement and will not serve as a basis for your termination of this Agreement. We may also, at any time, for any reason, elect to conduct any or all support, inspections, training, or other services virtually, and you agree to comply with our instructions for virtual programs.

4C. GENERAL GUIDANCE.

Subject to limitations on scheduling, availability, and similar resources, we may provide you advice from time to time regarding your Restaurant's operation, including advice regarding: (1) standards, specifications, and operating procedures and methods; (2) equipment and facility maintenance; (3) guest service procedures and quality control; and (4) advertising, marketing, and branding strategies. Our advice and guidance will be furnished in the form of our Brand Standards Manual (as defined in Section 4D) and via telephone, virtually, and/or in-person consultation. If you request, and we agree to provide, additional or special guidance, assistance, or training, we may charge you our then-applicable fee, including our personnel's per diem charges and travel and living expenses.

You understand and agree that any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which we may discontinue and modify from time to time.

4D. BRAND STANDARDS MANUAL.

We will make our brand standards for the operation of Restaurants available to you during the Term, through one or more separate manuals, as well as via software, applications, internet or intranet sites or other Online Presence, bulletins and/or other written materials (collectively, the “**Brand Standards Manual**”). The Brand Standards Manual contains the mandatory specifications, standards, operating procedures, and rules that we periodically prescribe for operating Restaurants in general or your Restaurant in particular (“**Brand Standards**”), and other suggested specifications, standards and procedures, and information on your other obligations under this Agreement. We may modify the Brand Standards Manual periodically, including changes in Brand Standards. If there is a dispute over its contents, our master copy of the Brand Standards Manual will control. You agree that the Brand Standards Manual’s contents are considered Confidential Information (as defined in Section 11) and that you will not disclose the Brand Standards Manual to any person other than any employee who needs to know its contents. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Brand Standards Manual without our approval.

At our option, we may make some or all of the Brand Standards Manual available through an Online Presence. If we do so, you agree to monitor and access that Online Presence for any updates to the Brand Standards Manual. Any passwords or other digital identifications necessary to access the Brand Standards Manual on any Online Presence will be deemed to be part of Confidential Information (as defined in Section 11 below).

5. INTELLECTUAL PROPERTY.

5A. YOUR LICENSE.

We grant you a non-exclusive license to use the Marks and the Franchise System to operate your Restaurant, subject to the terms of this Agreement. Your right to use the Marks and the Franchise System is derived only from this Agreement. You may use the Marks and the Franchise System only for your Restaurant, and only according to this Agreement and in accordance with Brand Standards. You have no right to sublicense or assign your right to use the Marks or the Franchise System. **YOU ACKNOWLEDGE THAT OUR MARKS MAY NOT BE FEDERALLY REGISTERED WHEN YOU SIGN THIS AGREEMENT, WHICH WILL MEAN THAT YOU HAVE FEWER RIGHTS TO THE MARKS, AND/OR MAY BE REQUIRED TO CHANGE THE MARKS IN THE FUTURE.**

5B. USE OF MARKS.

You agree at all times to faithfully, honestly, and diligently promote the Marks in connection with operating your Restaurant. You agree to identify yourself as the independent owner of your Restaurant in the manner we prescribe. You may not use any Mark (1) as part of any corporate or legal business name; (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you); (3) in selling any unauthorized services or products; (4) as part of any website, domain name, email address, social media account, other online presence or presence on any electronic medium of any kind (“**Online Presence**”), except in accordance with our Brand Standards; (5) in advertising any prospective transfer that would require our approval under this

Agreement; or (6) in any other manner that we have not expressly authorized in writing. You agree to give the notices of trademark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law. You may not use any other trademarks, service marks or commercial symbols other than the Marks to identify or operate your Restaurant.

5C. OWNERSHIP AND GOODWILL.

We and/or our affiliates are the sole and exclusive owners of the Marks and the Franchise System, and all good will arising from the Marks and the Franchise System. Your unauthorized use of the Marks or the Franchise System is a breach of this Agreement and infringes our and our affiliates' intellectual property rights. Your unauthorized use of the Marks or the Franchise System will cause us and our affiliates irreparable harm for which there is no adequate remedy at law and will entitle us and our affiliates to injunctive relief. You acknowledge and agree that your use of the Marks and the Franchise System and any goodwill established by that use are exclusively for our and affiliates' benefit and this Agreement does not confer any goodwill or other interests in the Marks and the Franchise System to you or your affiliates, other than the right to operate your Restaurant under this Agreement. All provisions of this Agreement relating to the Marks and the Franchise System apply to any changes and/or additions to the Marks or the Franchise System that we authorize from time to time. You may not at any time during or after the Term contest or assist any other person in contesting the validity of the Marks or the Franchise System or our or affiliates' rights to the Marks or the Franchise System.

5D. NOTIFICATION OF INFRINGEMENTS AND CLAIMS.

You agree to notify us immediately of any apparent infringement or challenge to your use of any Mark or component of the Franchise System, or of any person's claim of any rights in any Mark or component of the Franchise System, and not to communicate with any person other than us, our attorneys, and your attorneys, regarding any possible infringement, challenge, or claim. We and/or our affiliates may take any action we deem appropriate (including no action) and exclusively control any litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark or the Franchise System. You agree to sign any documents and take any other reasonable action that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in any litigation or other proceeding or otherwise to protect and maintain our interests in any Mark and the Franchise System. We will reimburse you for your reasonable documented out-of-pocket costs of taking any action that we have asked you to take.

5E. CHANGES TO THE MARKS AND FRANCHISE SYSTEM.

You understand that the Marks and the Franchise System may evolve over time, including after you sign this Agreement. If we decide to modify, substitute, add or discontinue the use of any Marks or the Franchise System, you agree to make such modifications and updates as we specify and to comply with all other directions we give regarding the use of the Marks and the Franchise System in connection with your Restaurant within a reasonable time after receiving notice from us, at your sole expense. We are not required to reimburse you for any costs or expenses associated with making such changes, promoting a modified or substitute Mark, or for any loss of revenue due to any modification to the Marks or the Franchise System.

5F. INDEMNIFICATION FOR USE OF MARKS.

We agree to reimburse you for all damages and expenses that you incur in responding to any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement, if you have timely notified us of the proceeding, and complied with our directions in responding to it and are otherwise in compliance with the terms and conditions of this Agreement. At our option, we and/or our affiliates may defend and control the defense of any proceeding arising from your use of any Mark under this Agreement. Our liability under this Section 5F will be limited to an aggregate amount not to exceed the amount actually collected by us from you as the Initial Franchise Fee.

6. BRAND STANDARDS.

6A. COMPLIANCE WITH BRAND STANDARDS.

You acknowledge and agree that operating and maintaining your Restaurant according to Brand Standards is essential to preserve the goodwill of the Marks and all Restaurants. Therefore, you agree at all times to operate and maintain your Restaurant according to all of our Brand Standards, as we periodically modify and supplement them, even if you believe that a Brand Standard is not in the Franchise System's or your best interests. Although we retain the right to establish and periodically modify Brand Standards, you are solely responsible for the management and operation of your Restaurant and for implementing and maintaining Brand Standards at your Restaurant. As examples, and without limitation, Brand Standards may regulate any one or more of the following:

- (1) amounts and types of Operating Assets and inventory you must purchase and/or maintain;
- (2) sales, marketing, advertising, and promotional campaigns, including prize contests, special offers and other national, regional or location marketing programs, and materials and media used in these programs;
- (3) methods, territory, integrations and other standards for delivery, catering, and other off-site services, and/or ghost kitchen operations;
- (4) use and display of the Marks at your Restaurant and on uniforms, labels, forms, paper, products, and other supplies;
- (5) issuing and honoring gift cards, gift certificates and similar items, and participating in loyalty programs;
- (6) minimum staffing levels, and employee credentials, qualifications, training, dress, and appearance (although you have sole responsibility and authority concerning employee selection and promotion, hours worked, rates of pay and other benefits, work assigned, and working conditions);
- (7) days and hours of operation;
- (8) customer service standards and policies, and participation in any quality assurance or customer satisfaction programs;

- (9) menus, including product offerings, appearance, and inclusion of nutrition information;
- (10) product and service development programs, including participation in market research and testing;
- (11) accepting credit and debit cards, other payment systems, currencies, and check verification services;
- (12) designated and approved suppliers of Operating Assets, inventory and other supplies;
- (13) bookkeeping, accounting, data processing, and recordkeeping systems and forms; formats, content, and frequency of reports to us of sales, revenue, financial performance, and condition;
- (14) use of any third-party food delivery services, online ordering services, or other food aggregation services; and
- (15) any other aspects of operating and maintaining your Restaurant that we determine to be useful to preserve or enhance the brand-image, and goodwill of the Marks and the Franchise System.

6B. OPERATING ASSETS.

You agree to obtain and install the operating assets we designate from time to time as meeting our Brand Standards for quality, design, appearance, function, and performance (collectively, the “**Operating Assets**”), including: (i) the computer hardware, software, point-of-sale and other technology systems (collectively, the “**Computer System**”), and (ii) all other fixtures, furniture, equipment, furnishings, and signs and other products and services that that we approve for Restaurants. If we designate or approve certain brands, types, and models of Operating Assets, you agree to purchase or lease only Operating Assets meeting the specifications we have designated or approved. We may also require you to purchase or lease the Operating Assets only from suppliers we have designated or approved (which may include or be limited to us and/or our affiliates) in accordance with Section 7D. We may modify our designated or approved Brand Standards for Operating Assets, from time to time, and you agree to comply with our modified Brand Standards promptly after you receive notice.

6C. CHANGES TO BRAND STANDARDS.

You understand that the Franchise System will continue to evolve during the Term and the Brand Standards may change periodically. These modifications may obligate you to invest additional capital in your Restaurant and/or incur higher operating costs. You agree to implement any changes to your Restaurant in accordance with our Brand Standards within the time period we request, including by buying new Operating Assets, upgrading or replacing any or all of the Computer System, adding new products and services, or otherwise modifying the nature of your operations, as if part of this Agreement as of the Effective Date. You will be solely responsible for the costs of implementing all changes to your Restaurant in accordance with the Brand Standards.

6D. VARIATION IN BRAND STANDARDS.

You further acknowledge and agree that complete and detailed uniformity might not be possible or practical under varying conditions, and that we specifically reserve the right to vary Brand Standards for any franchise owner based on the peculiarities of any condition that we consider important to that franchise owner's successful operation. We may choose not to authorize similar variations or accommodations to you or other franchise owners.

7. OPERATION OF YOUR RESTAURANT.

7A. MANAGEMENT.

Subject to the terms and conditions of this Agreement, you are solely responsible for the management, direction and control of your Restaurant. You (or if you are conducting business as an Entity, your Principal Owner) must supervise the management and day-to-day operations of your Restaurant on a full-time basis and continuously exert best efforts to promote and enhance your Restaurant and the goodwill associated with the Marks.

If you do not (or if you are conducting business as an Entity, your Principal Owner does not) wish to supervise the day-to-day operation of your Restaurant, then you must obtain our approval of any management level employee and/or other person, agent, or management company that you wish to engage to supervise the management of your Restaurant (your "**Approved Manager**"). We may establish conditions for approving any such Approved Manager in our discretion, which may include the completion of training, confirmation that it will have no competitive business activities, and/or execution of a non-disclosure agreement or other covenants we require.

During any period in which no Approved Manager is approved (including because the Approved Manager resigns or otherwise indicates to us or you that he or she wishes to cease acting as your Approved Manager, or we disapprove of your Approved Manager for any reason), you (or if you are conducting business as an Entity, your Principal Owner) must supervise the day-to-day operations of your Restaurant. Your Restaurant must always be under the direct on-site supervision of one or more persons who we have approved.

7B. CONDITION AND APPEARANCE OF YOUR RESTAURANT.

During the Term you must regularly clean, repaint and repair the interior and exterior of the Premises, repair or replace damaged, worn out or obsolete Operating Assets and otherwise maintain the condition of your Restaurant, the Premises and the Operating Assets to meet the highest standards of professionalism, cleanliness, sanitation, efficient, courteous service and pleasant ambiance. You must place or display at the Premises (interior and exterior) only those signs, emblems, designs, artwork, lettering, logos, and display and advertising materials that we from time to time approve. If you fail to maintain your Restaurant in accordance with our Brand Standards, and do not complete any required maintenance in good faith and with due diligence for more than thirty (30) days after we notify you of the deficiency, we have the right, in addition to all other remedies, to enter the Premises and do

any required maintenance or refurbishing on your behalf. You agree to reimburse us on demand for any expenses we incur in maintaining the Premises on your behalf.

7C. APPROVED PRODUCTS AND SERVICES.

You agree that you will offer and sell at your Restaurant the products and services that we specify from time to time. You will offer and sell such approved products and services only in the manner and at the locations we have prescribed and will not sell any products or services wholesale or through alternative channels of distribution (including, the internet or retail stores) without our approval. You will not offer or sell any products or services we have not approved (including any delivery, catering, or other off-site or ghost kitchen services we have not authorized) at any location. If we at any time disapprove a product or service, you will immediately discontinue selling and offering that product or service at your Restaurant. Your Restaurant will provide services and sell products only on the days and during the hours we approve.

We may, at any time, require that you offer and provide delivery, catering and/or other off-site services. We may also require you to act as a ghost kitchen, to fulfill orders for other brands with whom we have partnerships. If we require you to offer and provide any such services, you must bring your Restaurant into compliance with our Brand Standards for such services within sixty (60) days from the date you receive our notice of the requirement, including by purchasing or leasing any necessary motor vehicles and/or Operating Assets, making any required changes to signage and advertising materials, and updating your Computers System to include any software, hardware or other equipment necessary to offer such services. We may limit the geographic area in which you may offer delivery, catering and/or any other off-site services, and we may modify that geographic area from time to time (and such geographic area may be different from your Protected Territory). If we specify a geographic area in which you may offer and provide delivery, catering and/or other off-site services, you agree not to offer or provide such services outside of that area.

If we at any time (including after our initial approval) determine that you fail to meet our Brand Standards for providing any products or services that we require (including delivery, catering and/or ghost kitchen services), we may permanently or temporarily terminate your right to offer such products or services; provided that nothing contained herein will be deemed a waiver of our right to terminate pursuant to Section 15B.

7D. APPROVED DISTRIBUTORS AND SUPPLIERS.

We may designate, approve or develop Brand Standards for manufacturers, distributors and suppliers of products and services to your Restaurant, which may be us or our affiliates (collectively, “**suppliers**”). You must purchase the products and services we periodically designate only from the suppliers we prescribe and only on the terms and according to the specifications we approve.

We may concentrate purchases with one or more suppliers for any reason, including to obtain lower prices, advertising support and/or services for any group of Restaurants franchised or operated by us or our affiliates. We may also designate a single supplier for any product, service, Operating Asset, or other material, or approve a supplier only for certain products, which may be us or our affiliates. You acknowledge and agree that we and/or our affiliates may derive consideration, revenue and profits based on your purchases (including from charging you for products and services we or our affiliates provide to you, and from promotional allowances, rebates, volume discounts and other payments, services or consideration we receive from suppliers on the basis of sales to you or other

franchise owners). We and/or any of our affiliates may retain and use such consideration, revenue and profit without restriction. We also reserve the right to charge suppliers a fee for the right to manufacture products for use in the Restaurants.

If you would like us to consider approving a vendor that is not an approved vendor, you must submit your request in writing before purchasing any items or services from that vendor. We will make all determinations about whether to approve an alternative vendor in our sole discretion based on our then-current criteria, which may change from time to time. We may also refuse to consider and/or approve any proposed alternative vendor for any reason whatsoever. We reserve the right to charge you a fee if you ask us to evaluate any proposed alternative vendors. We may, with or without cause, revoke our approval of any vendor at any time.

7E. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES.

You must secure and maintain all required licenses, permits, and certificates relating to the operation of your Restaurant and must at all times operate your Restaurant in full compliance with all applicable laws, ordinances, and regulations. You agree to comply and assist us in our compliance efforts with any and all laws and regulations, including those relating to truth in lending, restaurants and food service businesses, safety and sanitation, truth in advertising, occupational hazards, health and anti-discrimination laws, Executive Orders or otherwise relating to anti-terrorist activities (including the U.S. Patriot Act, Executive Order 13224, and related U.S. Treasury and/or other regulations). In connection with such compliance efforts, you agree not to enter into any prohibited transactions and to properly perform any currency reporting and other activities relating to your Restaurant as may be required by us or by law. You confirm that you are not listed in the Annex to Executive Order 13224 and agree not to hire any person so listed or have any dealing with a person so listed (the Annex is currently available at <http://www.treasury.gov>). You are solely responsible for ascertaining what actions must be taken by you to comply with all such laws, orders and/or regulations, and specifically acknowledge and agree that your indemnification responsibilities (as provided in Section 17D) apply to your obligations under this Section 7E.

You agree to comply with our website privacy policy, as it may be amended periodically. You further agree to comply with any requests to return or delete customer's personal information, whether requested by us or directly by the customer, as required by applicable data sharing and privacy laws.

Your Restaurant must adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct in all dealings with customers, suppliers, us and the public. You agree to refrain from any business or advertising practice which may injure our business and the goodwill associated with the Marks and other Restaurants. Promptly upon receipt, you agree to provide us a copy of any and all notices you receive from any person, entity or governmental authority claiming that you (or your affiliates or representatives) have violated any laws, regulations, permits, licenses, agreements or other committed any other breach, default or violation in connection with Restaurant, and/or any audit, investigation, or similar proceeding by any such person or governmental authority is pending or threatened against you on the basis of any of the foregoing, including any default notices from any landlord or supplier, any violation notices from a health or safety regulatory board, and any customer complaints alleging violations or law, or which may otherwise adversely affect your operation or financial condition or that of your Restaurant.

7F. INFORMATION SECURITY

You must implement all administrative, physical and technical safeguards necessary to protect any information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric or health data, government-issued identification numbers and credit report information (“**Personal Information**”) in accordance with applicable law and industry best practices, including, where required, obtaining necessary consents and making required disclosures. It is entirely your responsibility (even if we provide you any assistance or guidance in that regard) to confirm that the safeguards you use to protect Personal Information comply with all applicable laws and industry best practices related to the collection, access, use, storage, disposal and disclosure of Personal Information. If you become aware of a suspected or actual breach of security or unauthorized access involving Personal Information, you will notify us immediately and specify the extent to which Personal Information was compromised or disclosed. You also agree to follow our instructions regarding curative actions and public statements relating to the breach.

7G. EMPLOYEES, AGENTS & INDEPENDENT CONTRACTORS.

You acknowledge and agree that you are solely responsible for all decisions relating to employees, agents, and independent contractors that you may engage, retain or hire to assist in the operation of your Restaurant. You agree that any employee, agent or independent contractor that you hire will be your employee, agent or independent contractor, and not our employee, agent or independent contractor. You also agree that you are exclusively responsible for the terms and conditions of employment of your employees, including recruiting, hiring, firing, training, compensation, work hours and schedules, work assignments, safety and security, discipline, and supervision. You agree to manage the employment functions of your Restaurant in compliance with federal, state, and local employment laws.

We may require that any employee, agent or independent contractor that you hire and that will have access to Confidential Information, to execute a non-disclosure agreement to protect the Confidential Information. We reserve the right to regulate the form of non-disclosure that you use and to be a third-party beneficiary of those agreements with independent enforcement rights. You acknowledge that any form of non-disclosure agreement that we require you to use, provide to you, or regulate the terms of may or may not be enforceable in a particular jurisdiction. You agree that you are solely responsible for obtaining your own professional advice with respect to the adequacy of the terms and provisions of any confidentiality agreement that your employees, agents, and contractors sign.

7H. INSURANCE.

During the Term you must maintain in force at your sole expense the types and amounts of insurance that we require and that comply with the terms of your Lease. We reserve the right to require you to obtain all or a portion of your insurance policies from a designated vendor and on the terms and according to the specifications we approve. The liability insurance must cover claims for bodily and personal injury, death, and property damage caused by or occurring in connection with your Restaurant’s operation or activities of your personnel in the course of their employment. All of these policies must contain the minimum coverage we prescribe from time to time, and must have deductibles not to exceed the amounts we specify. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverages (including reasonable excess liability insurance) at any time. These insurance policies must

be purchased from licensed insurers having a rating of “A/VIII” or higher by the then-current edition of Best Insurance Reports published by A.M. Best Company (or other similar publication or criteria we designate).

Each insurance policy for liability coverage must name us and any affiliates we designate as additional named insureds, using a form of endorsement that we have approved, and provide for 30 days’ prior written notice to us of a policy’s material modification, cancellation or expiration. Each insurance policy must contain a waiver of all subrogation rights against us, our affiliates and their successors and assigns. You must routinely furnish us copies of your Certificates of Insurance or other evidence of your maintaining this insurance coverage and paying premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies including termination, we may (but are not required to) obtain such insurance for you and your Restaurant on your behalf, in which event you agree to cooperate with us and reimburse us on demand for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee.

Our requirements for minimum insurance coverage are not representations or warranties of any kind that such coverage is sufficient for your Restaurant’s operations. Such requirements represent only the minimum coverage that we deem acceptable to protect our interests. It is your sole responsibility to obtain insurance coverage for your Restaurant that you deem appropriate, based on your own independent investigation. We are not responsible if you sustain losses that exceed your insurance coverage under any circumstances.

7I. PRICING.

Unless prohibited by applicable law, we may periodically set a maximum or minimum price that you may charge for products and services offered by your Restaurant. If we impose such a maximum or minimum price for any product or service, you must ensure that customer pricing at your Restaurant complies with such minimum and maximum pricing standards. The designated maximum and minimum prices for the same product or service may, at our option, be the same. For any product or service for which we do not impose a maximum or minimum price, we may require you to comply with an advertising policy adopted by us which will prohibit you from advertising any price for a product or service that is different than our suggested retail price. Although you must comply with any advertising policy we adopt, you will not be prohibited from selling any product or service at a price above or below the suggested retail price unless we impose a maximum price or minimum price for such product or service.

8. MARKETING.

8A. GRAND OPENING ADVERTISING.

You must spend at least Fifteen Thousand Dollars (\$15,000) for a grand opening marketing program for your Restaurant to take place on the dates we designate before and after your Restaurant opens. You must spend this amount in addition to all other amounts you must spend on advertising specified in this Agreement. The amount you spend on grand opening advertising will not count towards your Local Advertising Expenditure (defined in Section 8B), or your Maximum Advertising Expenditure (defined in Section 8E). You agree to use the media, materials, programs and strategies we develop or approve in connection with the grand opening advertising program. We may require you to pay this amount to us, or our affiliate or designee, to conduct marketing on your behalf.

8B. YOUR ADVERTISING.

You must advertise and market your Restaurant in any advertising medium we determine, using forms of advertisement we approve or designate. You must also list your Restaurant with the online directories and subscriptions we periodically prescribe (such as Yelp® and Google®), and/or establish any other Online Presence we require. You must comply with all of our Brand Standards for your advertising. Your advertising, promotion, and marketing must be completely clear, factual, and not misleading and conform to the highest standards of ethical advertising, the Brand Standards, and any marketing and the advertising and marketing policies that we prescribe from time to time.

You must spend an amount that we designate from time to time to advertise and promote your Restaurant (the “**Local Advertising Expenditure**”). We may change the amount of your Local Advertising Expenditure from time to time, subject to your Maximum Advertising Expenditure (as defined in Section 8E). We will determine what type of expenditures that will count towards your Local Advertising Expenditure. Indirect costs you incur in managing your local advertising campaigns, such as salaries and benefits of employees administering the campaigns, will not be counted towards your Local Advertising Expenditure. Additionally, any costs you incur for advertising conducted at the Premises, such as in-store materials and signage, will not be counted towards your Local Advertising Expenditure. On our request, you agree to send us, in the manner we prescribe, an accounting of your Local Advertising Expenditures during the preceding months.

We may require you to pay part or all of the Local Advertising Expenditure to us or our designee. If we exercise this option, we will contribute the amount you pay us to the Brand Fund(s) (as defined in Section 8D). We may at any time, on one or more occasions, cease collecting all or part of the Local Advertising Expenditure, or change the proportion of the Local Advertising Expenditure that you must pay us or our designees.

8C. APPROVAL OF ADVERTISING.

At least 30 days before you intend to use them, you agree to send us samples of all advertising, promotional and marketing materials that you wish to us, that we have previously not approved. If we do not approve of the materials within 14 days of our receipt of such materials, then they will be deemed disapproved. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved.

8D. BRAND FUND.

We may from time to time establish one or more brand fund(s) (each a “**Brand Fund**”) to administer certain advertising, marketing, and public relations programs for the Franchise System and brand and the promotion of Restaurants. You hereby agree to contribute to each Brand Fund(s) the amount that we determine from time to time (the “**Brand Fund Contribution**”). We may modify the amount of the Brand Fund Contribution from time to time with notice to you, provided that the aggregate total of the Brand Fund Contribution and Local Advertising Expenditure, together does not exceed the Maximum Advertising Expenditure (defined below). The Brand Fund Contribution must be paid by you in the manner we designate from time to time, which may include collecting amounts in the same manner as the Royalty.

We will have exclusive control over all programs and services administered by the Brand Fund(s), with sole discretion over the creative concepts, materials, and campaigns and their geographic

market, media placement and allocation. The Brand Fund(s) may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining any Online Presences or other software or applications; administering advertising and marketing campaigns; administering regional and multi-regional marketing and advertising programs; using advertising, promotion, and marketing agencies and other advisors to provide assistance; supporting public relations, market research, and other advertising, promotion, and marketing strategy or implementation activities; and/or any other expenditures that are directly or indirectly related to promoting the Marks, the Franchise System, the brand, and/or Restaurants. We may also use the Brand Fund(s) to pay for the Brand Funds' other administrative and overhead costs, including the reasonable salaries and benefits of personnel who manage and administer the Brand Fund(s), and any other expenses that we or our affiliates incur that are related to administering or directing the Brand Fund(s) and its programs. We may also elect to use (but will not have the obligation to use) the Brand Fund(s) to pay for or reimburse franchisees for so costs they may incur for promoting their Restaurants and/or complying with updated branding guidelines. We may modify Brand Fund(s) programs, services, or expenditures at any time in our sole discretion.

The purpose of the Brand Fund(s) is to promote the Marks, the Franchise System, the brand, and Restaurants generally. As such, you acknowledge and agree that there is no guarantee that you or your Restaurant will benefit from Brand Fund(s) expenditures directly or in proportion to your Brand Fund Contribution. You further acknowledge and agree that the results of any marketing and promotional programs are by their nature uncertain, and that neither we nor any of our affiliates or representatives has guaranteed the results of any Brand Fund(s) programs, services, or expenditures in any manner.

We will account for the Brand Fund(s) separately from our other funds. However, neither we nor any of our affiliates has any fiduciary obligation to you or any other person for administering the Brand Fund(s) or for any other reason. The Brand Fund(s) may spend in any fiscal year more or less than the total Brand Fund Contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will prepare an annual, unaudited statement of Brand Fund(s) collections and expenses and give you the statement on written request, within 120 days after the end of each fiscal year, but not less than 30 days' notice from you of such request. We may have the Brand Fund(s) audited annually, at the Brand Funds' expense, by an independent chartered accountant. We may also administer the Brand Fund(s) through a separate entity whenever we deem appropriate, and such entity will have all of the rights and duties specified in this Section.

We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Brand Fund Contributions at the Brand Funds' expense. We may also forgive, waive, settle, and compromise all claims by or against the Brand Fund(s) in our sole discretion.

We may at any time reduce, suspend, terminate, and/or re-instate Brand Fund Contributions and/or operations of the Brand Fund(s) for one or more periods of any length. If we terminate the Brand Fund(s), we will spend the remaining balance in the Brand Fund(s) until such amounts are exhausted. We may elect to maintain multiple Brand Funds, whether determined by geographic region, country, brand, or otherwise, or consolidate or merge multiple Brand Funds, in each case provided that each such Brand Fund will otherwise remain subject to this Section. If we maintain multiple Brand Funds, we will determine how Brand Fund Contributions will be segregated among each applicable Brand Fund, and we may modify our procedures at any time with notice to you.

8E. MAXIMUM ADVERTISING EXPENDITURE

The combined Brand Fund Contribution and Local Advertising Expenditure that we impose will not exceed five percent (5%) of your Restaurant's Gross Sales (the "**Maximum Advertising Expenditure**"). We reserve the right to change the amount of the Brand Fund Contribution and/or Local Advertising Expenditure, with no less than 60 days prior notice to you, so long as any change does not result in a combined Brand Fund Contribution and Local Advertising Expenditure greater than the Maximum Advertising Expenditure.

8F. FRANCHISE SYSTEM WEBSITE.

We may establish, acquire, or host any website(s) to advertise, market, and promote Restaurants, the products and services that they offer and sell, and/or a Restaurant franchise opportunity (a "**Franchise System Website**"). We may (but are not required to) provide you with a webpage on a Franchise System Website that references your Restaurant. If we provide you with a webpage on a Franchise System Website, you must: (i) provide us the information and materials we request to develop, update, and modify your webpage; (ii) notify us whenever any information on your webpage is not accurate; and (iii) if we give you the right to modify your webpage, notify us whenever you change the content of your webpage. We will own all intellectual property and other rights in all Franchise System Websites, including your webpage and all information it contains (including the domain name, any associated email address, any website analytical data, and any personal or business data that visitors supply). We may require you to obtain from us and use an email address associated with our registered domain name. If we require you to obtain and use such an email address, you must do so according to our then-current Brand Standards. We will have unrestricted access to all such email accounts, and all document, data, materials, and messages shared from or by such accounts. Even if we provide you a webpage on a Franchise System Website, we will only maintain that webpage while you are in full compliance with this Agreement and all Brand Standards we implement. If you are in default of any obligation under this Agreement or our Brand Standards, then we may temporarily remove your webpage from any Franchise System Website until you fully cure the default. We will permanently remove your webpage from all Franchise System Websites upon this Agreement's expiration or termination.

We may require you to provide notice of any Franchise System Website in the advertising, marketing, and promotional materials that you develop for your Restaurant in the manner we designate. We reserve the sole right to sell the products sold by Restaurants through any Online Presence.

We reserve the right to require you to obtain from us and use an email address associated with our registered domain name. If we require you to obtain and use such an email address, you must do so according to our then-current Brand Standards. We reserve the right to charge you a fee for each email address we provide you as part of the Technology Fee.

Except as provided above, or as approved by us in writing or in the Brand Standards Manual, you may not develop, maintain or authorize any Online Presence that mentions your Restaurant, links to any Franchise System Website or displays any of the Marks, or engage in any promotional or similar activities, whether directly or indirectly, through any Online Presence. If we approve the use of any such Online Presence in the operation of your Restaurant, you will develop and maintain such Online Presence only in accordance with our guidelines, including our guidelines for posting any messages or commentary on other third-party websites, including preparing and linking a privacy policy to such

Online Presence that complies with all applicable laws, our Brand Standards, and other terms and conditions, that we may prescribe in writing. We will own the rights to each such Online Presence. At our request, you agree to grant us access to each such Online Presence, and to take whatever action (including signing assignment or other documents) we request to evidence our ownership of such Online Presence, or to help us obtain exclusive rights in such Online Presence.

8G. CONTACT INFORMATION AND LISTINGS.

You agree that, as between us and you, we reserve the right to all telephone numbers, directory listings, and/or any other type of contact information or directory listing for your Restaurant or that you use in the operation or promotion of your Restaurant (collectively, the “**Contact Information**”). The Contact Information may be used only for your Restaurant in accordance with this Agreement and our Brand Standards and for no other purpose. We reserve the right to notify any telephone company, listing agencies, website hosting company, domain registrar, social network, and any other third-party owning or controlling any Contact Information, if any information relating to your Restaurant is inaccurate or violates our Brand Standards, and request they modify such Contact Information, and/or remove such Contact Information until it can be corrected.

9. RECORDS, REPORTS, AND FINANCIAL STATEMENTS.

You must use the Computer System to maintain certain sales data, customer information and other information. You agree that we will have access to your Computer System at all times and that we will have the right to collect and retain from the Computer System any and all data concerning your Restaurant. At our request, you agree to sign a release with any vendor of your Computer System, providing us with such access to the Computer System as we may request from time to time. If such vendor is not willing to grant us independent access for any reason, you agree to provide us access to your Computer System through your account.

You agree to establish and maintain at your own expense a bookkeeping, accounting, and recordkeeping system conforming to the requirements and formats we prescribe from time to time. We may require that you hire a service-provider that we designate as your provider of accounting, payroll and/or bookkeeping services. If we designate a service-provider for accounting, payroll and/or bookkeeping services, you agree to cooperate with such service-provider and provide such service-provider with all information you would appropriately provide us under this Section 9. Each month, you agree to generate, in the manner and format that we may prescribe from time to time, an income statement (including a standard chart of the accounts designated by us) for your Restaurant covering the most recently completed month. On our request, you agree to send us such statements. You also agree to give us in the manner and format that we prescribe from time to time:

(a) on or before each Royalty payment, a report on your Restaurant’s Gross Sales during the applicable reporting period;

(b) within fifteen (15) days after the end of each calendar month, the operating statements, financial statements, statistical reports and other information we request regarding your Restaurant covering the preceding month;

(c) within the time limits specified in the Brand Standards Manual, such other periodic operating statements, financial statements, statistical reports and other information we request regarding you and your Restaurant;

(d) by March 15th of each year, annual profit and loss and source and use of funds statements and a balance sheet for your Restaurant as of the end of the prior calendar year; and

(e) within ten (10) days after our request, exact copies of federal and state income tax returns, tax returns for sales, use, service, occupation, gross revenue, income, property, excise, or similar taxes, and any other forms, records, books, and other information we may periodically require relating to you and your Restaurant.

An officer must certify and sign each report and financial statement. We may disclose data derived from these reports, although we will not without your consent (unless required by law) disclose your identity in any materials that we circulate publicly.

Subject to applicable law, you agree to preserve and maintain all records in a secure location at your Restaurant for at least five (5) years (including, but not limited to, sales checks, purchase orders, invoices, payroll records, customer lists, check stubs, tax records and returns for sales, use, service, occupation, gross revenue, income, property, excise or similar taxes, cash receipts journals, cash disbursement journals, and general ledgers). We may require you to have audited financial statements prepared annually during the Term.

10. INSPECTIONS AND AUDITS.

10A. OUR RIGHT TO INSPECT YOUR RESTAURANT.

To determine whether you and your Restaurant are complying with this Agreement and all Brand Standards, we and our designated agents or representatives may at all times and without prior notice to you: (1) inspect your Restaurant; (2) photograph your Restaurant and observe and videotape your Restaurant's operation for consecutive or intermittent periods we deem necessary; (3) continuously or periodically monitor your Restaurant using electronic surveillance or other means; (4) remove samples of any products and supplies; (5) speak with your Restaurant's personnel and customers; (6) inspect your Computer System, including hardware, software, security, configurations, connectivity, and data access; and (7) inspect and copy any books, records, and documents relating to your Restaurant's operation. Additionally, we may engage third parties to conduct mystery shopper, customer survey or other market research testing, and quality assurance inspections at your Restaurant. You agree to cooperate with us fully during the course of these inspections and tests.

If we determine after any inspection of your Restaurant that one or more failures of Brand Standards exist, or any circumstances exists that prevents us or our designated representatives from properly inspecting any or all of your Restaurant (including if you or your personnel refuse entry to the Premises), we may re-inspect your Restaurant one or more times thereafter to evaluate whether such failures have been cured and/or conduct any other follow-up review that we deem is necessary, and you will reimburse all of our costs associated with the failed audit and/or such re-inspections and follow-up visits, including vendor fees, travel expenses, room and board, and compensation of our employees. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

10B. OUR RIGHT TO AUDIT.

We may at any time during your business hours, and without prior notice to you, examine your and your Restaurant's business, bookkeeping, and accounting records, tax records and returns for

income, sales, use, service, occupation, gross revenue, income, property, excise, or similar taxes, and other records. You agree to cooperate fully with our representatives and independent accountants in any examination. If any examination discloses an understatement of your Restaurant's Gross Sales, you agree to pay us the Royalty, Brand Fund Contribution, and any other fees understated, plus interest on the understated amounts from the date originally due until the date of payment, within fifteen (15) days after receiving the examination report. Furthermore, if an examination is necessary due to your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if our examination reveals an understatement of Gross Sales exceeding three percent (3%) of the amount that you actually reported to us for the period examined, you agree to reimburse us on demand for the costs of the examination, including attorney and independent accountants and the travel expenses, room and board, and compensation of our employees. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

11. CONFIDENTIAL INFORMATION.

In connection with your franchise under this Agreement, you and your owners and personnel may from time to time be provided and/or have access to non-public information about the Franchise System and the operation of Restaurants. (the "**Confidential Information**"), including: (1) training programs and materials; (2) the Brand Standards Manual; (3) market research and marketing strategies, including expansion strategies and targeted demographics; (4) specifications for products, services and suppliers, including menu recipes and ingredients; (5) any software or technology which is proprietary to us or the Franchise System, including digital passwords and identifications and any source code of, and data and reports generated by the software or similar technology; (6) the operating results and financial performance of Restaurants, including your Restaurant; (7) customer data, such as customer names, addresses, telephone numbers, e-mail addresses, buying habits, preferences, demographic information and related information, and any other information contained from time to time in the Computer System; and (8) any other information designated as confidential or proprietary by us.

All Confidential Information will be owned by us. You acknowledge and agree that: (i) you will not acquire any interest in Confidential Information, other than the right to use it as we specify in operating your Restaurant during the Term; and (ii) that Confidential Information is proprietary, includes our trade secrets, and is disclosed to you only on the condition that you will protect it. You acknowledge that any unauthorized use or disclosure of the Confidential Information would be an unfair method of competition and a breach of trust and confidence and will result in irreparable harm to us and our affiliates. You (and if you are conducting business as an Entity, each of your owners) therefore agree that during and after the Term you will, and to cause each of your respective spouses, immediate family members, affiliates, and assigns to:

(a) not use the Confidential Information for any purpose other than the development and operation of the Restaurant in accordance with this Agreement;

(b) keep confidential and not disclose, sell, distribute, or trade the Confidential Information to any person other than those of your employees and representatives who need to know such Confidential Information for the purpose of assisting you in operating the Restaurant in accordance with this Agreement; and you agree that you will be responsible for any violation of this requirement by any of your representatives or employees;

(c) not make unauthorized copies of any Confidential Information;

(d) adopt and maintain reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including by establishing reasonable security and access measures, restricting its disclosure to key personnel, and/or by requiring persons who have access to the Confidential Information to execute a non-disclosure and non-competition that we approve; and

(e) at our request, destroy or return any of the Confidential Information.

Confidential Information does not include information, knowledge, or know-how, which is lawfully known to the public without violation of applicable law or an obligation to us or our affiliates.

We are not making any representations or warranties, express or implied, with respect to the Confidential Information. We and our affiliates have no liability to you and your affiliates for any errors or omissions from the Confidential Information.

All ideas, concepts, techniques, or materials relating to a Restaurant and/or the Franchise System created by you, your owners or your employees (or for you, your owners or your employees), whether or not protectable intellectual property, must be promptly disclosed to us and will be our sole and exclusive property, part of the Franchise System, and works made-for-hire for us. To the extent that any item does not qualify as a “work made-for-hire” for us, you hereby waive all moral rights in that item, assign ownership of that item, and all related rights to that item, to us and agree to take whatever action (including signing assignment or other documents) we request to evidence our ownership or to help us obtain intellectual property rights in the item.

12. EXCLUSIVE RELATIONSHIP.

12A. COVENANTS AGAINST COMPETITION.

You acknowledge that we have granted you a franchise in consideration of and reliance on your agreement to deal exclusively with us. You (and if you are conducting business as an Entity, each of your owners) therefore agree, during the Term, not to and to cause each of your respective current and former immediate family members, affiliates, and each of their agents, employees, representatives, attorneys, successors, and assigns not to:

(a) have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, lessor, representative, or agent in any Competitive Business (as defined below), wherever located or operating (except that equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);

(b) perform services or act as a director, officer, manager, employee, consultant, lessor, representative, or agent for a Competitive Business, wherever located or operating; or

(c) divert or attempt to divert any actual or potential business or customer of any Restaurant to a Competitive Business.

You agree to obtain similar covenants and covenants of confidentiality from your personnel as we specify, including officers, directors, managers and other employees attending our Initial Training

Program or having access to Confidential Information. We have the right to regulate the form of agreement that you use and to be a third-party beneficiary of that agreement with independent enforcement rights.

The term “**Competitive Business**” means any business (excluding any Restaurants operated under a franchise agreement with us or our affiliate) operating, or granting franchises or licenses to others to operate, a restaurant or other food business deriving more than 15% of its revenue from the sale of: (i) chicken menu items or recipes, including chicken tenders, sandwiches, nuggets, or other chicken menu items or products; (ii) traditional Mexican inspired menu items or recipes, including tacos and nachos and/or (iii) other products or services substantially similar in concept or cuisine, as those products and services offered by Restaurants.

12B. NON-INTERFERENCE.

During and after the Term, you (and if you are conducting business as an Entity, each of your owners) further agree not to, and to cause your respective current and former immediate family members, affiliates, and each of their agents, employees, representatives, attorneys, successors, and assigns not to solicit, interfere, or attempt to interfere with our or our affiliates’ relationships with any customers, franchisees, lenders, vendors, or consultants.

12C. NON-DISPARAGEMENT.

During and after the Term, you (and if you are conducting business as an Entity, each of your owners) agree not to, and to cause your respective current and former immediate family members, affiliates, and each of their agents, employees, representatives, attorneys, successors, and assigns not to: (i) disparage or otherwise speak or write negatively, directly or indirectly, of us, our affiliates, any of our or our affiliates’ directors, officers, employees, representatives or affiliates, the “The Original Hot Chicken” or “Inked Tacos” brands, the Franchise System, any Restaurant, any business using the Marks, or any other brand concept operated or franchised by us or our affiliates, or (ii) take any other action which would, directly or indirectly, subject any of the foregoing to ridicule, scandal, reproach, scorn, or indignity, or which would negatively impact or injure the goodwill of the Franchise System or the Marks.

13. TRANSFER.

13A. BY US.

You acknowledge that we maintain a staff to manage and operate the Franchise System and that staff members can change as employees come and go. You acknowledge that you did not sign this Agreement in reliance on the continued participation by or employment of any of our shareholders, directors, officers, or employees. We may change our ownership or form of organization and/or assign this Agreement and any other agreement to a third party without restriction or your consent. After our assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we will be released and will no longer have any obligations or liabilities under this Agreement. This Agreement and any other agreement will inure to the benefit of any transferee or other legal successor to our interest in it.

13B. BY YOU.

You acknowledge that the rights and duties this Agreement creates are personal to you and your owners, if you are conducting business as an Entity, and that we have granted you the franchise in reliance on our perception of your and your owners', if you are conducting business as an Entity individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, none of the following may be transferred, mortgaged, pledged, or encumbered, without our prior written approval: (i) this Agreement or any interest in this Agreement; (ii) your Restaurant (or any right to receive all or a portion of your Restaurant's profits or losses or capital appreciation); (iii) substantially all of the assets of your Restaurant; or (iv) any direct or indirect ownership interest in you. A transfer of your Restaurant's ownership, possession, or control, or substantially all of its assets, may be made only with a transfer of this Agreement. Any transfer or attempt to transfer any of the foregoing (including by listing any of the following for sale on any directory or listing) without our approval has no effect. In this Agreement, the term "**transfer**" includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition, including transfer by reason of merger, consolidation, issuance of additional securities, death, disability, divorce, insolvency, encumbrance, foreclosure, surrender or by operation of law.

Notwithstanding anything in this Section 13B to the contrary, if you enter into this Agreement as an individual, if you are in full compliance with this Agreement, you may transfer this Agreement to an Entity, in which you maintain management control, and of which you own and control 100% of the equity and voting power of all issued and outstanding ownership interests; provided, that (i) that Entity will own all of your Restaurant's assets, and will conduct all of your Restaurant's business, (ii) that Entity will conduct no business other than your Restaurant, (iii) that Entity must expressly assume all of your obligations under this Agreement, (iv) you provide us with all organizational documents for the Entity that we require, and (v) you reimburse us for any direct costs we incur in processing such transfer, including attorneys' fees. You agree to remain personally liable under this Agreement as if the transfer to the Entity did not occur, including by signing a personal guaranty of the obligations of such entity. You must also sign the form of consent to assignment and assignment satisfactory to us which may include a release of any and all claims (except for claims which cannot be released or waived pursuant to an applicable franchise law statute) against us and our affiliates, and our and their owners, officers, directors, employees and agents.

13C. CONDITIONS FOR APPROVAL OF TRANSFER.

Subject to the other provisions of this Section 13, we will not unreasonably withhold our approval of a transfer that meets all of the following requirements before or concurrently with the effective date of the transfer:

- (1) you submit an application in writing requesting our consent and providing us all information or documents we request about the proposed transfer, transferee, and its owners that we request and each such person must have completed and satisfied all of our application and certification requirements;
- (2) you provide us executed versions of any documents executed by you (or your owners) and transferee (and its owners) to effect the transfer, and all other information we request about the proposed transfer, and such transfer meets all of our requirements, including terms, closing date, purchase price, amount of debt and payment terms, and we have

determined that the purchase price and payment terms of the transfer will not adversely affect the transferee's operation of your Restaurant;

(3) you (and your owners) and the transferee (and its owners) sign all of the documents we are then requiring in connection with a transfer, in a form satisfactory to us, including: (i) a release of any and all claims (except for claims which cannot be released or waived pursuant to an applicable franchise law statute) against us and our affiliates and our and their owners, officers, directors, employees, and agents, and (ii) covenants that you and your transferring owners agree to satisfy all post-termination obligations under this Agreement;

(4) you and your owners have not violated any provision of this Agreement or any other agreement with us or our affiliates during both the sixty (60) day period before you requested our consent to the transfer and the period between your request and the effective date of the transfer, including that you have paid all Royalties, Brand Fund Contributions, and other amounts owed to us, our affiliates, and third-party vendors, and have submitted all required reports and statements;

(5) the transferee and its Key Personnel satisfactorily complete our then-current Initial Training Program;

(6) if the proposed transfer (including any assignment of the Lease or subleasing of the Premises) requires notice to or approval from your landlord, or any other action under the terms of the Lease, you have taken such appropriate action and delivered us evidence of the same;

(7) the transferee must (if the transfer is of this Agreement or your Restaurant), sign our then-current form of franchise agreement and related documents, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement, including the Royalty and the Brand Fund Contribution; provided, however, that the term of the new franchise agreement signed will equal the remainder of the then-remaining Term;

(8) the transferee must (if the transfer is of an ownership interest in you or your owners), and/or any other parties that are direct or indirect owners of the transferee must (if the transfer is of this Agreement or your Restaurant), sign our then-current form of guaranty, agreeing to be personally bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us;

(9) other than for a transfer of a non-controlling interest in you, you pay us a transfer fee equal to fifty percent (50%) of the initial franchise fee we are then-charging new franchisees of Restaurants;

(10) if you or your owners finance any part of the purchase price, you and/or your owners agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in your Restaurant are subordinate to the transferee's obligation to pay Royalties, Brand Fund Contributions, and other amounts due to us, our affiliates, and third-party vendors related to the operation of the Restaurant and otherwise to comply with this Agreement;

(11) you have corrected any existing deficiencies of your Restaurant of which we have notified you, and/or the transferee agrees to upgrade and remodel your Restaurant in accordance with our then-current requirements and specifications for Restaurants within the time period we specify following the date of the transfer and the transferee agrees to escrow an amount we approve for payment of the required upgrade or remodel; and

(12) you provide us the evidence we reasonably request to show that appropriate measures have been taken to effect the transfer as it relates to the operation of the Restaurant, including, by transferring all necessary and appropriate business licenses, insurance policies, and material agreements, or obtaining new business licenses, insurance policies and material agreements.

We may review all information regarding your Restaurant that you give the transferee, correct or supplement any information that we believe is inaccurate or incomplete, and give the transferee copies of any reports that you have given us or we have regarding your Restaurant.

Our consent to a transfer pursuant to this Section is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of your Restaurant's or transferee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand the transferee's full compliance with this Agreement.

13D. OUR RIGHT OF FIRST REFUSAL.

If you or any of your owners at any time decide to sell any of the following: (i) this Agreement (or any interest in this Agreement); (ii) your Restaurant (or any right to receive all or a portion of your Restaurant's profits or losses or capital appreciation); (iii) substantially all of the assets of your Restaurant; or (iv) any direct or indirect ownership interest in you, you agree to obtain a bona fide executed written offer, relating to the proposed transfer from a responsible and fully disclosed buyer and send to us a true and complete copy of that written offer. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in a dollar amount, and the proposed buyer must submit with its offer an earnest money deposit equal to 5% or more of the offering price. We may also require you to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

We may elect to purchase the interest offered for the price and on the terms and conditions contained in the offer, provided that:

- (1) we notify you or your selling owner(s) that we intend to purchase the interest within 30 days after we receive a copy of the offer and all other information we request;
- (2) we may substitute cash for any form of payment proposed in the offer (such as ownership interests in a privately-held entity);
- (3) our credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes, we or our designee may provide promissory notes with the same terms as those offered by the proposed buyer);

(4) we will have an additional 60 days to prepare for closing after notifying you of our election to purchase; and

(5) we must receive, and you and your owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the ownership interests in any Entity, as applicable, including representations and warranties regarding: (a) ownership and condition of and title to ownership interests and/or assets; (b) liens and encumbrances relating to ownership interests and/or assets; and (c) validity of contracts and the liabilities, contingent or otherwise, of the entity whose assets or ownership interests are being purchased.

We have the unrestricted right to assign any or all of this right of first refusal to a third party, who then will have the rights described in this Section 13D.

If we do not exercise our right of first refusal, you or your owners may complete the sale to the proposed buyer on the original offer's terms, but only if we otherwise approve the transfer in accordance with Section 13B above, and if you and your owners and the transferee comply with the conditions in Section 13C above.

If you do not complete the sale to the proposed buyer within 60 days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the terms of the sale (which you agree to tell us promptly), we or our designee will have an additional right of first refusal on the same terms as described above.

13E. YOUR DEATH OR DISABILITY.

On the death or disability of you (or if you are an Entity, any of your owners), such person's executor, administrator, conservator, guardian, or other personal representative must transfer such person's interest in this Agreement, the Restaurant, or ownership interest in you, to a third party (which may be such person's heirs, beneficiaries, or devisees). That transfer must be completed within a reasonable time, not to exceed nine (9) months from the date of death or disability, and is subject to all of the terms and conditions in this Section 13 (except that any transferee that is the spouse or immediate family member of the deceased, will not have to pay the transfer fee described in Section 13C(9) if the transfer meets all the other conditions in Section 13C, and the transferee reimburses us for any direct costs we incur in connection with documenting and otherwise processing such transfer, including reasonable attorneys' fees). The term "**disability**" means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent such person from fulfilling such person's respective duties under this Agreement, as applicable.

In the event of the death of you (if you are an individual) or your Principal Owner (if you are an Entity), if your Restaurant is not otherwise being managed by an Approved Manager, the deceased person's executor, administrator, conservator, guardian, or other personal representative must within a reasonable time, not to exceed fifteen (15) days from the date of death or disability, appoint a manager who we approve and who has completed our then-current Initial Training Program to supervise the day-to-day operations of your Restaurant under the terms of this Agreement. If your Restaurant is not being managed properly at any time, in our sole judgment, we may, but need not, assume your Restaurant's management (or appoint a third party to assume its management) in accordance with Section 16A.

14. RENEWAL OF YOUR FRANCHISE.

Upon expiration of the Term, you may renew your franchise to operate your Restaurant for one successive term of 10 years, if you meet the following conditions:

- (1) you must have given us written notice of your election no more than 540 days and no less than 180 days before the expiration of the Term;
- (2) you and each of your owners have substantially complied with this Agreement and all Brand Standards during the Term;
- (3) you maintain possession of the Premises and agree to remodel and/or expand your Restaurant, add or replace improvements and Operating Assets, and otherwise modify your Restaurant, as we require to comply with Brand Standards then-applicable for new Restaurants, or, at your option, you secure substitute premises that we approve and you develop those premises according to Brand Standards then-applicable for Restaurants;
- (4) you and your owners sign the franchise agreement and all other ancillary documents and guaranties we then use to grant franchises for Restaurants (modified as necessary to reflect the fact that it is for a renewal franchise), which may contain provisions that differ materially from those contained in this Agreement, including changes to your Royalty and Brand Fund Contribution;
- (5) you and your owners agree to sign, in a form satisfactory to us, a general release of any and all claims (except for claims which cannot be released or waived pursuant to an applicable franchise law statute) against us and our shareholders, officers, directors, employees, agents, successors, and assigns;
- (6) you pay a renewal fee equal to 50% of our then-current initial franchise fee; and
- (7) at the time you give us written notice of your election to acquire a renewal franchise, we are then-offering franchises for Restaurants in your geographic market area.

If you and/or your owners fail to meet the conditions set forth in this Section 14, you acknowledge that we are not required to offer you a renewal franchise, whether or not we had, or chose to exercise, the right to terminate this Agreement during its term under Section 15B.

15. TERMINATION OF AGREEMENT.

15A. TERMINATION BY YOU – OUR BREACH.

You may terminate this Agreement if you and your owners are in full compliance with this Agreement and we materially fail to comply with this Agreement, and (i) we fail to correct the failure within 30 days after you deliver written notice of the material failure to us, or (ii) if we cannot correct the failure within 30 days, we fail to give you reasonable evidence of our effort to correct the failure within a reasonable time. Your termination under this Section 15A will be effective 30 days after you deliver to us the written notice of termination. If you terminate this Agreement other than according to this Section, the termination will be a termination without cause and breach of this Agreement.

15B. TERMINATION BY US – YOUR BREACH.

We may terminate this Agreement, effective immediately on delivery of written notice of termination to you, if:

- (1) you or any of your owners or affiliates have made or make any material misrepresentation or omission in acquiring the franchise or operating your Restaurant;
- (2) you fail to satisfy all of your development obligations specified in this Agreement, including obtaining our approval prior to opening your Restaurant, and open your Restaurant for business by the deadline specified in Section 2D;
- (3) you do not obtain lawful possession of a Premises we have approved and deliver to us a fully executed copy of the Lease and Lease Rider we have approved for such Premises, in each case by the deadline set forth in 2B;
- (4) you abandon or fail to actively operate your Restaurant for more than two (2) consecutive days of operation or seven (7) days of operation in the aggregate during any twelve-month period, or you provide us or any other party notice (written or oral) that you intend to permanently close or otherwise abandon the operation of your Restaurant;
- (5) you or any of your owners make or attempt to make any transfer in violation of Section 13;
- (6) your Key Personnel do not satisfactorily complete the Initial Training Program in accordance with Section 4A;
- (7) you or any of your owners are or have been convicted by a trial court of, or pleaded guilty or no contest to, an indictable or hybrid offense;
- (8) you or any of your owners or affiliates fail to pay us or our affiliates any amounts due and do not correct the failure within ten (10) days after we deliver written notice of that failure to you;
- (9) you or any of your owners or affiliates fail to pay any other third-party, including the lessor of your Premises, any other amounts owed in connection with your Restaurant when due, and do not cure such failure within any applicable cure period granted by such third-party;
- (10) you fail to maintain the insurance we require and do not correct the failure within ten (10) days after we deliver written notice of that failure to you;
- (11) an event of default occurs under the terms of your Lease, your Lease is terminated by either party thereto, or you otherwise lose the right to occupy the Premises, whether or not through any fault of yours;
- (12) you or any of your owners or affiliates knowingly make any unauthorized use or disclosure of any Confidential Information;

(13) you or any of your owners or your respective current and former immediate family members, affiliates, and each of their agents, employees, representatives, attorneys, successors, and assigns violate any of your or their obligations under Section 12 of this Agreement;

(14) you violate any health, safety, or sanitation law, ordinance, or regulation, or operate your Restaurant in an unsafe manner, and do not begin to cure the violation immediately, and correct the violation within 24 hours after you receive notice from us or any other party, even if any applicable governmental authority issuing you notice of your failure has granted you a longer period of time to cure;

(15) you create or allow to exist any condition in connection with your operation of your Restaurant that we reasonably determine to present an immediate health or safety concern for the Restaurant's customers or employees;

(16) you have insufficient funds in your designated account to cover your payments owed for Royalties, Brand Fund Contributions and other amounts due on three (3) separate occasions within a twelve (12) month period;

(17) you understate your Restaurant's Gross Sales three (3) times or more during the Term or by more than three percent (3%) on any one occasion;

(18) you or any of your owners make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you or any of your owner's consent to the appointment of a receiver, trustee, or liquidator of all or the substantial part of your property;

(19) your Restaurant or any of its assets are attached, seized, subjected to a writ or distress warrant, or levied on, unless the attachment, seizure, writ, warrant, or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee, or liquidator of your Restaurant is not vacated within thirty (30) days following the order's entry;

(20) your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation;

(21) you breach this Agreement on three (3) or more occasions, which may include receiving an unsatisfactory grand on three (3) or more inspections, mystery shopper examinations, or other quality assurance tests, within any twelve (12) consecutive month period whether or not you correct the failures;

(22) you or your owners breach any other agreement between you or any of your owners or affiliates and us and any of our affiliates and do not cure such breach within the applicable cure period (if any), and/or you or your owners breach any other provision under this Agreement and such breach has not been cured within 30 days after notice from us.

16. RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION.

16A. ASSUMPTION OF MANAGEMENT.

We have the right but not the obligation to enter the Premises and assume your Restaurant's management, or to appoint a third party to assume its management, for any period of time we deem appropriate, if: (1) you abandon or fail actively to operate your Restaurant; (2) you fail to comply with any provision of this Agreement or any Brand Standard and do not cure the failure within the time period we specify in our notice to you; or (3) this Agreement expires or is terminated and we are transitioning your Restaurant operations to us or another person we designate, or determining whether to do so.

All funds from your Restaurant's operation while it is under our or our designee's management will be kept in a separate account, and all expenses will be charged to this account. If we or our designee assume your Restaurant's management, you agree to pay us (in addition to the Royalty, Brand Fund Contributions, and other amounts due to us or our affiliates) our then-current fee for such management services, plus our or our designee's direct out-of-pocket costs and expenses.

If we or our designee assume your Restaurant's management, you acknowledge that we or our designee will have a duty to utilize only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations your Restaurant incurs, or to any of your creditors for any supplies, products, or other assets or services your Restaurant purchases, while we or our designee manage it. Our decision to assume management of your Restaurant, or to appoint a third party to assume management of your Restaurant, will not affect our right to terminate this Agreement under Section 15B. Your indemnification obligations set forth under Section 17D will continue to apply during any period that we or our designee assume your Restaurant's management.

16B. PAYMENT OF AMOUNTS OWED TO US.

You agree to pay us the Royalties, Brand Fund Contributions, interest, and all other amounts owed to us and our affiliates within fifteen (15) days after this Agreement expires or is terminated, calculated as of the date of payment. We have the right to set off any amount you or your owners owe us or our affiliates against any amounts we or our affiliates owe you, your owners or your affiliates. You acknowledge that termination or expiration of this Agreement does not affect your liability for amounts you or your owners or affiliates owe any third-parties or creditors and we do not assume any such liabilities.

16C. LOST REVENUE DAMAGES

If we terminate this Agreement because of your breach or if you terminate this Agreement without cause, you and we agree that it would be difficult, if not impossible, to determine the amount of damages that we would suffer due to the loss or interruption of the revenue stream we otherwise would have derived from your continued payment of Royalties, and that the Brand Fund(s) would have otherwise derived from your continued contributions to those funds, through the remainder of the Term. Therefore, you and we agree that a reasonable estimate of such damages, less any cost savings we might have experienced (the "**Lost Revenue Damages**"), is an amount equal to the net present value of the Royalties and Brand Fund Contributions that would have become due had this Agreement not been terminated, from the date of termination to the earlier of: (a) two (2) years following the date of termination, or (b) the scheduled expiration of the Term. For the purposes of this Section 16C,

Royalties and Brand Fund Contributions will be calculated based on the average monthly Gross Sales of your Restaurant during the twelve (12) full calendar months immediately preceding the termination date; provided, that if as of the termination date, your Restaurant has not been operating for at least twelve (12) months, Royalties and Brand Fund Contributions will be calculated based on the average monthly Gross Sales of all Restaurants operating under the Marks during the our fiscal year immediately preceding the termination date.

You agree to pay us Lost Revenue Damages within 15 days after this Agreement is terminated. You and we agree that the calculation described in this Section 16C is a calculation only of the Lost Revenue Damages and that nothing herein shall preclude or limit us from proving and recovering any other damages caused by your breach of the Agreement.

16D. DE-IDENTIFICATION.

Upon termination or expiration of this Agreement you and your owners must immediately:

(a) close the Restaurant for business to customers and cease to directly or indirectly sell any products and services of any kind and in any manner from the Restaurant and/or using the Marks, unless we direct you otherwise in connection with our exercise of our option to purchase the Restaurant pursuant to Section 16E;

(b) cease to directly or indirectly use any Mark, any colorable imitation of a Mark, any other indicia of a Restaurant, or any trade name, trade-mark, service mark or other commercial symbol that indicates or suggests a connection or association with us, in any manner or for any purpose;

(c) cease to directly or indirectly identify yourself or your business as a current or former Restaurant or as one of our current or former franchise owners (except in connection with other Restaurants you operate in compliance with the terms of a valid Franchise Agreement with us) and take the action required to cancel or assign all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(d) if we do not exercise our option to purchase the Restaurant, promptly and at your own expense, remove all materials bearing our Marks and remove from both the interior and exterior of the Premises all materials and components of our trade dress, as we determine to be necessary to avoid any association between the Premises and the Franchise System or that would, in any way, indicate that the Premises are or were associated with our brand or the Franchise System;

(e) cease using and, at our direction, either disable or transfer, assign or otherwise convey to us full control of all Contact Information and Online Presences that you used to operate your Restaurant or that displays any of the Marks or any reference to the Franchise System (provided that all liabilities and obligations arising from any such Contact Information or Online Presence prior to the date of the transfer, assignment, or conveyance to us, will remain your sole responsibility in all respects, and any costs we incur in connection therewith will be indemnifiable under Section 17D);

(f) return to us or destroy (as we require) all items, forms and materials containing any Mark or otherwise identifying or relating to a Restaurant, including copies of any and all

Confidential Information (including the Brand Standards Manual and any and all customer data or other information from your Computer System); and

(g) comply with all other Brand Standards we establish from time to time (and all applicable laws) in connection with the closure and de-identification of your Restaurant, including as it relates to disposing of Personal Information, in any form, in your possession or the possession of any of your employees.

If you fail to take any of the actions or refrain from taking any of the actions described above, we may take whatever action and sign whatever documents we deem appropriate on your behalf to cure the deficiencies, including, without liability to you or third parties for trespass or any other claim, to enter the Premises and remove any signs or other materials containing any Marks from your Restaurant. You must reimburse us for all costs and expenses we incur in correcting any such deficiencies. You hereby appoint us your true and lawful attorney-in-fact to take such actions and execute such documents on your behalf as may be required to effect the foregoing purposes.

16E. OUR RIGHT TO PURCHASE YOUR RESTAURANT.

We have the option to purchase any or all of the assets of your Restaurant, including your Premises (if you or one of your owners or affiliates owns the Premises) upon the occurrence of a termination or expiration of this Agreement. We may exercise this option by giving you written notice within thirty (30) days after the date of such termination or expiration. We have the unrestricted right to assign this option to purchase. If we purchase your Restaurant and/or the Premises, we are entitled to all customary warranties and representations, including representations and warranties as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise.

If you lease the Premises from an unaffiliated lessor, or if we choose not to purchase the Premises from you (or one of your owners or affiliates owning the Premises), you agree, at our election to (i) assign your Lease to us or our designee, (ii) enter into a sublease with us or our designee for the remainder of the Lease term on the same terms (including renewal options) as the Lease, or (iii) lease the Premises to us or our designee for an initial term of five (5) years with, at our option, up to three (3) additional terms of five (5) years each, on commercially reasonable terms that we approve.

We or our designee will pay the purchase price for the Restaurant and/or Premises (calculated as described below) at the closing, which will take place not later than sixty (60) days after the purchase price is determined, although we or our designee may decide after the purchase price is determined not to purchase your Restaurant and/or the Premises. We may set off against the purchase price, and reduce the purchase price by, any and all amounts you or your owners owe us or our affiliates. At the closing, you agree to deliver to us or our designee:

(a) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all taxes paid by you, including sales, use, service, occupation, gross revenue, income, property, excise or similar taxes;

(b) any and all of your Restaurant's licenses and permits which may be assigned or transferred; and

(c) the ownership interest or leasehold interest (as applicable) in the Premises and improvements or a lease assignment or lease or sublease, as applicable.

If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, we and you will close the sale through an escrow. You and your owners further agree to execute releases, in a form satisfactory to us, of any and all claims (except for claims which cannot be released or waived pursuant to an applicable franchise law statute) against us and our owners, officers, managers, employees, agents, successors and assigns.

If we purchase any or all of the assets of your Restaurant upon termination or expiration of this Agreement, the purchase price for such assets will be their reasonable fair market value, provided that these items will not include any value for the rights granted by this Agreement, any goodwill attributable to our Marks, brand image, other intellectual property, any participation in the network of Restaurants, or any other value of your business as a going concern.

If we and you cannot agree on fair market value, fair market value will be determined by two independent accredited appraisers, one of whom is selected by us and one of whom is selected by you, which appraisers will conduct an appraisal and, in doing so, be bound by the criteria for the purchase price described above. If the fair market values determined by the two independent accredited appraisers are within 10% of one another, the purchase price will be the average of the two values. If the fair market values determined by the two independent accredited appraisers are not within 10% of one another, the two independent accredited appraisers will select a third independent accredited appraiser to calculate the fair market value of the assets. If a third independent accredited appraiser is appointed, the purchase price for the assets will be the average of the value calculated by the third independent accredited appraiser and whichever value of the two previous appraisals is closest to the third appraised value. You and we will pay all costs and expenses associated with the independent accredited appraiser that you and we choose, respectively, and will share equally the appraisers' fees and expenses for any third independent accredited appraiser, if applicable. Each appraiser must complete its appraisal within thirty (30) days after its appointment.

16F. COVENANT NOT TO COMPETE.

For two (2) years beginning on the effective date of termination or expiration of this Agreement, you (and if you are conducting business as an Entity, each of your owners) agree not to and to cause each of your respective spouses, immediate family members, affiliates, and assigns not to have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, lessor, representative, or agent in any Competitive Business located or operating (a) at the Premises or within a 15-mile radius of the Premises, or (b) within a 10-mile radius of any other Restaurant.

If any person restricted by this Section 16F fails to comply with these obligations as of the date of termination or expiration, the two (2) year restricted period for that person will commence on the date the person begins to comply with this Section 16F, which may be the date a court order is entered enforcing this provision. You and your owners expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Section 16F will not deprive you of your personal goodwill or ability to earn a living.

The restrictions in this Section 16F will also apply after any transfer, to the transferor and its owners, for a period of two (2) years beginning on the effective date of the transfer, with the force and effect as though this Agreement had been terminated for such parties as of such date.

16G. CONTINUING OBLIGATIONS.

All of our and your (and your owners') obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire. Without limiting the generality of the foregoing, the parties expressly acknowledge that each of the following provisions of this Agreement will survive the Agreement's expiration or termination: Section 11 (Confidential Information); Section 12B (Non-Interference); Section 12C (Non-Disparagement); Section 16 (Rights and Obligations Upon Termination or Expiration); Section 17 (Relationship of the Parties/Indemnification); and Section 18 (Enforcement).

17. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

17A. INDEPENDENT CONTRACTORS.

You and we understand and agree that each of us is an independent business and that you and we are and will be independent contractors. This Agreement does not create a fiduciary relationship between you and us, and nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. You agree to identify yourself conspicuously to all persons (including customers, suppliers, public officials, and Restaurant employees) as your Restaurant's owner, and indicate clearly that you operate your Restaurant separately and independently from our business operations. You agree to place notices of independent ownership on all interior and exterior signage, forms, business cards, stationery, advertising, and other materials that we may require from time to time. You may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in our name or on our behalf or represent that your and our relationship is anything other than franchisor and franchise owner.

We have no right or duty to direct your employees in the course of their employment for you. You are solely responsible for the terms and conditions of employment of your employees. We will not be obligated for any damages to any person or property directly or indirectly arising out of your Restaurant's operation or the business you conduct under this Agreement.

17B. NO LIABILITY FOR ACTS OF OTHER PARTY.

We and you may not make any express, implied, or collateral agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and franchise owner. We will not be obligated for any damages to any person or property directly or indirectly arising out of your Restaurant's operation or the business you conduct under this Agreement.

17C. TAXES.

Any and all amounts expressed as being payable to us pursuant to this Agreement are exclusive of applicable taxes. Accordingly, if applicable, all payments by you to us will, in addition, include an amount equal to any and applicable taxes, assessments or amounts of a like nature imposed on any

payments to be made pursuant to this Agreement. We will have no liability for any sales, occupation, excise, gross revenue, income, property, or other applicable taxes, whether levied on you or your Restaurant, due to the business you conduct (except for our income taxes). You are responsible for paying these taxes and if we pay any taxes to any state or federal taxing authority on account of either your operation or payments that you make to us (except for our income taxes), or any expenses we incur in reviewing, paying or disputing such taxes, such amounts will be subject to indemnification under Section 17D.

17D. INDEMNIFICATION.

You agree to indemnify, defend, and hold harmless us, our affiliates, and our and their respective owners, directors, officers, employees, agents, successors, and assigns (the “**Indemnified Parties**”) against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of your Restaurant, the business you conduct under this Agreement, and/or your breach of this Agreement, including those alleged to be or found to have been caused by the Indemnified Party’s gross negligence or willful misconduct, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by our gross negligence or willful misconduct in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction.

For purposes of this indemnification, “**claims**” include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including reasonable accountants’, arbitrators’, attorneys’, and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at your expense (including choosing and retaining its own legal counsel) and agree to settlements or take any other remedial, corrective, or other actions.

This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement’s expiration or termination or purported rescission. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim for indemnity under this Section 17D. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover under this Section 17D.

18. ENFORCEMENT.

18A. MEDIATION.

Either party may initiate a mediation process by notifying the other party in writing. The parties agree to conduct the mediation in accordance with the then current Commercial Mediation Procedures of the American Arbitration Association (the “**AAA**”), except to the extent the rules conflict with this Agreement, in which case this Agreement shall control; however, the mediation need not be administered by the AAA unless the parties cannot agree upon the selection of a mediator within thirty days of the receipt of the written notice of mediation. If the parties cannot reach agreement upon the selection of a mediator, either party may commence a mediation proceeding by making a request for mediation to the AAA regional office closest to our (or our successor’s or assign’s, as applicable) then current principal place of business (currently, Atlanta, Georgia), with a copy to the other party. The

written request for mediation shall describe with specificity the nature of the dispute and the relief sought. Both parties are obligated to engage in the mediation.

The mediation will be conducted by a single mediator with no past or present affiliation or conflict with any party to the mediation. The parties agree that the mediator will be disqualified as a witness, expert, consultant or attorney in any pending or subsequent proceeding relating to the dispute which is the subject of the mediation. If the parties cannot agree on a mediator and the AAA administers the mediation, the AAA will provide the parties with a list of mediators willing to serve. The parties will have 10 days from receipt of the list from the AAA to agree upon a mediator from the list. If neither party advises the AAA in writing of an agreement within 10 days of receipt of such list, the AAA will appoint the mediator. The fees and expenses of the AAA (or other administrator), if applicable, and the mediator's fee, shall be shared equally by the parties. Each party will bear its own attorneys' fees and other costs incurred in connection with the mediation irrespective of the outcome of the mediation or the mediator's evaluation of each party's case. The mediation will occur within 30 days after selection of the mediator.

Regardless of which party initiates the mediation, the parties agree to conduct the mediation at a suitable location chosen by the mediator that is within 50 miles of our (or our successor's or assign's, as applicable) then current principal place of business (currently, Atlanta, Georgia). At least 7 days before the first scheduled session of the mediation, each party shall deliver to the mediator a concise written summary of its position with respect to the matters in dispute (such as claims or defenses) and such other matters required by the mediator.

The parties understand and agree that neither initiation nor completion of mediation contemplated by this Section is a condition precedent to either party's commencement or pursuit of other legal actions and remedies, including arbitration, as permitted under this Agreement.

18B. ARBITRATION.

All controversies, disputes, or claims between us or any of our affiliates (and our and their respective shareholders, officers, directors, agents, and employees), on the one hand, and you (and your owners, guarantors, affiliates, and employees), on the other hand, arising out of or related to: (1) this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates); (2) our relationship with you; (3) the scope or validity of this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section, which we and you acknowledge is to be determined by an arbitrator, not a court); or (4) any Brand Standard, must be submitted for binding arbitration, on demand of either party, to the AAA. The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the AAA's then current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within 50 miles of our (or our successor's or assign's, as applicable) then current principal place of business (currently, Atlanta, Georgia). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each party, and judgment upon the arbitrator's awards may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her awards any relief which he or she deems proper, including money damages, pre- and post-award interest, interim costs and attorneys'

fees, specific performance, and injunctive relief, provided that the arbitrator may not declare any of the trademarks owned by us or our affiliates generic or otherwise invalid, or award any punitive or exemplary damages against any party to the arbitration proceeding (we and you hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any party to the arbitration proceeding). Further, at the conclusion of the arbitration, the arbitrator shall award to the prevailing party its attorneys' fees and costs.

In any arbitration proceeding, each party will be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. Each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by any party.

ARBITRATION PROCEEDINGS WILL BE CONDUCTED ON AN INDIVIDUAL BASIS. NO ARBITRATION PROCEEDING MAY BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING, (III) JOINED WITH ANY SEPARATE CLAIM OF AN UNAFFILIATED THIRD-PARTY, OR (IV) BROUGHT ON BEHALF OF ANY PARTY BY ANY ASSOCIATION OR AGENT. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the provisions of this Agreement.

In any arbitration arising as described in this Section, the arbitrator shall have full authority to manage any necessary exchange of information among the parties with a view to achieving an efficient and economical resolution of the dispute. The parties may only serve reasonable requests for documents, which must be limited to documents upon which a party intends to rely or documents that are directly relevant and material to a significant disputed issue in the case or to the case's outcome. The document requests shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain, and shall not include broad phraseology such as "all documents directly or indirectly related to." No interrogatories or requests to admit shall be propounded, unless the parties later mutually agree to their use.

This Section is intended to benefit and bind certain third-party non-signatories. This Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Any provisions of this Agreement below that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

18C. CONSENT TO JURISDICTION.

Subject to Section 18B above and the provisions below, we and you agree that all controversies, disputes, or claims between us or any of our affiliates (and our and their respective shareholders, officers, directors, agents, and employees), on the one hand, and you (and your owners, guarantors, affiliates, and employees), on the other hand, arising out of or related to this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates) or our relationship with you must be commenced exclusively in state or federal court closest to our (or our successor's or assign's, as applicable) then-current principal place of business (currently, Atlanta, Georgia), and the

parties irrevocably consent to the jurisdiction of those courts and waive any objection to either the jurisdiction of or venue in those courts. Nonetheless, the parties agree that any of us may enforce any arbitration orders and awards in the courts of the state in which you are or your Restaurant is located.

18D. GOVERNING LAW.

ALL MATTERS RELATING TO MEDIATION AND/OR ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER FEDERAL LAW, THIS AGREEMENT (OR ANY OTHER AGREEMENT BETWEEN US AND OUR AFFILIATES, AND YOU AND YOUR AFFILIATES), THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY STATE LAW REGULATING THE OFFER OR SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION.

18E. COSTS AND ATTORNEYS' FEES.

The prevailing party in any dispute or proceeding shall be entitled to recover from the other party all damages, costs and expenses, including mediation, arbitration, and court costs and reasonable attorneys' fees, incurred by the prevailing party in connection with such dispute or proceeding.

18F. RIGHTS OF PARTIES ARE CUMULATIVE.

Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.

18G. WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.

EXCEPT FOR YOUR OBLIGATION TO INDEMNIFY US FOR THIRD PARTY CLAIMS UNDER SECTION 17D, WE AND YOU (AND YOUR OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN US AND YOU, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

WE AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING, BROUGHT BY EITHER OF US.

18H. INJUNCTIVE RELIEF.

Nothing in this Agreement, including the provisions of Section 18A and 18B, bars our right to obtain specific performance of the provisions of this Agreement and injunctive or other equitable relief against threatened conduct that will cause us, the Marks and/or the Franchise System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and

injunctions. You agree that we may obtain such injunctive relief in addition to such further or other relief as may be available at law or in equity. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

18I. BINDING EFFECT.

This Agreement is binding on us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the Brand Standards Manual and Brand Standards, this Agreement may not be modified except by a written agreement signed by both our and your duly-authorized officers.

18J. LIMITATIONS OF CLAIMS AND CLASS ACTION BAR.

EXCEPT FOR CLAIMS ARISING FROM YOUR NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS YOU OWE US, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT (OR ANY OTHER AGREEMENT BETWEEN US AND OUR AFFILIATES, AND YOU AND YOUR AFFILIATES), THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE BARRED UNLESS A JUDICIAL OR ARBITRATION PROCEEDING IS COMMENCED IN ACCORDANCE WITH THIS AGREEMENT WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS.

WE AND YOU AGREE THAT ANY PROCEEDING WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT ANY PROCEEDING BETWEEN US AND ANY OF OUR AFFILIATES, OR OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND YOU (OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES), ON THE OTHER HAND, MAY NOT BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER PROCEEDING, (III) JOINED WITH ANY CLAIM OF AN UNAFFILIATED THIRD-PARTY, OR (IV) BROUGHT ON YOUR BEHALF BY ANY ASSOCIATION OR AGENT.

NO PREVIOUS COURSE OF DEALING WILL BE ADMISSIBLE TO EXPLAIN, MODIFY, OR CONTRADICT THE TERMS OF THIS AGREEMENT. NO IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING WILL BE USED TO ALTER THE EXPRESS TERMS OF THIS AGREEMENT.

18K. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.

Except as expressly provided to the contrary in this Agreement, each provision of this Agreement is severable, and if any part of this Agreement is held to be invalid or contrary to or in conflict with any applicable present or future law, ordinance or regulation for any reason (in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction), that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

If any applicable and binding law, ordinance, rule, or regulation of any jurisdiction requires more notice of this Agreement's termination or of our refusal to enter into a renewal franchise agreement than this Agreement requires, or some other action that this Agreement does not require, or any provision of this Agreement or any Brand Standard is invalid, unenforceable, or unlawful, the notice and/or other action required by the law, ordinance, rule or regulation will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provision or Brand Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

18L. WAIVER OF OBLIGATIONS.

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction on the other under this Agreement, effective on delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective on delivery of ten (10) days' prior written notice. We and you will not waive or impair any right, power, or option this Agreement reserves (including our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) because of any custom or practice at variance with this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist on the other's compliance with this Agreement, including any Brand Standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other Restaurants; the existence of franchise agreements for other Restaurants which contain different provisions from those contained in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement, or accord and satisfaction. We are authorized to remove any legend or endorsement, which then will have no effect.

The following provision applies if you or the franchise granted hereby are subject to the franchise registration or disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin: 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.

18M. SECURITY INTEREST.

As a security for the performance of your and your owners' obligations under this Agreement, you grant us a security interest in all of the assets of your Restaurant, including any present or after-acquired inventory, fixtures, furniture, equipment, accounts, customer lists, supplies, contracts, cash derived from the operation of the Restaurant and sale of other assets, and proceeds and products of all those assets. You agree to execute such other documents as we may reasonably request in order to further document, perfect and record our security interest. If you default in any of your obligations under this Agreement, we may exercise all rights of a secured creditor granted to us by law, in addition to our other rights under this Agreement and at law. If a third-party lender requires that we subordinate our security interest in the assets of your Restaurant as a condition to lending you working capital for the operation of your Restaurant, we will agree to subordinate pursuant to terms and conditions determined by us. This Agreement will be deemed a security agreement under any applicable personal property security legislation.

18N. CONSTRUCTION.

The preambles and exhibits are a part of this Agreement which constitutes our and your entire agreement, and there are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of this Agreement, the franchise relationship, or your Restaurant. Any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in any Franchise Disclosure Document.

The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

Other than as expressly set forth herein, nothing in this Agreement is intended or deemed to confer any rights or remedies on any person or Entity not a party to this Agreement.

References in this Agreement to “we,” “us,” and “our,” with respect to all of our rights and all of your obligations to us under this Agreement, include any of our affiliates with whom you deal. The term “**affiliate**” means any person or Entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. The term “**control**” means the power to direct or cause the direction of management and policies. The use of the term “**including**” in this Agreement, means in each case “including, without limitation.”

If two or more persons are at any time the owners of your Restaurant, whether as partners or joint venturers, or are your guarantors, their obligations and liabilities to us will be joint and several. References to “**owner**” mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you (or a transferee of this Agreement and your Restaurant or an ownership interest in you), including any person who has a direct or indirect interest in you (or a transferee), this Agreement or your Restaurant and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets. The term “**person**” means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity. The term “**your Restaurant**” includes all of the assets of the Restaurant you operate under this Agreement, including its revenue and the Lease.

19. DELEGATION OF PERFORMANCE.

You agree that we have the right to delegate the performance of any portion or all of our obligations under this Agreement to third party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Agreement. You must perform all of your obligations under this Agreement, and you may not subcontract or delegate any of those obligations to any third parties without our prior written approval.

20. NOTICES AND PAYMENTS.

All written notices, reports, and payments permitted or required to be delivered by this Agreement or the Brand Standards Manual will be deemed to be delivered: (i) at the time delivered by hand, (ii) at the time delivered via electronic transmission, (iii) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery, or (iv) three (3) business days after placement in United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid. Any notice must be sent to the party to be notified at its most current principal business address of which the notifying party has notice; except that it will always be deemed acceptable to send notice to you at the address of the Premises.

Any required payment or report which we do not actually receive during regular business hours on the date due will be deemed delinquent.

21. PROHIBITED PARTIES.

You hereby represent and warrant to us, as an express consideration for the franchise granted hereby, that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with you, is now, or has been:

1. Listed on: (a) the U.S. Treasury Department's List of Specially Designated Nationals, (b) the U.S. Commerce Department's Denied Persons List, Unverified List, Entity List, or General Orders, (c) the U.S. State Department's Debarred List or Nonproliferation Sanctions, or (d) the Annex to U.S. Executive Order 13224.
2. A person or entity who assists, sponsors, or supports terrorists or acts of terrorism, or is owned or controlled by terrorists or sponsors of terrorism.

You further represent and warrant to us that you are now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by you to us or our affiliates are and will be legally obtained in compliance with these laws. You agree not to, and to cause all employees, agents, representatives, and any other person or entity associated with you not to, during the Term, take any action or refrain from taking any action that would cause such person or entity to become a target of any such laws and regulations.

22. EXECUTION

This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same Agreement. This Agreement and all other documents related to this Agreement may be executed by manual or electronic signature.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement to be effective as of the Effective Date.

TOHC FRANCHISING LLC,
a Delaware limited liability company

Sign: _____
Name: _____
Title: _____

DATED*: _____
(*Effective Date of this Agreement)

FRANCHISE OWNER

**(IF YOU ARE A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

Entity Name

Sign: _____
Name: _____
Title: _____

DATED: _____

FRANCHISE OWNER

(IF YOU ARE AN INDIVIDUAL):

Individual Name

Sign: _____

DATED: _____

EXHIBIT A
TO THE FRANCHISE AGREEMENT

ENTITY INFORMATION

1. **Form.** You operate as a(n): ___ individual/sole proprietorship, ___ corporation, ___ limited liability company, or ___ partnership (CHECK ONE).

2. **Formation:** You were formed on _____ (DATE), under the laws of the State of _____ (JURISDICTION).

3. **Management:** The following is a list of your directors, officers, managers or anyone else with a management position or title:

<u>Name of Individual</u>	<u>Position(s) Held</u>
_____	_____
_____	_____
_____	_____
_____	_____

4. **Owners.** The following list includes the full name of each individual who is one of your owners, or an owner of one of your owners, and fully describes the nature of each owner's interest (attach additional pages if necessary):

<u>Owner's Name</u>	<u>Percentage/Description of Interest</u>
_____	_____
_____	_____
_____	_____
_____	_____

5. **Principal Owner:** _____

6. **Approved Manager** (if applicable): _____

EXHIBIT B
TO THE FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS (“**Guaranty**”) is given by the persons indicated below who have executed this Guaranty (each a “**Guarantor**”) to be effective as of the Effective Date of the Agreement (defined below).

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement executed concurrently herewith (as amended, restated, or supplemented, the “**Agreement**”) by and between TOHC Franchising LLC (the “**Franchisor**”), and _____ (“**Franchisee**”), each Guarantor hereby personally and unconditionally (a) guarantees to Franchisor, and its successor and assigns that Franchisee will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement, and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities.

Each Guarantor waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed, and (4) any right such Guarantor may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (5) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligation hereby guaranteed.

Each Guarantor hereby consents and agrees that:

(a) Franchisor may proceed against any Guarantor and/or Franchisee, jointly and severally, including by proceeding against Guarantor, without having commenced any action, or having obtained any judgment against any other Guarantor or Franchisee;

(b) Guarantor will render any payment or performance required under the Agreement on demand if Franchisee fails or refuses punctually to do so;

(c) Guarantor’s liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may grant to Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement;

(d) Guarantor is bound by the restrictive covenants, confidentiality provisions, and indemnification provisions contained in the Agreement, and any and all provisions that by their terms apply to owners of Franchisee;

(e) At Franchisor’s request, Guarantor agrees to provide the updated financial information to us as may be reasonably necessary to demonstrate his or her ability to satisfy the obligations of the franchise owners under the Agreement;

(f) This Guaranty will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by any abandonment of the Agreement by a trustee of Franchisee. Neither Guarantor's obligations to make payment or render performance in accordance with the terms of this Guaranty nor any remedy for enforcement will be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement;

(g) Guarantor agrees to pay all costs and expenses (including attorneys' fees) incurred by Franchisor or any of its affiliates in connection with the enforcement of this Guaranty, including any collection or attempt to collect amounts due, or any negotiations relative to the obligations hereby guaranteed; and

(h) Guarantor agrees to be personally bound by the dispute resolution provisions under Article 18 of the Agreement, including the obligation to submit to binding arbitration the claims described in Section 18B of the Agreement in accordance with its terms.

By signing below, the undersigned spouse of each Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty. Each Guarantor represents and warrants that, if no signature appears below for such Guarantor's spouse, such Guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

Each Guarantor that is a business entity, retirement or investment account, or trust acknowledges and agrees that if Franchisee (or any of its affiliates) is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such Guarantor (or on such Guarantor's account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

This Guaranty is binding upon each Guarantor and its respective executors, administrators, heirs, beneficiaries, and successors in interest.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, each of the undersigned has affixed his signature to be effective as of the Effective Date.

GUARANTOR(S)	SPOUSE(S)
Name: _____ Sign: _____ Address: _____ _____ _____	Name: _____ Sign: _____ Address: _____ _____ _____
Name: _____ Sign: _____ Address: _____ _____ _____	Name: _____ Sign: _____ Address: _____ _____ _____
Name: _____ Sign: _____ Address: _____ _____ _____	Name: _____ Sign: _____ Address: _____ _____ _____

EXHIBIT C
TO FRANCHISE AGREEMENT

PREMISES / PROTECTED TERRITORY

The Premises of your Restaurant is: _____

The Site Selection Area is: _____

The Protected Territory is: _____

EXHIBIT D
TO THE FRANCHISE AGREEMENT

RIDER TO LEASE AGREEMENT

This Rider and the provisions hereof are hereby incorporated into the body of the lease to which this Rider is attached (the “**Lease**”), between _____ (“**Tenant**”) and _____ (“**Landlord**”), for the real property described therein (the “**Premises**”). The provisions hereof will be cumulative of those set forth in the Lease, but to the extent of any conflict between any provisions of this Rider and the provisions of the Lease, this Rider will govern and control.

1. Acknowledgement of Franchise Relationship. Landlord acknowledges that Tenant intends to operate a “The Original Hot Chicken” and “Inked Tacos” restaurant (a “**Restaurant**”) at the Premises, and that Tenant's rights to operate a Restaurant and to use the “The Original Hot Chicken” and “Inked Tacos” names, trademarks and service marks (the “**Marks**”) are solely pursuant to a franchise agreement (“**Franchise Agreement**”) between Tenant and TOHC Franchising LLC (“**Franchisor**”). Tenant's operations at the Premises are independently owned and operated. Landlord acknowledges that Tenant alone is responsible for all obligations under the Lease unless and until Franchisor or another franchisee expressly, and in writing, assumes such obligations and takes actual possession of the Premises. Landlord agrees not to take an action that would prohibit Tenant from operating the Restaurant, as contemplated by the Franchise Agreement, at the Premises.

2. Consent to Collateral Assignment to Franchisor. Landlord hereby consents, without payment of a fee and without the need for further Landlord consent, to (i) the collateral assignment of Tenant's interest in this Lease to Franchisor to secure Tenant's obligations to Franchisor under the Franchise Agreement, (ii) Franchisor's succeeding to Tenant's interest in the Lease as a result of Franchisor's exercise of rights or remedies under such collateral assignment or as a result of Franchisor's termination of, or exercise of rights or remedies granted in or under, any other agreement between Franchisor and Tenant, and/or (iii) Tenant's, Franchisor's and/or any other franchisee of Franchisor's assignment of the Lease to another franchisee of Franchisor with whom Franchisor has executed its then-standard franchise agreement. Landlord agrees that to the extent Franchisor becomes Tenant, for howsoever brief a period, upon assumption of lease pursuant to this provision, that simultaneously with any subsequent assignment to another party, Franchisor will be released from all liability under the Lease or otherwise accruing after the date of such assignment; provided, that neither Tenant nor any other franchisee will be afforded such release in the event Tenant/such franchisee is the assignor, unless otherwise agreed by Landlord.

3. Tenant's Signage. Landlord agrees to allow Tenant to use Franchisor's standard interior and exterior signage and designs to the maximum extent permitted by local governmental authorities. Tenant will be provided, at Tenant's sole cost and expense, with a panel on any pylon/monument/directory sign for the development in which the Premises is located, and will be permitted to install a standard sign thereon approved by Franchisor, including without limitation Franchisor's logo. Landlord hereby grants and approves Tenant the right to display the Marks at the Premises, subject only to the provisions of applicable law.

4. Notice and Cure Rights to Franchisor. Prior to exercising any remedies hereunder (except in the event of imminent danger to the Premises), Landlord will give Franchisor written notice of any default by Tenant, and commencing on receipt thereof by Franchisor, Franchisor will have fifteen (15) additional days to the established cure period as is given to Tenant under the Lease for

such default to cure such defaults. Landlord agrees to accept cure tendered by Franchisor as if the same was tendered by Tenant, but Franchisor has no obligation to cure such default. The initial address for notices to Franchisor is as follows: TOHC Franchising, LLC, 2859 Paces Ferry Road, Suite 412, Atlanta, Georgia 30339, or such other address as Franchisor provides to Landlord.

5. Non-disturbance from Mortgage Lenders. It will be a condition of the Lease being subordinated to any mortgage, deed of trust, deed to secure debt or similar encumbrance on the Premises that the holder of such encumbrance agree not to disturb Tenant's rights under this Lease or Tenant's possession of the Premises, so long as Tenant is not in default of its obligations under the Lease and the Franchise Agreement, beyond an applicable grace or cure period.

6. Fixtures and Signage. Any lien of Landlord in Tenant's trade fixtures, 'trade dress', signage and other property at the Premises is hereby subordinated to Franchisor's interest in such items as described in the Franchise Agreement. On request, Landlord will grant the party who owns such property reasonable access to the Premises for the sole purpose of removing such property, provided such party repairs any damage caused by such removal and otherwise complies with Landlord's reasonable requirements with respect to such access.

7. Third Party Beneficiary. Franchisor is a third-party beneficiary of the terms of this Rider, or any other terms of the Lease applicable to Franchisor's rights under the Lease, and as a result thereof, will have all rights (but not the obligation) to enforce the same.

8. Franchisor Right to Enter. Landlord acknowledges and agrees that Franchisor or its designee may enter the Premises for all purposes permitted under the terms of the Franchise Agreement, including to inspect the Premises and the Restaurant's operations, to manage the Tenant's business, on Tenant's behalf, under certain circumstances (to-wit: Tenant's failure to timely cure its default of the Franchise Agreement, and while Franchisor evaluates its right to purchase the location), or to remove any trade fixtures or signage upon termination or expiration of the Franchise Agreement. If Franchisor enters the Premises for any such purposes, it will do so without assuming any liability under the Lease.

9. Amendments. Tenant agrees that neither the Lease nor this Rider may be amended by the parties thereto without the prior written consent of Franchisor.

10. Successors and Assigns. All rights of Franchisor shall inure to its benefit and to the benefit of its successors and assigns. Franchisor may assign its rights under this Rider to any designee. All provisions in this Rider applicable to Tenant and Landlord will be binding on any successor or assign of Tenant or Landlord under the Lease.

11. Execution. This Rider may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same agreement with the Lease. This Rider and all other documents related to this Rider may be executed by manual or electronic signature.

[SIGNATURE PAGE TO FOLLOW]

AGREED and executed and delivered under seal by the parties hereto as of the day and year of the Lease.

LANDLORD: _____

TENANT: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT E
TO THE FRANCHISE AGREEMENT

PRE-AUTHORIZED DEBIT AGREEMENT

The undersigned depositor (“**Depositor**”) hereby authorizes **TOHC FRANCHISING LLC** (“**Franchisor**”) to initiate debit entries and/or credit correction entries to the undersigned’s checking and/or savings account(s) indicated below and the depository designated below (“**Depository**”) to debit such account pursuant to Franchisor’s instructions.

Depository: _____ Branch: _____

Address: _____ City, State, Zip Code: _____

Telephone Number: _____

Bank Transit/ABA Number: _____ Account Number: _____

This authority is to remain in full force and effect until Depository has received joint written notification from Franchisor and Depositor of the Depositor’s termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity on which to act. If an erroneous debit entry is initiated to Depositor’s account, Depositor shall have the right to have the amount of such entry credited to such account by Depository, if (a) within fifteen (15) calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to such entry or (b) forty-five (45) days after posting, whichever occurs first, Depositor shall have sent to Depository a written notice identifying such entry, stating that such entry was in error and requesting Depository to credit the amount thereof to such account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

Depositor: _____ Depository: _____

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

EXHIBIT B-3

SAMPLE GENERAL RELEASE

TOHC FRANCHISING LLC

GRANT OF FRANCHISOR CONSENT AND RELEASE

TOHC Franchising LLC (“we,” “us,” or “our”) and the undersigned area representative (“you” or “your”), currently are parties to a certain area representative agreement dated _____, 20____ (the “Agreement”). You have asked us to take the following action or to agree to the following request: _____

_____. We have the right under the Agreement to obtain a general release from you and your owners as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you and your owners give us the release and covenant not to sue provided below in this document. You and your owners are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

Each of the undersigned parties, on its own behalf and on behalf of its successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, owners, managers, directors, officers, principals, employees, and affiliated entities (collectively, the “Releasing Parties”), hereby forever release and discharge us and our current and former officers, directors, owners, managers, principals, employees, agents, representatives, affiliated entities, successors, and assigns (collectively, the “Released Parties”) from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, “Claims”) that you and any of the other Releasing Parties now has, ever had, or, but for this document, hereafter would or could have against any of the Released Parties, including without limitation, (1) arising out of or related to the Released Parties’ obligations under the Agreement, or (2) otherwise arising from or related to your and the other Releasing Parties’ relationship, from the beginning of time to the date of your signature below, with any of the Released Parties.

Each of the undersigned parties, on its own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the Released Parties on any of the Claims released by this paragraph and represent that it has not assigned any of the Claims released by this paragraph to any individual or entity who is not bound by this paragraph.

IF THE FRANCHISE YOU OPERATE UNDER THE AGREEMENT IS LOCATED IN CALIFORNIA OR ANY OF THE RELEASING PARTIES IS A RESIDENT OF CALIFORNIA, THE FOLLOWING SHALL APPLY:

SECTION 1542 ACKNOWLEDGMENT. IT IS YOUR INTENTION, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS RELEASE THAT THIS INSTRUMENT BE AND IS A GENERAL RELEASE WHICH SHALL BE EFFECTIVE AS A BAR TO EACH AND EVERY CLAIM, DEMAND, OR CAUSE OF ACTION RELEASED BY YOU OR THE RELEASING PARTIES. YOU RECOGNIZE THAT YOU OR THE RELEASING PARTIES MAY HAVE SOME CLAIM, DEMAND, OR CAUSE OF ACTION AGAINST THE FRANCHISOR PARTIES OF WHICH YOU, HE, SHE,

OR IT IS TOTALLY UNAWARE AND UNSUSPECTING, WHICH YOU, HE, SHE, OR IT IS GIVING UP BY EXECUTING THIS RELEASE. IT IS YOUR INTENTION, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS INSTRUMENT THAT IT WILL DEPRIVE YOU, HIM, HER, OR IT OF EACH SUCH CLAIM, DEMAND, OR CAUSE OF ACTION AND PREVENT YOU, HIM, HER, OR IT FROM ASSERTING IT AGAINST THE FRANCHISOR PARTIES. IN FURTHERANCE OF THIS INTENTION, YOU, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, EXPRESSLY WAIVE ANY RIGHTS OR BENEFITS CONFERRED BY THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH 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.”

YOU ACKNOWLEDGE AND REPRESENT THAT YOU HAVE CONSULTED WITH LEGAL COUNSEL BEFORE EXECUTING THIS RELEASE AND THAT YOU UNDERSTAND ITS MEANING, INCLUDING THE EFFECT OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, AND EXPRESSLY CONSENT THAT THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH AND ALL OF ITS EXPRESS TERMS AND PROVISIONS, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO THE RELEASE OF UNKNOWN AND UNSUSPECTED CLAIMS, DEMANDS, AND CAUSES OF ACTION.

If the franchise you operate under the Agreement is located in Maryland or if any of the Releasing Parties is a resident of Maryland, the following shall apply:

Any general release provided for hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

If the franchise you operate under the Agreement is located in Washington or if any of the Releasing Parties is a resident of Washington, the following shall apply:

Any general release provided for hereunder shall not apply to any liability under the Washington Franchise Investment Protection Act.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed and delivered this agreement on the date stated below.

TOHC FRANCHISING LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

Dated: _____

AREA REPRESENTATIVE:

**(IF YOU ARE A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

By: _____

Name: _____

Title: _____

**(IF YOU ARE AN INDIVIDUAL AND
NOT A LEGAL ENTITY; AND/OR ALL
FRANCHISEE OWNERS):**

Signature

Print Name

Signature

Print Name

EXHIBIT B-4

REPRESENTATIONS STATEMENT

REPRESENTATIONS STATEMENT

DO NOT SIGN THIS QUESTIONNAIRE IF YOU ARE LOCATED, OR YOUR FRANCHISED BUSINESS WILL BE LOCATED IN CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

The purpose of this Statement is to demonstrate to TOHC Franchising LLC (“Franchisor”) that the person(s) signing below (“I,” “me” or “my”), whether acting individually or on behalf of any legal entity established to acquire the franchise rights, (a) fully understands that the purchase of a franchise to serve as an area representative and operate a The Original Hot Chicken® and Inked Taco® restaurant is a significant long-term commitment, complete with its associated risks, and (b) is not relying on any statements, representations, promises or assurances that are not specifically set forth in Franchisor’s Franchise Disclosure Document and Exhibits (collectively, the “FDD”) in deciding to purchase the franchise. In that regard, I represent to Franchisor and acknowledge that:

I understand that buying a franchise is not a guarantee of success. Purchasing or establishing any business is risky, and the success or failure of the franchise is subject to many variables such as my skills and abilities (and those of my partners, officers, employees), the time I devote to the business, competition, interest rates, the economy, inflation, operation costs, location, lease terms, the market place generally and other economic and business factors. I am aware of and am willing to undertake these business risks. I understand that the success or failure of my business will depend primarily upon my efforts and not those of Franchisor.	INITIAL:
I received a copy of the FDD at least 14 calendar days before I executed a Franchise Agreement, or paid Franchisor or its affiliates any fees. I understand that all of my rights and responsibilities and those of Franchisor in connection with the franchise are set forth in these agreements and only in these agreements. I have had the opportunity to personally and carefully review these documents and have, in fact, done so. I have been advised to have professionals (such as lawyers and accountants) review the documents for me and to have them help me understand these documents. I have also been advised to consult with other franchisees regarding the risks associated with the purchase of the franchise.	INITIAL:
Neither the Franchisor nor any of its affiliates, officers, employees or agents (including any franchise broker) has made a statement, promise or assurance to me concerning any matter related to the franchise (including those regarding advertising, marketing, training, support service or assistance provided by Franchisor) that is contrary to, or different from, the information contained in the FDD.	INITIAL:
My decision to purchase the franchise has not been influenced by any oral representations, assurances, warranties, guarantees or promises whatsoever made by the Franchisor or any of its officers, employees or agents (including any franchise broker), including as to the likelihood of success of the franchise.	INITIAL:
I have made my own independent determination as to whether I have the capital necessary to fund the business and my living expenses, particularly during the start-up phase.	INITIAL:

PLEASE READ THE FOLLOWING QUESTION CAREFULLY. THEN SELECT YES OR NO AND PLACE YOUR INITIALS WHERE INDICATED.

INITIAL:

Have you received any information from the Franchisor or any of its officers, employees or agents (including any franchise broker) concerning actual, average, projected or forecasted sales, revenues, income, profits or earnings of the franchise business (including any statement, promise or assurance concerning the likelihood of success)?

Yes No (Initial Here: _____)

If you selected "Yes," please describe the information you received on the lines below:

FRANCHISE OWNER

FRANCHISE OWNER

(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

(IF YOU ARE AN INDIVIDUAL):

Entity Name

Individual Name

Sign: _____

Sign: _____

Name: _____

DATED: _____

Title: _____

DATED: _____

EXHIBIT C
TABLE OF CONTENTS TO BRAND STANDARDS MANUAL

Brand Standards Manual Table of Contents

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EXHIBIT D
FINANCIAL STATEMENTS

TOHC Franchising LLC

Financial Report
March 15, 2023

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Independent Auditor's Report

To the Member
TOHC Franchising LLC

Opinion

We have audited the financial statement of TOHC Franchising LLC (the "Company"), which comprises the balance sheet as of March 15, 2023, and the related notes to the financial statement.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of the Company as of March 15, 2023 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statement* section of our report. We are required to be independent of the Company and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement 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 a financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statement is issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 statement.

To the Member
TOHC Franchising LLC

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 statement, 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 statement.
- 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 Company'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 statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company'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.

Plante & Moran, PLLC

June 6, 2023

Balance Sheet

March 15, 2023

Assets - Cash	\$ 250,000
	<hr/>
	Liabilities and Member's Equity
Liabilities	\$ -
Member's Equity	<hr/> 250,000
	<hr/>
Total liabilities and member's equity	\$ 250,000

March 15, 2023

Note 1 - Nature of Business

TOHC Franchising LLC (the "Company") is a limited liability company formed in January 2023 and is a wholly owned subsidiary of TOHC Strategic Company LLC (the "Parent"). The Company was formed through a cash contribution of equity from its Parent in the amount of \$250,000. The Company is engaged in franchising The Original Hot Chicken and Inked Tacos food concepts and operates under these names and the related trademarks (the "Marks"). Under a licensing agreement with TOHC IP LLC, an entity related through common ownership, the Company has a limited nonexclusive right to use the Marks in connection with its operations. As of June 5, 2023, the Company had not signed any franchise agreements.

Note 2 - Significant Accounting Policies

Basis of Presentation

The financial statement of the Company has been prepared on the basis of generally accepted accounting principles in the United States of America (GAAP). The preparation of the financial statement in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statement. Actual results could differ from those estimates.

Income Taxes

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable or provided for by the Company. The Company's ultimate parent company files income tax returns in U.S. federal and various state jurisdictions.

Subsequent Events

The financial statement and related disclosures include evaluation of events up through and including June 6, 2023, which is the date the financial statement was available to be issued.

EXHIBIT E-1
LIST OF CURRENT FRANCHISEES AND AREA REPRESENTATIVES

Franchisees and Area Representatives in the System as of 5/31/23

None.

EXHIBIT E-2
LIST OF FORMER FRANCHISEES AND AREA REPRESENTATIVES

Franchisees and Area Representatives that Left the System during the Fiscal Year ended 5/31/23, or who have not communicated with us in the 10 weeks prior to the issuance date of the FDD:

None.

EXHIBIT F
STATE RIDERS AND ADDENDA

STATE ADDENDA

ADDITIONAL DISCLOSURES FOR THE FRANCHISE DISCLOSURE DOCUMENT OF TOHC FRANCHISING LLC

The following are additional disclosures for the Franchise Disclosure Document of TOHC Franchising, LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise law applies to you.

FOR THE FOLLOWING STATES: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

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.

CALIFORNIA

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.
2. 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.
3. NEITHER WE, OUR PARENT, PREDECESSOR OR AFFILIATE NOR ANY PERSON IN ITEM 2 OF THE FRANCHISE DISCLOSURE DOCUMENT IS SUBJECT TO ANY CURRENTLY EFFECTIVE ORDER OF ANY NATIONAL SECURITIES ASSOCIATION OR NATIONAL SECURITIES EXCHANGE, AS DEFINED IN THE SECURITIES EXCHANGE ACT OF 1934, 15 U.S.C.A SECTIONS 78A ET SEQ., SUSPENDING OR EXPELLING SUCH PERSONS FROM MEMBERSHIP IN THAT ASSOCIATION OR EXCHANGE.
4. OUR WEBSITES, www.oghotchicken.com and www.inkedtacos.com, HAVE NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITES MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT www.dfpi.ca.gov.
5. The following paragraph is added at the end of Item 6:

The highest rate of interest allowed by California law is 10% annually.

6. The following paragraphs are added at the end of Item 17:

The Franchise Agreement and Area Representative Agreement require you to sign a general release of claims upon renewal or transfer of the Franchise Agreement or Area Representative Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or nonrenewal of a franchise. If the Franchise Agreement or Area Representative Agreement contain a provision that is inconsistent with the law, and the law applies, the law will control.

The Franchise Agreement Area Representative Agreement contain a covenant not to compete that extends beyond termination of the franchise. This provision might not be enforceable under California law.

The Franchise Agreement and Area Representative Agreement provide for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A Section 101 et seq.).

The Franchise Agreement and Area Representative Agreement require binding arbitration. The arbitration will be conducted at a suitable location chosen by the arbitrator which is within a 50-mile radius of our then current principal place of business (currently Atlanta, Georgia) with the costs being borne as provided in the Franchise Agreement and Area Representative Agreement. Prospective operators and franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement and Area Representative Agreement restricting venue to a forum outside the State of California.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement and Area Representative Agreement restricting venue to a forum outside the State of California.

The Franchise Agreement and Area Representative Agreement require application of the laws of Delaware. This provision might not be enforceable under California law.

Under the Franchise Agreement, we reserve the right to require that franchisees comply with maximum and minimum prices it sets for goods and services. The Antitrust Law Section of the

Office of the California Attorney General views maximum price agreements as per se violations of the California's Cartwright Act (Cal. Bus. and Prof. Code §§ 16700 to 16770).

GEORGIA

1. The company selling a business opportunity or the seller shall collect no more than 15 percent of the purchase price. The balance of the purchase price shall be paid into an escrow account, established with a bank or an attorney, which is agreed upon by both parties. The balance in escrow shall be paid to the company 60 days after the date the purchaser commences operation of the business or upon complete compliance with the terms of the contract, whichever happens first.
2. If the company fails to deliver the product, equipment, or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract, you may notify the company in writing and demand that the contract be cancelled.

ILLINOIS

The following paragraphs are added to the end of Item 17:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern the Franchise Agreement and Area Representative Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

MARYLAND

1. The following language is added at the end of Item 17.

The Franchise Agreement and Area Representative Agreement provide for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.) but we will enforce it to the extent enforceable.

2. The following is added to the end of Item 17(c) and Item 17(m):

However, any release required as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

3. The following language is added at the end of Item 17(v):

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

MINNESOTA

1. The following is added at the end of the chart in Item 6:

The Item 6 line item entitled “Lost Revenue Damages will not be enforced to the extent prohibited by applicable law.

2. The following is added at the end of the chart in Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) of the Franchise Agreement and Area Representative Agreement and 180 days' notice for non-renewal of the Franchise Agreement and Area Representative Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibits us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial or requiring the operator or franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Disclosure Document, Area Representative Agreement or Franchise Agreement can abrogate or reduce any of operator's or franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or operator's or franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Any release required as a condition of renewal or transfer/assignment will not apply to the extent prohibited by Governing Law with respect to claims arising under Minn. Rule 2860.4400D.

NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005.

WE MAY, IF WE CHOOSE, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE DISCLOSURE DOCUMENT. HOWEVER, WE CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE OPERATOR OR FRANCHISEE TO

ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

With regard to us, our parent, predecessor or affiliate, the persons identified in Item 2, or an affiliate offering franchises under our principal trademark:

- A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antitrust, or securities law; fraud; embezzlement; fraudulent conversion; misappropriation of property; or unfair or deceptive practices; or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither we, our affiliate, predecessor, officers, or general partners or any other individual who will have management responsibility relating to the sale or operation of franchises offered by this Disclosure Document have, during the 10-year period immediately preceding the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the U.S. Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

We apply the initial franchise fee and area representative fee to defray our costs for site review and approval, sales, legal compliance, salary, and general administrative expenses and profits.

5. The following is added to Item 17:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following is added to Item 17(d):

You may terminate the Franchise Agreement and Area Representative Agreement on any grounds available by law.

7. The following is added to Item 17(j)

However, to the extent required by applicable law, no assignment will be made except to an assignee who, in our good faith judgment, is willing and financially able to assume our obligations under the Franchise Agreement or Area Representative Agreement.

8. The following is added to Item 17(v) and 17(w):

However, the governing choice of law and choice of forum shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York.

NORTH CAROLINA

1. If the seller fails to deliver the product(s), equipment or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled.

NORTH DAKOTA

1. The following is added at the end of the chart in Item 6:

The Item 6 line item entitled “Lost Revenue Damages will not be enforced to the extent prohibited by applicable law.

2. The following is added to the end of Item 17(c) and Item 17(m):

However, any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. The following is added to the end of Item 17(r):

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we and you will enforce the covenants to the maximum extent the law allows.

4. The following is added to the end of Item 17(u):

To the extent required by the North Dakota Franchise Investment Law (unless such requirement is preempted by the Federal Arbitration Act), arbitration will be at a site to which we and you mutually agree.

5. The following is added to the end of Item 17(v):

However, subject to your mediation and arbitration obligations, to the extent required by North Dakota Franchise Investment Law, you may bring an action in North Dakota.

6. Item 17(w) is deleted and replaced with the following:

Except as otherwise required by North Dakota law, the laws of the State of Delaware shall apply.

RHODE ISLAND

1. The following language is added to the end of Item 17(v) and 17(w):

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act. To the extent required by applicable law Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.”

SOUTH CAROLINA

1. If the seller fails to deliver the product, equipment or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled.

VIRGINIA

1. The following language is added to the end of Item 17(h):

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement or Area Representative Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

WASHINGTON

1. The following paragraph is added at the end of Item 17:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

The Securities Division of the State of Washington Department of Financial Institutions requires the following language:

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE
STATE-SPECIFIC RIDERS TO THE
AREA REPRESENTATIVE AGREEMENT**

RIDER TO THE TOHC FRANCHISING LLC
AREA REPRESENTATIVE AGREEMENT
FOR USE IN GEORGIA

THIS RIDER is made and entered into by and between **TOHC Franchising LLC**, a Delaware limited liability company whose address is 2859 Paces Ferry Road, Suite 412, Atlanta, Georgia 30339 (“**we**,” “**us**,” or “**our**”), and _____ a(n) _____ whose principal business address is _____ (“**you**” or “**your**”).

1. **BACKGROUND.** We and you are parties to that certain Area Representative Agreement dated _____, 20____ (the “**Area Representative Agreement**”). This Rider is annexed to and forms part of the Area Representative Agreement. This Rider is being signed because you are located in the State of Georgia, or your Business is located in Georgia.

2. **INITIAL FEES.** The following paragraph is added at the end of Section 3.A of the Area Representative Agreement:

We will not collect more than 15% of the purchase price that you pay us for any area representative franchise. The balance of the purchase price will be paid into an escrow account, established with a bank or an attorney, which you and we agree on. The balance in escrow will be paid to us 60 days after the date that your Business commences operation, or the date we have fully complied with our pre-opening obligations to you under this Agreement, whichever happens first.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Area Representative Agreement.

TOHC FRANCHISING LLC,
a Delaware limited liability company

AREA REPRESENTATIVE:

(insert legal name)

Sign: _____

Name: _____

Title: _____

Sign: _____

Name: _____

Title: _____

RIDER TO THE TOHC FRANCHISING LLC
AREA REPRESENTATIVE AGREEMENT
FOR USE IN ILLINOIS

THIS RIDER is made and entered into by and between **TOHC Franchising LLC**, a Delaware limited liability company whose address is 2859 Paces Ferry Road, Suite 412, Atlanta, Georgia 30339 (“we,” “us,” or “our”), and _____ a(n) _____ whose principal business address is _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Area Representative Agreement dated _____, 20____ (the “**Area Representative Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Area Representative Agreement. This Rider is being signed because (a) you are domiciled in the State of Illinois, or (b) the offer of the franchise is made or accepted in the State of Illinois and the Business that you develop under your Area Representative Agreement is or will be located in the State of Illinois.

2. **ILLINOIS FRANCHISE DISCLOSURE ACT.** The following language is added to the end of the Area Representative Agreement:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern this Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in an area representative agreement that designates jurisdiction or venue outside the State of Illinois is void. However, an area representative agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of an area representative agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Area Representative Agreement.

TOHC FRANCHISING LLC,
a Delaware limited liability company

AREA REPRESENTATIVE:

(insert legal name)

Sign: _____

Name: _____

Title: _____

Sign: _____

Name: _____

Title: _____

RIDER TO THE TOHC FRANCHISING LLC
AREA REPRESENTATIVE AGREEMENT
FOR USE IN MARYLAND

THIS RIDER is made and entered into by and between **TOHC Franchising LLC**, a Delaware limited liability company whose address is 2859 Paces Ferry Road, Suite 412, Atlanta, Georgia 30339 (“we,” “us,” or “our”), and _____ a(n) _____ whose principal business address is _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Area Representative Agreement dated _____, 20__ (the “**Area Representative Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Area Representative Agreement. This Rider is being signed because (a) you are a resident of the State of Maryland; or (b) the Business that you develop under your Area Representative Agreement is or will be operated in the State of Maryland; or (c) the offer to sell is made in the State of Maryland; or (d) the offer to buy is accepted in the State of Maryland.

2. **RELEASES.** The following is added to the end of Sections 11.C and 12.A of the Area Representative Agreement:

Pursuant to COMAR 02.02.08.16L, any release required as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

3. **INSOLVENCY.** The following is added to the end of Section 13.B(17) of the Area Representative Agreement:

The provision which provides for termination upon your bankruptcy might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

4. **CONSENT TO JURISDICTION.** Section 16.H of the Area Representative Agreement is supplemented by adding the following to the end of the Section:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. **ARBITRATION.** Section 16.F of the Area Representative Agreement is supplemented by adding the following to the end of the Section:

A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Registration and Disclosure Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

6. **LIMITATIONS OF CLAIMS AND CLASS ACTION BAR.** The following is added to the end of the first paragraph of Section 16.L of the Area Representative Agreement:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

7. **RELEASES.** The Area Representative Agreement is further amended to state that “All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Area Representative Agreement.

TOHC FRANCHISING LLC,
a Delaware limited liability company

AREA REPRESENTATIVE:

(insert legal name)

Sign: _____

Name: _____

Title: _____

Sign: _____

Name: _____

Title: _____

RIDER TO THE TOHC FRANCHISING LLC
AREA REPRESENTATIVE AGREEMENT
FOR USE IN MINNESOTA

THIS RIDER is made and entered into by and between **TOHC Franchising LLC**, a Delaware limited liability company whose address is 2859 Paces Ferry Road, Suite 412, Atlanta, Georgia 30339 (“we,” “us,” or “our”), and _____ a(n) _____ whose principal business address is _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Area Representative Agreement dated _____, 20__ (the “**Area Representative Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Area Representative Agreement. This Rider is being signed because (a) the Business that you will develop under the Area Representative Agreement will be operated wholly or partly in the State of Minnesota; and/or (b) you either a resident of, domiciled in, or actually present in the State of Minnesota.

2. **RELEASES.** The following is added to the end of Sections 11.C and 12.A of the Area Representative Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

3. **RENEWAL AND TERMINATION.** The following is added to the end of Sections 12.A and 13.B of the Area Representative Agreement:

However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of this Agreement.

4. **INJUNCTIVE RELIEF.** The following language is added to the end of Section 16.J of the Area Representative Agreement:

Notwithstanding the foregoing, a court will determine if a bond is required.

5. **LIMITATIONS OF CLAIMS; WAIVER OF CLASS ACTION.** The following is added to the end of the first paragraph of Section 16.L of the Area Representative Agreement:

; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

6. **GOVERNING LAW.** The following is added to the end of Section 16.G of the Area Representative Agreement:

Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum or remedies that the laws of the jurisdiction provide.

7. **CONSENT TO JURISDICTION.** The following is added to the end of Section 16.H of the Area Representative Agreement:

Notwithstanding the foregoing, Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit us, except in certain specified cases, from requiring litigation to be conducted outside of Minnesota. Nothing in this Agreement shall abrogate or reduce any of your rights under Minnesota Statutes chapter 80C or your right to any procedure, forum or remedies that the laws of the jurisdiction provide.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Area Representative Agreement.

TOHC FRANCHISING LLC,
a Delaware limited liability company

AREA REPRESENTATIVE:

(insert legal name)

Sign: _____

Name: _____

Title: _____

Sign: _____

Name: _____

Title: _____

RIDER TO THE TOHC FRANCHISING LLC
AREA REPRESENTATIVE AGREEMENT
FOR USE IN NEW YORK

THIS RIDER is made and entered into by and between **TOHC Franchising LLC**, a Delaware limited liability company whose address is 2859 Paces Ferry Road, Suite 412, Atlanta, Georgia 30339 (“**we**,” “**us**,” or “**our**”), and _____ a(n) _____ whose principal business address is _____ (“**you**” or “**your**”).

1. **BACKGROUND.** We and you are parties to that certain Area Representative Agreement dated _____, 20__ (the “**Area Representative Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Area Representative Agreement. This Rider is being signed because (a) an offer to sell is made in the State of New York; or (b) an offer to buy is accepted in the State of New York; or (c) if you are domiciled in the State of New York, the Business is or will be operated in the State of New York.

2. **RELEASES AND WAIVERS.** The following is added to the end of Sections 11.C and 12.A of the Area Representative Agreement:

Notwithstanding the foregoing all rights enjoyed by you and any causes of action arising in your favor from the provision of Article 33 of the General Business Law of the State of New York and the regulations issued there under shall remain in force to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.4, as amended.

3. **CHOICE OF FORUM AND CHOICE OF LAW.** Nothing herein shall be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York General Business Law, as amended, and the regulations issued thereunder.

4. **TRANSFER.** The following sentence is added to the end of Section 11.A of the Area Representative Agreement:

However, to the extent required by applicable law, no assignment will be made except to an assignee who, in our good faith judgment, is willing and financially able to assume our obligations under this Agreement.

5. **TERMINATION.** The following sentence is added to the end of Section 13.A of the Area Representative Agreement:

You also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Area Representative Agreement.

TOHC FRANCHISING LLC,
a Delaware limited liability company

AREA REPRESENTATIVE:

(insert legal name)

Sign: _____

Name: _____

Title: _____

Sign: _____

Name: _____

Title: _____

RIDER TO THE TOHC FRANCHISING LLC
AREA REPRESENTATIVE AGREEMENT
FOR USE IN NORTH DAKOTA

THIS RIDER is made and entered into by and between **TOHC Franchising LLC**, a Delaware limited liability company whose address is 2859 Paces Ferry Road, Suite 412, Atlanta, Georgia 30339 (“we,” “us,” or “our”), and _____ a(n) _____ whose principal business address is _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Area Representative Agreement dated _____, 20__ (the “**Area Representative Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Area Representative Agreement. This Rider is being signed because (a) an offer to sell is made in the State of North Dakota; or (b) an offer to buy is accepted in the State of North Dakota; or (c) if you are domiciled in the State of North Dakota, the Business that you develop under your Area Representative Agreement is or will be operated in the State of North Dakota.

2. **RELEASES.** The following is added to the end of Sections 11.C and 12.A of the Area Representative Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. **COVENANT NOT TO COMPETE.** The following is added to the end of Section 14.D of the Area Representative Agreement:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we will enforce the covenants to the maximum extent the law allows.

4. **ARBITRATION.** The following language is added to the end of Section 16.F of the Area Representative Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration shall be held at a site to which we and you mutually agree.

5. **GOVERNING LAW.** The second sentence of Section 16.G of the Area Representative Agreement is deleted in its entirety and replaced with the following language:

Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, and except as otherwise required by North Dakota law, this Agreement, the franchise, and all claims arising from the relationship between us and you will be governed by the laws of the State of Delaware, without regard to its conflict of laws rules, except that any state law regulating the sale of franchises or governing the

relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section.

6. **CONSENT TO JURISDICTION.** The following is added to the end of Section 16.H of the Area Representative Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

7. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.** To the extent required by the North Dakota Franchise Investment Law, Section 16.I of the Area Representative Agreement is deleted.

8. **LIMITATIONS OF CLAIMS AND CLASS ACTION BAR.** The following is added to the end of the first paragraph of Section 16.L of the Area Representative Agreement:

The statutes of limitations under North Dakota Law applies with respect to claims arising under the North Dakota Franchise Investment Law.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Area Representative Agreement.

TOHC FRANCHISING LLC,
a Delaware limited liability company

AREA REPRESENTATIVE:

(insert legal name)

Sign: _____

Name: _____

Title: _____

Sign: _____

Name: _____

Title: _____

RIDER TO THE TOHC FRANCHISING LLC
AREA REPRESENTATIVE AGREEMENT
FOR USE IN RHODE ISLAND

THIS RIDER is made and entered into by and between **TOHC Franchising LLC**, a Delaware limited liability company whose address is 2859 Paces Ferry Road, Suite 412, Atlanta, Georgia 30339 (“we,” “us,” or “our”), and _____ a(n) _____ whose principal business address is _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Area Representative Agreement dated _____, 20____ (the “**Area Representative Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Area Representative Agreement. This Rider is being signed because (a) an offer to sell is made or accepted in the State of Rhode Island, or (b) an offer to buy is accepted in the State of Rhode Island, or (c) you are a resident of the State of Rhode Island and the Business you develop under your Area Representative Agreement is or will be operated in the State of Rhode Island.

2. **GOVERNING LAW.** The following is added at the end of Section 16.G of the Area Representative Agreement:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

3. **CONSENT TO JURISDICTION.** The following is added at the end of Section 16.H of the Area Representative Agreement:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “To the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.”

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Area Representative Agreement.

TOHC FRANCHISING LLC,
a Delaware limited liability company

AREA REPRESENTATIVE:

(insert legal name)

Sign: _____

Name: _____

Title: _____

Sign: _____

Name: _____

Title: _____

RIDER TO THE TOHC FRANCHISING LLC
AREA REPRESENTATIVE AGREEMENT
FOR USE IN WASHINGTON

THIS RIDER is made and entered into by and between **TOHC Franchising LLC**, a Delaware limited liability company whose address is 2859 Paces Ferry Road, Suite 412, Atlanta, Georgia 30339 (“we,” “us,” or “our”), and _____ a(n) _____ whose principal business address is _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Area Representative Agreement dated _____, 20____ (the “**Area Representative Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Area Representative Agreement. This Rider is being signed because (a) the offer is directed into the State of Washington and is received where it is directed; or (b) you are a resident of the State of Washington; or (c) the Business that you develop under your Area Representative Agreement is or will be located or operated, wholly or partly, in the State of Washington.

2. **WASHINGTON LAW.** The following paragraphs are added to the end of the Area Representative Agreement:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

The Securities Division of the State of Washington Department of Financial Institutions requires the following language:

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims

under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Area Representative Agreement.

TOHC FRANCHISING LLC,
a Delaware limited liability company

AREA REPRESENTATIVE:

(insert legal name)

Sign: _____

Name: _____

Title: _____

Sign: _____

Name: _____

Title: _____

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE
STATE-SPECIFIC RIDERS TO THE
FRANCHISE AGREEMENT**

RIDER TO THE TOHC FRANCHISING LLC
FRANCHISE AGREEMENT
FOR USE IN GEORGIA

THIS RIDER is made and entered into by and between **TOHC Franchising LLC**, a Delaware limited liability company whose address is 2859 Paces Ferry Road, Suite 412, Atlanta, Georgia 30339 (“we,” “us,” or “our”), and _____ a(n) _____ whose principal business address is _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because you are located in the State of Georgia, or the Restaurant you develop will be located in Georgia.

2. **INITIAL FRANCHISE FEE.** The following paragraph is added at the end of Section 3.A of the Franchise Agreement:

We will not collect more than 15% of the purchase price that you pay us for your franchise. The balance of the purchase price will be paid into an escrow account, established with a bank or an attorney, which you and we agree on. The balance in escrow will be paid to us 60 days after the date that your Restaurant commences operation, or the date we have fully complied with our pre-opening obligations to you under this Agreement, whichever happens first.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

TOHC FRANCHISING LLC,
a Delaware limited liability company

FRANCHISEE:

(insert legal name)

Sign: _____
Name: _____
Title: _____

Sign: _____
Name: _____
Title: _____

RIDER TO THE TOHC FRANCHISING LLC
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS

THIS RIDER is made and entered into by and between **TOHC Franchising LLC**, a Delaware limited liability company whose address is 2859 Paces Ferry Road, Suite 412, Atlanta, Georgia 30339 (“we,” “us,” or “our”), and _____ a(n) _____ whose principal business address is _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20__ (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in the State of Illinois, or (b) the offer of the franchise is made or accepted in the State of Illinois and the Restaurant that you develop under your Franchise Agreement is or will be operated in the State of Illinois.

3. **ILLINOIS FRANCHISE DISCLOSURE ACT.** The following language is added to the end of the Franchise Agreement:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern this Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Franchise Agreement.

TOHC FRANCHISING LLC,
a Delaware limited liability company

FRANCHISEE:

(insert legal name)

Sign: _____
Name: _____
Title: _____

Sign: _____
Name: _____
Title: _____

RIDER TO THE TOHC FRANCHISING LLC
FRANCHISE AGREEMENT
FOR USE IN MARYLAND

THIS RIDER is made and entered into by and between **TOHC Franchising LLC**, a Delaware limited liability company whose address is 2859 Paces Ferry Road, Suite 412, Atlanta, Georgia 30339 (“**we**,” “**us**,” or “**our**”), and _____ a(n) _____ whose principal business address is _____ (“**you**” or “**your**”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of the State of Maryland; or (b) the Restaurant that you develop under your Franchise Agreement is or will be operated in the State of Maryland; or (c) the offer to sell is made in the State of Maryland; or (d) the offer to buy is accepted in the State of Maryland.

2. **RELEASES.** The following is added to the end of Sections 13.B and 14 of the Franchise Agreement:

Pursuant to COMAR 02.02.08.16L, any release required as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

3. **INSOLVENCY.** The following is added to the end of Section 15.B(18) of the Franchise Agreement:

This Section might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

4. **CONSENT TO JURISDICTION.** Section 18.C of the Franchise Agreement is supplemented by adding the following to the end of the Section:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. **ARBITRATION.** Section 18.B of the Franchise Agreement is supplemented by adding the following to the end of the Section:

A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Registration and Disclosure Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

6. **LIMITATIONS OF CLAIMS AND CLASS ACTION BAR.** The following is added to the end of Section 18.J of the Franchise Agreement:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

7. **RELEASES.** The Franchise Agreement is further amended to state that “All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Franchise Agreement.

TOHC FRANCHISING LLC,
a Delaware limited liability company

FRANCHISEE:

(insert legal name)

Sign: _____
Name: _____
Title: _____

Sign: _____
Name: _____
Title: _____

RIDER TO THE TOHC FRANCHISING LLC
FRANCHISE AGREEMENT
FOR USE IN MINNESOTA

THIS RIDER is made and entered into by and between **TOHC Franchising LLC**, a Delaware limited liability company whose address is 2859 Paces Ferry Road, Suite 412, Atlanta, Georgia 30339 (“**we**,” “**us**,” or “**our**”), and _____ a(n) _____ whose principal business address is _____ (“**you**” or “**your**”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the Restaurant that you will develop under the Franchise Agreement will be operated wholly or partly in the State of Minnesota; and/or (b) you either a resident of, domiciled in, or actually present in the State of Minnesota.

2. **RELEASES.** The following is added to the end of Sections 13.B and 14 of the Franchise Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

3. **RENEWAL AND TERMINATION.** The following is added to the end of Sections 14 and 15 of the Franchise Agreement:

However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of this Agreement.

4. **LOST REVENUE DAMAGES.** The following language is added to the end of Section 16.C of the Franchise Agreement

We and you acknowledge that certain parts of this provision might not be enforceable under Minn. Rule Part 2860.4400J. However, we and you agree to enforce the provision to the extent the law allows.

5. **INJUNCTIVE RELIEF.** Section 18.H of the Franchise Agreement is deleted and replaced with the following:

Notwithstanding the foregoing, a court will determine if a bond is required.

6. **LIMITATIONS OF CLAIMS AND CLASS ACTION BAR.** The following is added to the end of Section 18.J of the Franchise Agreement:

; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

8. **GOVERNING LAW**. The following is added to the end of Section 18.D of the Franchise Agreement:

Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum or remedies that the laws of the jurisdiction provide.

9. **CONSENT TO JURISDICTION**. The following is added to the end of Section 18.C of the Franchise Agreement:

Notwithstanding the foregoing, Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit us, except in certain specified cases, from requiring litigation to be conducted outside of Minnesota. Nothing in this Agreement shall abrogate or reduce any of your rights under Minnesota Statutes chapter 80C or your right to any procedure, forum or remedies that the laws of the jurisdiction provide.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Franchise Agreement.

TOHC FRANCHISING LLC,
a Delaware limited liability company

FRANCHISEE:

(insert legal name)

Sign: _____
Name: _____
Title: _____

Sign: _____
Name: _____
Title: _____

RIDER TO THE TOHC FRANCHISING LLC
FRANCHISE AGREEMENT
FOR USE IN NEW YORK

THIS RIDER is made and entered into by and between **TOHC Franchising LLC**, a Delaware limited liability company whose address is 2859 Paces Ferry Road, Suite 412, Atlanta, Georgia 30339 (“**we**,” “**us**,” or “**our**”), and _____ a(n) _____ whose principal business address is _____ (“**you**” or “**your**”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20__ (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) an offer to sell is made in the State of New York; or (b) an offer to buy is accepted in the State of New York; or (c) if you are domiciled in the State of New York, the Restaurant is or will be operated in the State of New York.

2. **RELEASES AND WAIVERS.** The following is added to the end of Sections 13.B and 14 of the Franchise Agreement:

Notwithstanding the foregoing all rights enjoyed by you and any causes of action arising in your favor from the provision of Article 33 of the General Business Law of the State of New York and the regulations issued there under shall remain in force to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.4, as amended.

3. **CHOICE OF FORUM AND CHOICE OF LAW.** Nothing herein shall be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York General Business Law, as amended, and the regulations issued thereunder.

4. **TRANSFER.** The following sentence is added to the end of Section 13.A of the Franchise Agreement:

However, to the extent required by applicable law, no assignment will be made except to an assignee who, in our good faith judgment, is willing and financially able to assume our obligations under this Agreement.

5. **TERMINATION.** The following sentence is added to the end of Section 15.A of the Franchise Agreement:

You also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Franchise Agreement.

TOHC FRANCHISING LLC,
a Delaware limited liability company

FRANCHISEE:

(insert legal name)

Sign: _____
Name: _____
Title: _____

Sign: _____
Name: _____
Title: _____

RIDER TO THE TOHC FRANCHISING LLC
FRANCHISE AGREEMENT
FOR USE IN NORTH DAKOTA

THIS RIDER is made and entered into by and between **TOHC Franchising LLC**, a Delaware limited liability company whose address is 2859 Paces Ferry Road, Suite 412, Atlanta, Georgia 30339 (“we,” “us,” or “our”), and _____ a(n) _____ whose principal business address is _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) an offer to sell is made in the State of North Dakota; or (b) an offer to buy is accepted in the State of North Dakota; or (c) if you are domiciled in the State of North Dakota, the Restaurant that you develop under your Franchise Agreement is or will be operated in the State of North Dakota.

2. **RELEASES.** The following is added to the end of Sections 13.B and 14 of the Franchise Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. **COVENANT NOT TO COMPETE.** The following is added to the end of Section 16F of the Franchise Agreement:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we will enforce the covenants to the maximum extent the law allows.

4. **LOST REVENUE DAMAGES.** The following language is added to the end of Section 16.C of the Franchise Agreement:

We and you acknowledge that certain parts of this provision might not be enforceable under the North Dakota Franchise Investment Law. However, we and you agree to enforce the provision to the extent the law allows.

5. **ARBITRATION.** The following language is added to the end of Section 18.B of the Franchise Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration shall be held at a site to which we and you mutually agree.

6. **GOVERNING LAW.** The second sentence of Section 18.D of the Franchise Agreement is deleted in its entirety and replaced with the following language:

Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, and except as otherwise required by North Dakota law, this Agreement, the franchise, and all claims arising from the relationship between us and you will be governed by the laws of the State of Delaware, without regard to its conflict of laws rules, except that any state law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section.

7. **CONSENT TO JURISDICTION.** The following is added to the end of Section 18.C of the Franchise Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

8. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.** To the extent required by the North Dakota Franchise Investment Law, Section 18.G of the Franchise Agreement is deleted.

9. **LIMITATIONS OF CLAIMS AND CLASS ACTION BAR.** The following is added to the end of the first paragraph Section 18.J of the Franchise Agreement:

The statutes of limitations under North Dakota Law applies with respect to claims arising under the North Dakota Franchise Investment Law.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Franchise Agreement.

TOHC FRANCHISING LLC,
a Delaware limited liability company

FRANCHISEE:

(insert legal name)

Sign: _____
Name: _____
Title: _____

Sign: _____
Name: _____
Title: _____

RIDER TO THE TOHC FRANCHISING LLC
FRANCHISE AGREEMENT
FOR USE IN RHODE ISLAND

THIS RIDER is made and entered into by and between **TOHC Franchising LLC**, a Delaware limited liability company whose address is 2859 Paces Ferry Road, Suite 412, Atlanta, Georgia 30339 (“we,” “us,” or “our”), and _____ a(n) _____ whose principal business address is _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) an offer to sell is made or accepted in the State of Rhode Island, or (b) an offer to buy is accepted in the State of Rhode Island, or (c) you are a resident of the State of Rhode Island and the Restaurant that you develop under your Franchise Agreement is or will be operated in the State of Rhode Island.

2. **GOVERNING LAW.** The following is added at the end of Section 18.D of the Franchise Agreement:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

3. **CONSENT TO JURISDICTION.** The following is added at the end of Section 18.C of the Franchise Agreement:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “To the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.”

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Franchise Agreement.

TOHC FRANCHISING LLC,
a Delaware limited liability company

FRANCHISEE:

(insert legal name)

Sign: _____
Name: _____
Title: _____

Sign: _____
Name: _____
Title: _____

RIDER TO THE TOHC FRANCHISING LLC
FRANCHISE AGREEMENT
FOR USE IN WASHINGTON

THIS RIDER is made and entered into by and between **TOHC Franchising LLC**, a Delaware limited liability company whose address is 2859 Paces Ferry Road, Suite 412, Atlanta, Georgia 30339 (“we,” “us,” or “our”), and _____ a(n) _____ whose principal business address is _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer is directed into the State of Washington and is received where it is directed; or (b) you are a resident of the State of Washington; or (d) the Restaurant that you develop under your Franchise Agreement is or will be located or operated, wholly or partly, in the State of Washington.

2. **WASHINGTON LAW.** The following paragraphs are added to the end of the Franchise Agreement:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

The Securities Division of the State of Washington Department of Financial Institutions requires the following language:

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Franchise Agreement.

TOHC FRANCHISING LLC,
a Delaware limited liability company

FRANCHISEE:

(insert legal name)

Sign: _____
Name: _____
Title: _____

Sign: _____
Name: _____
Title: _____

NEW YORK REPRESENTATIONS PAGE

FRANCHISOR REPRESENTS THAT THIS FRANCHISE DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	June 14, 2023, as amended June 16, 2023

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 G
RECEIPTS

**RECEIPT
(OUR COPY)**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If TOHC Franchising LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, TOHC Franchising LLC or an affiliate in connection with the proposed franchise sale. Under Iowa law, TOHC Franchising LLC must give you this Disclosure Document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to us or an affiliate in connection with the proposed franchise sale. Under Michigan law, TOHC Franchising LLC must 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. Under New York law, TOHC Franchising LLC must provide this Disclosure Document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. If TOHC Franchising LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The franchisor is TOHC Franchising LLC, 2859 Paces Ferry Road, Suite 412, Atlanta, Georgia 30339. Tel: 404-499-1960. The franchise seller for this offering is:

James Walker
2859 Paces Ferry Road
Suite 412
Atlanta, Georgia 30339
404-499-1960

Sunny Ashman
2859 Paces Ferry Road
Suite 412
Atlanta, Georgia 30339
404-499-1960

Name of Franchise Seller:

Principal Business Address:

Telephone No.: _____

Issuance Date: June 14, 2023. (The effective dates in the franchise registration states are noted on the page immediately preceding the Receipts cover page.)

See Exhibit A for TOHC Franchising LLC's registered agents authorized to receive service of process.

I have received a disclosure document dated June 14, 2023, that included the following Exhibits:

Exhibit A	List of State Agencies / Agents for Service of Process	Exhibit D	Financial Statements
Exhibit B-1	Area Representative Agreement	Exhibit E-1	List of Current Area Representatives and Franchisees
Exhibit B-2	Franchise Agreement	Exhibit E-2	List of Former Area Representatives and Franchisees
Exhibit B-3	Sample General Release	Exhibit F	State Addenda and Riders
Exhibit B-4	Representations Statement		
Exhibit C	Table of Contents to Brand Standards Manual	Exhibit G	Receipts

Print Name of Business Entity

Print Name of Individual

Sign: _____

Sign: _____

Title: _____

Dated: _____

Name: _____

Dated: _____

Please sign this copy of the receipt, print the date on which you received this disclosure document, and return it, by mail or email, to TOHC Franchising LLC, 2859 Paces Ferry Road, Suite 412, Atlanta, Georgia 30339. Phone: 404-499-1960. Email: sunny@oghotchicken.com

**RECEIPT
(YOUR COPY)**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If TOHC Franchising LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, TOHC Franchising LLC or an affiliate in connection with the proposed franchise sale. Under Iowa law, TOHC Franchising LLC must give you this Disclosure Document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to us or an affiliate in connection with the proposed franchise sale. Under Michigan law, TOHC Franchising LLC must 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. Under New York law, TOHC Franchising LLC must provide this Disclosure Document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. If TOHC Franchising LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

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Suite 412
Atlanta, Georgia 30339
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Name of Franchise Seller:

Principal Business Address:

Telephone No.: _____

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Exhibit B-4	Representations Statement		
Exhibit C	Table of Contents to Brand Standards Manual	Exhibit G	Receipts

Print Name of Business Entity

Print Name of Individual

Sign: _____

Sign: _____

Title: _____

Dated: _____

Name: _____

Dated: _____

PLEASE SIGN THIS COPY OF THE RECEIPT, PRINT THE DATE ON WHICH YOU RECEIVED THIS DISCLOSURE DOCUMENT AND KEEP IT FOR YOUR RECORDS.