FRANCHISE DISCLOSURE DOCUMENT

SAVVY SLIDERS FRANCHISE LLC a Michigan limited liability company 30955 Northwestern Highway, Suite 300 Farmington Hills, Michigan 48334 Phone: (248) 538-0000 Email: <u>franchising@savvysliders.com</u> Website: www.savvysliders.com



This Franchise Disclosure Document describes a Savvy Sliders[®] area representative franchise. The Savvy Sliders[®] area representative franchise is a business that will enter into franchise agreements with the franchisor and solicit third parties to enter into franchise agreements with the franchisor for operation of Savvy Sliders[®] Restaurant unit franchises in the territory and will provide support services to unit franchises in the territory.

The total investment necessary to begin operation of a Savvy Sliders[®] area representative franchise is from \$110,500 to \$1,079,000. This includes from \$100,000 to \$1,000,000 that will be paid to the franchisor or its affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Happy Asker at the address and phone number listed above.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show our 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 <u>www.ftc.gov</u> 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: May 8, 2024

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising Generally

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

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

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

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

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

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

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

Some States Require Registration

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

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See 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. <u>Out-of-State Dispute Resolution</u>. The area representative agreement requires you to resolve disputes with the franchisor by mediation, arbitration, and/or litigation only in Michigan. 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 Michigan 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.

NOTICE UNDER MICHIGAN'S FRANCHISE INVESTMENT LAW

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.

1. A prohibition on the right of a franchisee to join an association of franchisees.

2. A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

3. 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 thirty (30) days, to cure such failure.

4. 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: (1) the term of the franchise is less than five (5) years and (2) 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 does not receive at least six (6) months advance notice of Franchisor's intent not to renew the franchise.

5. 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.

6. 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.

7. 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:

a. the failure of the proposed transferee to meet the Franchisor's then current reasonable qualifications or standards;

b. the fact that the proposed transferee is a competitor of the Franchisor or sub-Franchisor;

c. the unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations; and

d. 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.

8. 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 the right of first refusal to purchase the assets of a franchisee 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 subsection 3.

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

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

IF FRANCHISOR'S MOST RECENT UNAUDITED FINANCIAL STATEMENT SHOWS A NET WORTH OF LESS THAN ONE HUNDRED THOUSAND (\$100,000) DOLLARS, YOU HAVE THE RIGHT TO REQUEST THE ESCROW OF THE INITIAL INVESTMENT AND OTHER FUNDS PAID UNTIL OBLIGATIONS TO PROVIDE REAL ESTATE, IMPROVE-MENTS, EQUIPMENT INVENTORY, TRAINING OR OTHER ITEMS INCLUDED IN THE FRANCHISE OFFERING ARE FULFILLED.

ANY QUESTIONS REGARDING THIS NOTICE MAY BE DIRECTED TO THE STATE OF MICHIGAN, DEPARTMENT OF ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE, 670 LAW BUILDING, LANSING, MICHIGAN 48913, TELEPHONE (517) 373-7117.

TABLE OF CONTENTS

ITEM	PAGE
ITEM 1THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIA	TES 1
ITEM 2BUSINESS EXPERIENCE	5
ITEM 3LITIGATION	5
ITEM 4BANKRUPTCY	6
ITEM 5INITIAL FEES	6
ITEM 6OTHER FEES	7
ITEM 7ESTIMATED INITIAL INVESTMENT	9
ITEM 8RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	10
ITEM 9FRANCHISEE'S OBLIGATIONS	12
ITEM 10FINANCING	14
ITEM 11FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS TRAINING	
ITEM 12TERRITORY	17
ITEM 13TRADEMARKS	21
ITEM 14PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	22
ITEM 15OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF FRANCHISE BUSINESS	
ITEM 16RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	24
ITEM 17RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	24
ITEM 18PUBLIC FIGURES	28
ITEM 19FINANCIAL PERFORMANCE REPRESENTATIONS	28
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION	29
ITEM 21FINANCIAL STATEMENTS	31
ITEM 22CONTRACTS	31
ITEM 23RECEIPTS	32

EXHIBITS

- A LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS
- B AREA REPRESENTATIVE AGREEMENT
- C CONFIDENTIALITY AND NON COMPETITION AGREEMENT (MANAGEMENT EMPLOYEE) AND CONFIDENTIALITY AGREEMENT (RANK AND FILE EMPLOYEE)
- D LIST OF AREA REPRESENTATIVES
- E LIST OF AREA REPRESENTATIVES THAT RECENTLY LEFT THE SYSTEM
- F FINANCIAL STATEMENTS
- G STATE SPECIFIC DISCLOSURES AND ADDENDA
- H RECEIPTS

ITEM 1--THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Franchisor

The Franchisor is Savvy Sliders Franchise, LLC. In this Franchise Disclosure Document, the Franchisor will be referred to as "we," "us," or "Savvy's," and the person who buys a franchise will be referred to as "you" or "area representative." If the prospective area representative is a corporation, partnership, limited liability company or other entity, "you" or "area representative" will mean the entity and the owners of the entity.

We are a Michigan limited liability company, organized on January 25, 2019. We do business under our company name and the "Savvy Sliders[®]" name. Our principal business address is 30955 Northwestern Highway, Suite 300, Farmington Hills, Michigan 48334. Our agents for service of process are listed on Exhibit A.

Parents, Predecessors and Affiliates

Our parent company is AKJ Brands LLC, a Michigan limited liability company, whose principal business is 30955 Northwestern Highway, Suite 300, Farmington Hills, Michigan 48334. We do not have any predecessors.

We and our parent company have a number of affiliates, including the following:

- Savvy Sliders Company LLC, a Michigan limited liability company, which is the owner of the "Savvy Sliders[®]" trademark. Savvy Sliders Company LLC licenses us to use and sublicense others to use that trademark. The principal business address of Savvy Sliders Company LLC is 30955 Northwestern Highway, Suite 300, Farmington Hills, Michigan 48334.
- Savvy Sliders Foods, LLC, a Michigan limited liability company, which sells products to our franchisees. The principal business address of Savvy Sliders Foods LLC is 30955 Northwestern Highway, Suite 300, Farmington Hills, Michigan 48334.
- Happy's Pizza Foods, Inc., a Michigan corporation, which may sell products to our franchisees. The principal business address of Happy's Pizza Foods, Inc. is 30955 Northwestern Highway, Suite 300, Farmington Hills, Michigan 48334.
- Food Service Group, LLC, a Michigan limited liability company, which may sell products to our franchisees and brokers wholesale food purchases and distribution in connection with sales of products to our franchisees. The principal business address of Food Service Group, LLC is 30955 Northwestern Highway, Suite 300, Farmington Hills, Michigan 48334.
- Happy Pizza Development, LLC, a Michigan limited liability company, which provides construction services to our franchisees and sells equipment and other items needed to develop a Savvy Sliders[®] franchise. The principal business address of Happy's Pizza Development, LLC is 30955 Northwestern Highway, Suite 300, Farmington Hills, Michigan 48334.
- Savvy Sliders Advertising LLC, a Michigan limited liability company, which administers and places advertising for Savvy Sliders[®] franchises. The principal business address of Savvy Sliders Advertising LLC is 30955 Northwestern Highway, Suite 300, Farmington Hills, Michigan 48334.

- Happy's Pizza Advertising LLC, a Michigan limited liability company, which may administer and place advertising for Savvy Sliders[®] franchises in some circumstances. The principal business address of Happy's Pizza Advertising LLC is 30955 Northwestern Highway, Suite 300, Farmington Hills, Michigan 48334.
- Happy's Pizza Franchise, LLC, a Michigan limited liability company ("Happy's Pizza"), which is the franchisor of Happy's Pizza[®] restaurant single unit and area development franchises. We have authorized Happy's Pizza to license its franchisees to use the Savvy Sliders name and products in the operation of Happy's Pizza restaurants co-branded with Savvy Sliders. The principal business address of Happy's Pizza Franchise, LLC is 30955 Northwestern Highway, Suite 300, Farmington Hills, Michigan 48334.
- We and our parent company also have affiliates that lease franchise locations to some Savvy Sliders[®] Restaurant franchises.
- We may, in the future, form an affiliate that will offer financing to Savvy Sliders[®] Restaurant franchises.

An affiliate of our parent company is a part owner of Fat Boy's Pizza Franchise LLC ("FBPF"), which is the franchisor of Fat Boy's Pizza Restaurant franchises. The principal business address of FBPF is 2565 Metairie Road, Suite 100, Metairie, Louisiana 70001.

Except as described above, we do not have any affiliates that offer franchises in any line of business or that provide products or services to our franchisees.

Franchisor's Business

We offer and sell Savvy Sliders[®] Restaurant unit franchises and area representative franchises. We may also offer and sell products and services to our franchisees. We do not currently have other business activities.

The Savvy Sliders® Restaurant Unit Franchise

We offer Savvy Sliders[®] Restaurant unit franchises to qualified persons. The Savvy Sliders[®] Restaurant unit franchise is disclosed in a separate Franchise Disclosure Document. The Savvy Sliders[®] Restaurant unit franchise will sometimes be referred to in this Franchise Disclosure Document as a "unit franchise." We are currently franchising unit franchises under two concepts. Our primary concept is the standard Savvy Sliders Restaurant unit franchise, which is a restaurant business that sells sliders, wings, fries, beverages, and related products for carry-out, dine-in, catering or delivery (the "Standard Restaurant"). Some Standard Restaurants may also sell alcoholic beverages if we authorize those sales and the franchise is able to obtain the necessary governmental approvals and licenses. A Standard Restaurant may be located in a free standing building, retail shopping center, mall, or another location approved by us and generally ranges from 1,600 to 3,500 square feet in size. The other concept is the Savvy Sliders Express unit franchise, which is a restaurant that sells a more limited menu of our products for carry-out, grab-and-go, dine-in, catering or delivery (the "Savvy Sliders Express"). The Savvy Sliders Express is usually located in or operated as a kiosk in another business or facility, such as a hospital or other medical facility, college campus, or similar location, and generally ranges from 600 to 2,000 square feet in size.

A Savvy Sliders[®] Restaurant unit franchise will operate under our tradenames and trademarks, which are described in Item 13 of this Franchise Disclosure Document (the "Franchise Marks") and in accordance with our specifications for operating a business (the "Franchise Systems"). A franchise acquires the right to operate a Savvy Sliders[®] Restaurant unit franchise by signing our standard Franchise Agreement ("unit Franchise Agreement"). Under the unit Franchise Agreement, the franchisee acquires the right to operate a unit franchise at a designated location.

The Fat Boy's Pizza Co-Branded Restaurant

As noted above, FBPF grants franchises for Fat Boy's Pizza Restaurants. If you request, we may authorize you to operate a Fat Boy's Pizza Restaurant franchise at your Franchise Location or to operate a Savvy Sliders Restaurant franchise at your Fat Boy's Pizza Restaurant franchise location (referred to in this Disclosure Document as a "Fat Boy's Pizza Co-Branded Restaurant"). In order to operate a Fat Boy's Pizza Co-Branded Restaurant, you will also have to enter into a separate franchise agreement with FBPF in order to have the authority to operate both brands from the same location. If we authorize you to operate a Fat Boy's Pizza Co-Branded Restaurant, you must sign our Addendum to Franchise Agreement for Co-Branded Restaurant ("Co-Brand Addendum") (see Exhibit E). References in this Disclosure Document to a "Savvy Sliders Restaurant franchise," a "Restaurant," a "unit franchise" or a "Franchise Business" will apply to Fat Boy's Pizza Co-Branded Restaurants unless stated otherwise.

The Happy's Pizza Co-Branded Restaurant Offered by Happy's Pizza

As noted above, we have authorized our affiliate, Happy's Pizza, to license its franchisees to use the Savvy Sliders name and products in the operation of a Happy's Pizza restaurant that is cobranded with Savvy Sliders (a "Happy's Pizza Co-Branded Restaurant"). A Happy's Pizza Co-Branded Restaurant will have a menu that includes Savvy Sliders products as well as Happy's Pizza products and will include equipment and signage for Savvy Sliders and Happy's Pizza. A franchise for a Happy's Pizza Co-Branded Restaurant is offered only by Happy's Pizza and is not part of our franchise offerings. The Happy's Pizza Co-Branded Restaurant is disclosed in the Happy's Pizza FDD. We do not consider the Happy's Pizza Co-Branded Restaurant franchise to be substantially similar to the Savvy Sliders unit franchises.

The Savvy Sliders® Area Representative Franchise

If you desire to acquire rights to a territory and to open unit franchises or find other persons to open unit franchises in that territory, we may enter into an Area Representative Agreement with you (see Exhibit B to this Franchise Disclosure Document). Under the Area Representative Agreement, we grant you the right to develop unit franchises in a specific territory. You must develop a specific number of unit franchises in the territory within a specific time period (a minimum development schedule). You, your affiliates, or other franchisees may operate these unit franchises; however, you must own and operate at least one unit franchise in the territory. We will sign a separate unit Franchise Agreement with the applicable franchisee for each unit franchise developed in the territory. Under the Area Representative Agreement, you will act as a contractor for us in connection with offering unit franchises for sale in the territory and will provide services to the unit franchises in the territory on our behalf, including: assisting franchisees with development of the unit franchise; ongoing support of unit franchisees, including regular visits to the unit franchises; conducting meetings for unit franchisees; and being available to give operational advice to unit franchisees. As consideration for these services, after you have developed four unit franchises in the territory and only for periods during which at least four unit franchises developed by you are open and operating in the territory, you will be paid a portion of the royalties actually paid by unit franchises in the territory that are serviced by you.

You may not offer and sell franchises in a franchise registration state until we have an effective registration in that state. We are responsible for the costs related to franchise registration and the preparation of the Franchise Disclosure Document that will be used to disclose prospective franchisees for unit franchises in your territory. We will provide each prospective franchisee in your territory with the Franchise Disclosure Document we have prepared. You are not allowed to make any changes to the Franchise Disclosure Document that we provide. You must not receive or accept any funds as a franchise seller or area representative on our behalf without first complying with all federal and state franchising laws.

Market and Competition

The market in which you will compete—the sale of unit franchises—is well developed and highly competitive. The Savvy Sliders[®] unit franchise will primarily serve the public within the vicinity of the unit franchise location. The general market for the products and services offered by a Savvy Sliders[®] unit franchise is highly developed and very competitive. Examples of competitors include nationally affiliated, regionally affiliated and local, franchised and independently owned sandwich restaurants and other restaurant businesses.

Industry Regulations

You must comply with all local, state, and federal laws and regulations relating to your business and businesses in general. You must be aware of the Federal Trade Commission Franchise Rule regulating the offer and sale of franchises and state laws regulating the offer and sale of franchises and franchise relationships. If your territory is in the states of New York or Washington, you may have to register as a franchise broker under the laws of those states. There may be other laws and regulations applicable to your business and we urge you to make inquiries about any laws or regulations that may impact your business. You should consult with your attorney and local, state, and federal government agencies before investing in a Savvy Sliders[®] area representative franchise in order to identify all of the legal requirements relating to the business, the impact of those laws and regulations on the business, and the cost of compliance with those laws and regulations.

Prior Business Experience

We have offered Savvy Sliders[®] area representative franchises since November 2021. We do not operate and have not operated a business of the type to be operated by our unit franchisees. Happy's Pizza franchisees have operated Happy's Pizza Co-Branded Restaurants since November

2018. We have offered Savvy Sliders^{\mathbb{R}} unit franchises since July 2019. We have not offered franchises in any other line of business.

Our affiliate, Happy's Pizza, has offered Happy's Pizza unit franchises since March 2007. The Happy's Pizza unit franchise is a restaurant that that sells pizza, ribs, chicken, seafood, subs, salads, and other food products to the general public for carry-out, dine-in, catering or delivery and, in some cases is a Happy's Pizza Co-Branded Restaurant. As of December 31, 2023, Happy's Pizza had 57 operating restaurants, 11 of which were Happy's Pizza Co-Branded Restaurants. Except as described above, our affiliates have not offered franchises in any line of business. FBPF has offered Fat Boy's Pizza Restaurant franchises since April 2024. The Fat Boy's Pizza Restaurant franchise is a contemporary, high quality, family-oriented, fast-casual sports-themed restaurant featuring oversized pizza pies and slices, chicken wings, premium daiquiris, draft beer, soft drinks and related items. As of December 31, 2023, FBPF had 10 operating Fat Boy's Pizza restaurants, all of which were operated or managed by FBPF or its affiliates.

ITEM 2--BUSINESS EXPERIENCE

Happy Asker: Member, CEO

Mr. Asker has been CEO of Savvy Sliders since January 2019. Mr. Asker has been the Chief Executive Officer (CEO) of Happy's since September 1, 2018. Mr. Asker was also CEO of Happy's from August 2006 to December 2015. Mr. Asker has been a Manager of FBPF since February 2024. Mr. Asker has been an Officer and Director of a number of affiliated entities operating Happy's Pizza franchises in Michigan since April 1996.

George Khalaf: Chief Financial Officer

Mr. Khalaf has been CFO of Savvy Sliders since January 2019. Mr. Khalaf has been Chief Financial Officer (CFO) of Happy's since May 2018. From May 2016 to January 2018, Mr. Khalaf was Finance Director for Sun City Summerlin Community Association in Las Vegas, Nevada. From February 1999 to April 2016, Mr. Khalaf was Director of Finance for Michigan Credit Union League in Livonia, Michigan. Mr. Khalaf has also been a Realtor for Stars Realty of Sterling Heights, Michigan since 2000.

Anthony Theodore: Director of Food Purchasing

Mr. Theodore has been Director of Food Purchasing for Savvy Sliders since January 2019. Mr. Theodore has been Director of Food Purchasing for Happy's since May 2015. Mr. Theodore has been Director of Food Purchasing for FBPF since February 2024.

ITEM 3--LITIGATION

United States of America v. Happy Asker, et al., Case: 2:13-cr-20518 (U.S. District Court, Eastern District of Michigan filed July 12, 2013). The U.S. filed a criminal indictment against

Happy Asker and others, alleging a conspiracy to defraud the U.S., the filing of false income tax returns, aiding or assisting the filing of a false return and a corrupt endeavor to obstruct or impede the due administration of the Internal Revenue laws. The criminal charges were based on alleged underreporting of revenue for certain Happy's Pizza retail outlets. The franchisor was not a party to the action. Mr. Asker was found guilty of conspiracy to defraud the U.S., filing a false income tax return, aiding or assisting in the filing of a false tax return, and impeding, impairing, obstructing, and defeating the lawful government functions of the IRS. Mr. Asker was sentenced to 50 months and 24 months of imprisonment on separate counts, all to run concurrent and supervised release for 3 years. Mr. Asker was assessed \$3,300 and ordered to pay restitution in the amount of \$2,500,000. The Judgment was imposed on Mr. Asker on July 10, 2015.

Other than this action, no litigation is required to be disclosed in this Item.

ITEM 4--BANKRUPTCY

No bankruptcy is required to be disclosed in this disclosure document.

ITEM 5--INITIAL FEES

The initial fee for an area representative franchise will be negotiated depending on a number of factors, including the size of the territory, the number of unit franchises to be developed and the time period for that development. We estimate the initial fee for area representatives will range from \$100,000 to \$1,000,000. The initial area representative fee must be paid at the time the Area Representative Agreement is signed and is not refundable.

We may, in our sole discretion, offer to finance all or a portion of the initial area representative fee for qualified area representatives. If this finance arrangement is offered to and accepted by you, you will sign a Promissory Note for the amount of the area representative fee being financed. The Promissory Note will be payable in equal monthly payments of principal and interest over a three year period with interest of 1% over the prime rate published in *The Wall Street Journal* one week before the signing of the Promissory Note or on other terms acceptable to us. Any default under the Promissory Note will constitute a default under the Area Representative Agreement and any unit Franchise Agreement entered into between us and you or your affiliates. We may deduct Promissory Note payments due from you from amounts payable to you under the Area Representative Agreement. The Promissory Note may be prepaid at any time without penalty. The Promissory Note will be in the form attached to the Area Representative Agreement as Appendix E. See Item 10 for more information.

You must also pay initial fees and other amounts to us for any unit franchises developed by you under the Area Representative Agreement. Those fees are payable as described in the unit Franchise Disclosure Document.

ITEM 6--OTHER FEES

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Refund of Fees	Applicable amount	On receipt of billing	If we refund fees to a unit franchisee, you must repay us any portion of those fees received by you.
Referral Fee	Amount specified by us	On receipt of billing	You may have to pay this fee if another area representative refers a prospect to you.
Reimbursement for Expenses	The amount of our expense plus 25%	On receipt of billing	You must reimburse us if we incur expense carrying out your duties if you fail to do so after notice and an opportunity to comply.
Additional Training	An hourly or per diem amount plus out-of-pocket expenses	On receipt of billing	You may request that we provide additional training to you or your employees, or your may be required to attend meetings or training sessions at your cost.
Costs of Enforcement of Unit Franchise Agreements	A proportionate amount of the actual expenses	On receipt of billing	You must pay a proportionate cost of collecting fees due or otherwise enforcing unit franchise agreements relating to unit franchises in your territory.
Renewal Fee	25% of the area representative fee paid by you	At the time of signing a renewal agreement	You must pay a renewal fee to renew your area representative franchise at the end of the initial term.
Transfer Fee	25% of the area representative fee paid by you	Before closing of the transfer	You must pay a transfer fee if your area representative franchise is transferred.
Late Charges, NSF Fees, and Interest	Late charge of \$100 for the first late payment and \$250 for each subsequent late payment; NSF fees of at least \$40 for each item returned; and interest of 1.5% per month or maximum rate allowed by law	On receipt of billing	You must pay us: a late charge on all payments not made within 5 days of the due date; reimbursement for NSF fees we incur; and interest on all overdue amounts.

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Liquidated	\$25,000 annually	Seven days from	If you fail to meet the
Damages for	for each Unit	receipt of billing	minimum development
Failure to	Franchise not yet		schedule and do not cure the
Comply with	open		default within 30 days of
Minimum			notice, we may impose this
Development			remedy annually until you
Schedule			have cured your default.
Indemnification	Amount will vary	As incurred	You must reimburse us if we
	under		incur liability from the
	circumstances		operation of your franchise.
Costs and	Amount will vary	As incurred	You must pay our costs and
Attorneys' Fees	under		attorney fees if we must take
	circumstances		action to enforce your
			obligations to us.
Liquidated	50% of the initial	On demand	These damages must be paid
Damages on	area representative		if the Area Representative
Termination	fee paid by you		Agreement is terminated
			based on your default. This
			is to compensate us for the
			expenses of finding and
			training a new area
			representative for the
			territory and performing your
			duties in the interim

Notes to Table

⁽¹⁾ Except as may otherwise be noted, all fees are imposed by and are payable to us.

After you have developed four unit franchises in the territory and only for periods during which at least four unit franchises developed by you are open and operating in the territory, you will receive 2% of Gross Sales (as defined in the Unit Franchise Agreement) on which royalties have been paid by unit franchises serviced by you in your territory. Your portion of these fees will be paid by the 15th day of each month based on fees received by us in the previous calendar month.

ITEM 7--ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be
-		-		Made
Area Representative Fee ⁽¹⁾	\$100,000 to \$1,000,000	Lump sum (all or a portion may be financed-See Item 5)	When the Area Representative Agreement is signed	Us
Insurance ⁽²⁾	\$1,000 to \$10,000	As agreed	Before opening as incurred	Insurance Companies
Office and Computer Equipment ⁽³⁾	\$0 to \$10,000	As agreed	Before opening as incurred	Suppliers
Costs incurred while attending training ⁽⁴⁾	\$2,500 to \$9,000	As agreed	Before opening as incurred	Third Parties
Legal, Accounting and Other Miscellaneous Pre-opening Expenses ⁽⁵⁾	\$2,000 to \$20,000	As agreed	Before opening as incurred	Utilities, Lawyer, Accountant, Vendors
Additional Funds-3 months (6)	\$5,000 to \$30,000	As incurred	As incurred	Us, Various Suppliers and Employees
TOTALS ⁽⁷⁾⁽⁸⁾ (9)	\$110,500 to \$	51,079,000	·	

Notes to Table

⁽¹⁾ See Item 5 regarding the initial area representative fee.

 $^{(2)}$ The estimate in the table is an estimated range of the initial cost for insurance for your business. The low end of the range is based on the insurance company accepting a partial up-front payment of 25%, which some insurance companies are willing to do if you meet their credit requirements. The high end of the range is based on the full cost for a year of coverage.

⁽³⁾ You may incur expenses if you set up a separate office for the area representative business or acquire computer and communications equipment for your area representative business. You will probably use your unit franchise location or a home office for this purpose, so you should not have any significant additional expense for real estate.

⁽⁴⁾ Although we do not charge any additional fees for the training program, you must pay for travel, food and lodging expenses incurred during initial training. The cost will depend on the distance that must be traveled and the type of accommodations chosen.

⁽⁵⁾ Miscellaneous pre-opening expenses may include legal fees, organizational and accounting expenses, business licenses, miscellaneous office supplies, utility and phone deposits, equipment deposits and other pre-paid expenses incurred before opening.

⁽⁶⁾ This category covers expenses you may incur during the 3-month initial phase of its franchise. These expenses may include advertising expenses, insurance premiums, payroll costs, supplies, etc. These figures are estimates and we cannot guarantee that you will not have additional expenses starting the business. Your costs during this initial phase will depend on factors including: how well you follow our procedures; your management skill, experience and business abilities; local economic conditions; the local market for unit franchises; the prevailing wage rates; competition; and the sales level reached during this initial phase.

⁽⁷⁾ We relied on our experience to compile these estimates (see Items 1 and 2). You should of course review these figures carefully with a business advisor before making any decision to purchase the franchise.

⁽⁸⁾ Except as may be noted, none of the payments to us are refundable. The refundability of payments to other parties is determined by your agreement with those parties.

⁽⁹¹⁾ Except for financing of the initial area representative fee (see Item 5), we do not offer any financing for any part of your initial investment. You may, however, finance a portion of its initial investment with a third party through a loan or lease. The availability and terms of financing with third parties will depend on factors including the availability of financing generally, credit history, collateral available and the lending policies of financial or leasing institutions.

ITEM 8--RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Obligations to Purchase or Lease from the Franchisor or its Designees

Under the Area Representative Agreement, you do not have any obligations to purchase or lease from us or our designees.

Obligations to Purchase or Lease from Approved Suppliers

Under the Area Representative Agreement, you do not have any obligations to purchase or lease from approved suppliers.

Additional Information Relating to Designated and Approved Suppliers

There are no designated or approved suppliers to our area representative franchises in which any of our officers owns an interest.

Obligations to Purchase under Specifications

You must acquire and maintain computer and communications equipment in accordance with our specifications.

You must purchase insurance coverage for your business in accordance with our standards and specifications. You must purchase and maintain the following insurance coverage:

- General Liability Insurance: Bodily Injury \$1,000,000 per occurrence, \$2,000,000 aggregate; Property Damage \$1,000,000.
- Commercial Auto: Owned, Hired and Non-owned Bodily Injury/Property Damage \$1,000,000 per occurrence, aggregate.
- Worker's Compensation: \$500,000 per occurrence; \$500,000 aggregate; \$500,000 disease or amount required by law if more.
- Business Owner's Umbrella Policy with minimum limits of \$1,000,000 each occurrence and annual aggregate.

We may revise these insurance specifications in the future. You must deliver to us certificates of all required insurance, each of which must contain a statement that the policy will not be cancelled without at least 30 days written notice to us. We must be named as an additional insured on all liability policies covering your business.

We will formulate and modify our specifications based on our experience in the business. Factors that we consider include quality and uniformity of products and services. We are not required to issue our specifications to our area representatives. We may issue and modify our specifications by sending memos, bulletins or updates to our operations manuals.

Revenue or Other Benefits to Franchisor or Affiliates

We and our affiliates did not receive revenue or other material consideration as a result of sales of products or services to our area representatives in the fiscal year ending December 31, 2023.

Percentage of Purchases

All of your purchases from designated and approved suppliers and in accordance with our specifications will represent 10% to 20% of your total purchases in the establishment of your area representative franchise and 5% to 10% of your total purchases in the ongoing operation of your area representative franchise.

Cooperatives; Material Benefits to Area Representatives

We do not have any formal purchasing or distribution cooperatives. We do not provide material benefits to you based on your purchases of particular products and services or use of particular suppliers; however, if you do not comply with your obligations to purchase in accordance with our specification, you will be in default of your Area Representative Agreement and we can withhold services and/or terminate or refuse to renew your franchise.

ITEM 9--FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Area Representative Agreement and other Agreements. It will help you find more detailed information about your obligations in these Agreements and in other Items of this Disclosure Document.

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/ lease	Sections 5.5 and 7.15 of the Area Representative Agreement	Items 7, 11, and 17
b. Pre-opening purchases/leases	Sections 7.12 and 7.15 of the Area Representative Agreement	Items 5, 7 and 8
c. Site development and other pre-opening requirements	Section 7.15 of the Area Representative Agreement	Items 5, 7 and 11
d. Initial and ongoing training	Sections 7.19 and 8.3 of the Area Representative Agreement	Item 11
e. Opening	Sections 7.1 and 7.5 of the Area Representative Agreement	Items 11 and 17
f. Fees	Section 3.2, Articles 4 and 6 and Sections 7.5, 7.16, 7.18, 7.19, 7.23, 12.3, 14.2 and 15.6 of the Area Representative Agreement	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	Section 7.2 of the Area Representative Agreement	Items 8, 11, 13 and 16
h. Trademarks and proprietary information	Article 9 and Section 11.1 of the Area Representative Agreement; Section 1 of Confidentiality and Non-competition Agreement and Confidentiality Agreement (Exhibit C)	Items 13 and 14
i. Restrictions on products/ services offered	Sections 2.3, 2.4, 7.15, and Article 11 of the Area Representative Agreement	Items 8, 11 and 16
j. Warranty and customer service requirements	Section 7.2 of Area Representative Agreement	Not applicable
k. Territorial development and sales quotas	Sections 7.5 and 7.6 of the Area Representative Agreement	Item 12

Obligation	Section in Agreement	Disclosure Document Item
1. Ongoing product/service purchases	Section 7.15 of the Area Representative Agreement	Items 8 and 16
m. Maintenance, appearance and remodeling requirements	None	Items 11 and 17
n. Insurance	Section 7.12 of the Area Representative Agreement	Items 7 and 8
o. Advertising	Sections 5.1, 7.4 and 7.10 of the Area Representative Agreement	Items 6 and 11
p. Indemnification	Section 7.23 of the Area Representative Agreement	Item 6
q. Owner's participation/ management/staffing	Sections 7.20 and 7.21 of the Area Representative Agreement; Appendix B of Area Representative—Obligations and Representations of Individuals Involved in the Area Representative Franchise; Appendix D of Area Representative Agreement—Personal Guaranty; Appendix G of Area Representative Agreement – Confidentiality and Nondisclosure Agreement and Covenant Not to Compete	Items 11 and 15
r. Records and reports	Section 7.14 of the Area Representative Agreement	Not applicable
s. Inspections and audits	Section 7.13 and Article 10 of the Area Representative Agreement	Item 6
t. Transfer	Article 12 of the Area Representative Agreement	Items 6 and 17
u. Renewal	Section 3.2 of the Area Representative Agreement	Items 6 and 17
v. Post-termination obligations	Articles 11 and 14 of the Area Representative Agreement; Sections 4 and 5 of Appendix G of Area Representative Agreement – Confidentiality and Nondisclosure Agreement and Covenant Not to Compete; Sections 1 and 2 of Confidentiality and Non-competition Agreement and Section 1 of Confidentiality Agreement (Exhibit C)	Item 17

Obligation	Section in Agreement	Disclosure Document Item
w. Non-competition covenants	Article 11 of the Area Representative Agreement; Section 5 of Appendix H of Area Representative Agreement – Confidentiality and Nondisclosure Agreement and Covenant not to Compete; Section 2 of Confidentiality and Non-competition Agreement (Exhibit H)	Item 17
x. Dispute resolution	Article 15 of the Area Representative Agreement; Sections 8 and 10 of Appendix G of Area Representative Agreement – Confidentiality and Nondisclosure Agreement and Covenant not to Compete; Section 11 of Confidentiality and Non-competition Agreement and Section 10 of Confidentiality Agreement (Exhibit C)	Item 17

ITEM 10--FINANCING

We may, in our sole discretion, offer to finance all or a portion of the initial area representative fee for qualified area representatives. If this finance arrangement is offered to and accepted by you, you will sign a Promissory Note for the portion of the area representative fee being financed. The Promissory Note will be payable in equal monthly payments of principal and interest over a three year period with interest of 1% over the prime rate published in The Wall Street Journal one week before the signing of the Promissory Note or on other terms acceptable to us. During periods of default, the interest rate increases by 5%. Any default under the Promissory Note will constitute a default under the Area Representative Agreement and any unit Franchise Agreement entered into between us and you or your affiliates and any default under the Area Representative Agreement or any other agreement between us and you or your affiliates will constitute a default under the Promissory Note. We may deduct Promissory Note payments due from you from amounts payable to you under the Area Representative Agreement. The Promissory Note may be prepaid at any time without penalty. The Promissory Note will be in the form attached to the Area Representative Agreement as Appendix E. If the area representative is an entity, the owners of the entity must guaranty the area representative's obligations to us (see Appendix D to the Area Representative Agreement). That guaranty will apply to your obligations under the Promissory Note. If you default in your obligations under the Promissory Note, we may accelerate the amount owed, your Area Representative Agreement may be subject to termination and you may be responsible for our costs of collection, including attorneys' fees. When you sign the Promissory Note, you waive presentment, protest, notice of dishonor, demand for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, notice of sale and all other notices of any kind. Further, you agree that we may (i) extend, modify or renew the Promissory Note or make a novation of the loan evidenced by the Promissory Note, and/or (ii) grant releases, compromises or

indulgences with respect to any collateral securing the Promissory Note, or with respect to you or other person liable under the Promissory Note, all without notice to or consent of you and other persons liable, and without affecting the liability of you and other persons liable. The obligations under the Promissory Note (if there is more than one area representative or other persons liable) are joint and several. We do not have any present intention to sell, assign or discount to a third party all or part of the Promissory Note.

Except as described above, we do not offer direct or indirect financing for area representative franchises. We do not guaranty any of your notes, 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.

Before Opening

Before you open your area representative business, we will:

1. Provide you with master copies of disclosure documents, agreements, brochures and other materials required for the purposes of marketing unit franchises in your territory. You must pay for copying or otherwise reproducing these materials for use in your territory (Section 8.1 of the Area Representative Agreement).

2. Provide a training program for you, in Michigan, relating to our standards and procedures for developing and servicing unit franchises (Section 8.3 of the Area Representative Agreement).

Site Selection

We do not select the site or approve a site for your office. We must approve all locations for unit franchises in your territory.

Time of Opening

You may begin to operate your area representative franchise as soon as training is completed, any franchise registrations are completed and franchise disclosure documents are prepared. We estimate that you will be able to begin to operate your area representative franchise within 90 days after signing the Area Representative Agreement or paying any consideration to us.

During Operation

During the operation of your business, we will:

1. Obtain and keep in force appropriate registrations or permits as required by any applicable present or future franchise investment law or regulation or any similar law as necessary to offer and sell unit franchises in your territory (Section 8.2 of the Area Representative Agreement).

2. Refer to you all leads that we receive for prospective franchisees of unit franchises in the territory (Section 8.4 of the Area Representative Agreement).

3. We will provide a training program for each franchisee of a unit franchise developed in your territory. This training program may be conducted exclusively in Michigan or, in our discretion, portions of the training program may be conducted in your territory using a unit franchise operated by you or your affiliate or another unit franchise in the territory. (Section 8.5 of the Area Representative Agreement).

4. You will have access to a person assigned by us for consultation with regard to your business and our standards and procedures. We will not be obligated to incur expenses for travel for our personnel in providing this service (Section 8.6 of the Area Representative Agreement).

5. Pay you a portion of the royalties paid by unit franchises developed by you in the territory (Section 8.7 of the Area Representative Agreement).

6. Consult with you and reasonably cooperate with you before bringing any action against a unit franchise in your territory, if you must pay a portion of the costs of the action. In these cases, you will be given notice of the proposed action and a reasonable opportunity to negotiate with the unit franchise to amicably resolve the dispute (Section 8.8 of the Area Representative Agreement).

Advertising

We do not administer an advertising program for advertising the business of area representatives. You must pay for advertising for the sale of unit franchises in your territory.

Electronic Cash Register and Computer Systems

You are not required to obtain cash register or computer equipment for your area representative business.

Area Representative Manual

There are currently no manuals for area representative franchises and we currently do not have a target date for preparation of a manual for area representative franchises.

Training

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the- Job Training	Location
Development of Territory	20	40	Our Offices, Other
			Territories and/or
			Your Territory

We will provide a training program for area representatives. The training program specific to an area representative is summarized in the preceding table. You will attend the training program for unit franchises because you must open and operate a unit franchise. However, the area representative training program will also include training specific to the area representative business. This portion of the area representative training program will be conducted as often as necessary to train new area representatives. The time spent and topics covered in this portion of the area representative. The time spent and topics covered in this portion of the area representative training program will be tailored for each area representative based on the abilities and experience of each area representative. We do not have any instructional materials at this time for the area representative training program. The instructors in the training program have less than one year of experience in operating a Savvy Sliders[®] Restaurant and over 20 years of experience in the industry.

We will train one person without charge. We may allow additional persons to attend the training program, but may, in that case, charge a reasonable fee. The persons attending training will be required to sign an agreement relating to confidentiality and/or noncompetition in the form specified by us before beginning the training program (see Exhibit C). You (or a designated representative if the area representative is a corporation or other entity) must attend and successfully complete the training program. We recommend that the training be completed not more than 30 days before you begin to operate your area representative franchise. The training program will be conducted at a location in Michigan designated by us. Although we do not charge for the training program, you must pay for all expenses incurred by you and your employees in connection with the training program including costs and expenses of transportation, lodging, meals, wages and employee benefits.

You must, through a designated representative, attend, at your expense, all meetings or additional training sessions specified by us.

ITEM 12--TERRITORY

Territory

You will receive a territory that may be described in terms of advertising market areas, political subdivisions, including cities, townships, counties or states, or by streets and natural borders. The size and definition of the territory will be negotiated based on numerous factors, including population density, the number of unit franchises to be developed and the timetable for development.

As long as you are not in default of your obligations, we will not authorize any other person to operate an area representative franchise for the development of unit franchises in the territory. All rights not granted to you are reserved to us, including the right to: (a) offer and sell unit franchises for operation in the territory, subject to your rights and responsibilities under the Area Representative Agreement; (b) authorize our affiliate, Happy's Pizza, to operate or authorize its franchisees to operate Co-Branded Restaurants inside or outside the Territory; (c) authorize others to promote the sale of and service in the territory of business concepts now or in the future offered by us as well as other businesses operated under our current or future marks or systems other than unit franchises of the specific type to be developed by you under the Area Representative Agreement; (d) authorize other persons to operate area representative franchises in any area other than the territory; (e) offer, sell and/or operate or authorize others to offer, sell and/or operate unit franchises at any location outside the territory without invoking any of your rights or responsibilities under the Area Representative Agreement; (f) acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at a unit franchise, and franchising, licensing or creating similar arrangements with respect to those businesses once acquired, wherever those businesses (or the franchisees or licensees of those businesses) are located or operating (including in the Territory) without invoking any of your rights or responsibilities; and (g) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided by unit franchises, or by another business, even if the business operates, franchises and/or licenses competitive businesses in the territory without invoking any of your rights or responsibilities.

Franchise Location

You will maintain an office for your area representative business, but that location may be your home or the location of your unit franchise. We do not have to approve the location for your office. We must, however, approve each location for a unit franchise in your territory.

Restrictions on Area Representative

You must restrict your business activities to your territory and, unless we agree otherwise in writing, must reside in the territory. The franchisees recruited and sold by you must have their franchises within the territory. If you recruit a franchisee that does not locate its unit franchise in the territory but locates its unit franchise in another area representative's territory or in unassigned territory, you will not be entitled to include that sale in your minimum development schedule as described below, nor to receive fees with respect to that unit franchise. However, you, us and other area representatives will pay a referral fee in an amount specified by us to you or us, as the case may be, for recruiting a franchisee that locates in another area representative's territory or in an unassigned territory.

Achievement of Certain Sales Volume-Minimum Development Schedule

In order to continue your exclusive rights in the territory (and avoid termination of the Area Representative Agreement), you must comply with a minimum development schedule that will be negotiated and specified in the Area Representative Agreement ("minimum development schedule"). For the purposes of the minimum development schedule, a unit franchise will only be considered in

operation if the unit franchise is open and operating and not in default of any of its obligations under the terms of the unit Franchise Agreement for that unit franchise. If a failure to comply with the development schedule is due to causes beyond your control, such as strike, weather, the inability to obtain essential equipment or materials, or fire, and you have acted in good faith to comply with the development schedule, the development schedule will be extended for an additional time equal to the delay. However, the minimum development schedule will not be extended for more than 120 days for this type of delay unless we have caused the delay.

If you default in your obligations under the minimum development schedule, we may provide written notice of the default to you. You will have 30 days from the date of the notice to cure the default. If the default is not cured within the 30 day period, we may exercise one or more of the following remedies:

(a) You must pay us liquidated damages in the amount of \$25,000 annually for each unit franchise required to be open under the minimum development schedule that is not yet open. We will invoice you for these amounts on an annual basis and they will be payable within seven days of receipt of the invoice.

(b) We may withhold and you will forfeit 35% of all payments due to you, until you are no longer in default.

(c) If your default in the minimum development schedule is still not cured within 60 days after the end of the 30 day period, we may, in our discretion, terminate the Area Representative Agreement.

For the purposes of the minimum development schedule, a unit franchise will only be counted as a unit franchise developed by you if you or your affiliate develops the unit franchise or you recruit the franchisee of the unit franchise. A unit franchise will not be considered developed by you if: (a) it is a Co-Branded Restaurant; (b) the unit franchise is open or under development in the Territory before the date of the Area Representative Agreement; or (c) the franchisee for the unit franchise has been recruited by us. However, if specified by us in writing, you will provide services for those unit franchises and, in that case, will be entitled to receive a portion of the fees we receive from those unit franchises.

Although we will refer all leads that we receive for prospective franchisees of unit franchises in the territory to you, we reserve the right to take the lead in recruiting and selling a unit franchise to a prospective franchisee. If we decide to exercise that right with respect to a particular prospective franchisee, you will only engage in further sales activities with that prospective franchisee in the manner specified by us. If a unit franchise is sold to a prospective franchisee under those circumstances, you will provide those unit franchises with the same services provided to unit franchises recruited by you and will be entitled to share in initial and ongoing fees received from those unit franchises, except as described below.

During any time period during which you are not in compliance with the minimum development schedule, we will have the right, but not the obligation, to recruit and sell unit franchises for operation in the territory. If we recruit and sell unit franchises in the territory under

this right, we will be responsible for all costs incurred in recruiting and selling those franchises and will retain all initial franchise fees received from those franchises and you will not share in those fees. You will provide those unit franchises with the same services provided to unit franchises recruited by you and will be entitled to share in ongoing fees received from those unit franchises (subject to the reduction described above). Our rights described in this paragraph are in addition to any other rights we have arising from a default by you under the minimum development schedule.

In addition, after you have fully complied with the minimum development schedule, we will have the right, but not the obligation, to recruit and sell unit franchises for operation in the territory. If we recruit and sell unit franchises in the territory under this right, you will provide those unit franchises with all services specified for unit franchises recruited by you and will be entitled to share in all ongoing fees received from those unit franchises.

If you identify a prospective franchisee that is interested in developing a unit franchise that will not be located in your territory or in developing multiple unit franchises, some of which may not be located in your territory, you must immediately notify us of the name and contact information of that prospective franchisee.

Achievement of Certain Sales Volume—Minimum Performance Requirements

You are responsible for ensuring that all unit franchises in the territory that have been in operation for a period of 12 months or more achieve minimum Gross Revenues of \$700,000 for each calendar year ("Minimum Performance Requirement"). If the Minimum Performance Requirement is not met for a calendar year, we may provide written notice of the failure to you within 90 days of the end of the calendar year. If, after such notice, the Minimum Performance Requirement is not met for the next consecutive calendar year, we may immediately withhold and you will forfeit, 35% of all payments due to you until the Minimum Performance Requirement is met for a calendar year. In addition, if we have provided notice to you of failure to meet the Minimum Performance Requirement for two consecutive calendar years within 90 days of the end of each of those calendar years and the Minimum Performance Requirement is not met for a third consecutive calendar year, we may, in our discretion, terminate the Area Representative Agreement.

Area Representative Options; Additional Franchises

You do not receive any rights of first refusal or similar rights to acquire unit franchises in the territory or area representative franchises in any contiguous territories. We may allow you to acquire additional area representative franchises if you meet our qualifications in place at that time for acquiring an area representative franchise and ownership of multiple area representative franchises. These qualifications may include standards of character, business experience, financial strength, credit standing, health, reputation, business ability, experience, availability of management personnel, etc.

ITEM 13--TRADEMARKS

Principal Franchise Marks

As of the date of this Franchise Disclosure Document, our principal trademarks include "Savvy Sliders[®]" and our logo, which are represented on the cover page of this Franchise Disclosure Document. Our affiliate, Savvy Sliders Company LLC, owns our principal trademarks. We have a nonexclusive license to use these trademarks in connection with the franchising of Savvy Sliders Restaurants. The current license is dated July 16, 2019. The term of the license is perpetual. The license may be terminated based on a default or insolvency. If the license is terminated, we and our sublicensees/franchisees must cease using the Franchise Marks. Except for normal quality control and trademark marking requirements, the license does not place limitations on our use and sublicensing of the Franchise Marks.

We intend to file all required affidavits relating to our principal Franchise Marks. The status of the filings and federal registrations with the U.S. Patent and Trademark Office ("USPTO") for certain Franchise Marks is as follows:

Trademark	Application Date and Number	Registration Date and Number	Status
SAVVY SLIDERS®	October 23, 2018;	October 1, 2019;	Principal Register
	88165913	5,871,501	Registration

Determinations, Agreements or Uses Affecting Franchise Marks

In our agreement with Happy's Pizza that authorizes Happy's Pizza to operate and authorize others to operate Happy's Pizza Co-Branded Restaurants, we have agreed not to operate or authorize others to operate a Savvy Sliders restaurant that is located in the exclusive area of the Happy's Pizza Co-Branded Restaurant.

Except as may be described above, there are no currently effective material determinations of the USPTO, Trademark Trial and Appeal Board, the Trademark Administrator of any state, or any court, any pending interference, opposition or cancellation proceeding nor any pending material federal or state court litigation involving our principal Franchise Marks. There are no agreements currently in effect that limit our rights to use or license the principal Franchise Marks in any manner material to your franchise. We do not know of any superior prior rights or infringing uses of the Franchise Marks that could materially affect your use of our Franchise Marks.

Franchisee's Obligations

You are granted the right to use the Franchise Marks to market unit franchises in your territory. The Area Representative Agreement does not grant you the right to use the Franchise Marks in the operation of a unit franchise; those rights are only granted by the unit Franchise Agreement that will be signed for each unit franchise in your territory. You must use the Franchise Marks in accordance with our rules and only after our written approval. You must promptly notify

us of any unauthorized use of the Franchise Marks, or any name or mark confusingly similar to the Franchise Marks, or any claim or litigation involving the Franchise Marks.

Defense of the Franchise Marks

We will have the right to control any negotiations, proceedings or litigation involving the Franchise Marks. You are not authorized to settle or compromise any lawsuit or other proceeding involving the Franchise Marks without our written consent. The Area Representative Agreement does not require us to participate in your defense and/or to indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the Franchise Marks or if the proceeding is resolved unfavorably to you.

Prosecution of Infringers

If we become aware that a third party who is unauthorized to use the Franchise Marks, is using the Franchise Marks or any name or mark confusingly similar to the Franchise Marks, we will then, in our sole discretion, determine whether or not we wish to take any action against the third person. You will have no right to make any demand against any alleged infringer or to prosecute any claim of any kind or nature whatsoever against an alleged infringer. If we choose to prosecute any violation of the Franchise Marks, you must sign all documents and do all acts necessary or incidental to that action as our attorneys may reasonably request.

Modification of Franchise Marks

We may, in our discretion, change the Franchise Marks, including adding, discontinuing or modifying the Franchise Marks, or substituting different Franchise Marks. We may make these changes because of the rejection of any pending registrations or the revocation of any registrations of the Franchise Marks, or due to the rights of senior users, or for other business reasons. If we modify or change the Franchise Marks, you will have the right and the obligation to use the modified or changed Franchise Marks at your expense.

ITEM 14--PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

We do not own any patents that are material to your franchise. We do not have any pending patent applications that are material to your franchise. We claim copyright protection for our written materials, including Menus, Operations Manuals and marketing materials.

Proprietary Information

Our Operations Manual, specifications and procedures and other aspects of the Franchise Systems are considered proprietary and confidential. This information may include site selection criteria, training and operations materials, recipes, methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge and experience, knowledge of operating results, financial performance and related intellectual property. You must use our specifications and procedures and the other aspects of our Franchise Systems only as provided in the Area Representative Agreement. You must not use our specifications and procedures or any other aspect of our Franchise Systems in any unauthorized manner and you must take reasonable steps to prevent disclosure of this information to others. Your must have your employees sign an agreement relating to confidentiality and non-competition (management employees) or an agreement related to confidentiality (rank and file employees) in a form specified by us before disclosing confidential information to them (see Exhibit C).

Determinations, Agreements or Uses Affecting Proprietary Information

There are no currently effective material determinations of the United States Copyright Office or any court regarding any of our copyrighted or confidential materials. There are no agreements currently in effect that limit our rights to use or license the copyrighted materials or any of our confidential information. We do not know of any superior prior right or infringing uses of our copyrighted materials or our confidential information that could materially affect your use of those materials or information.

Defense of Copyrights and Confidential Information

We are not required by any agreement to protect or defend our copyrights or confidential information or to take affirmative action when notified of infringement of our copyrights or confidential information or to defend you against claims arising from our use of copyrighted or confidential information, although we intend to protect our System. If there is litigation involving our copyrights or confidential information, we would have the right to control that litigation. We do not have an obligation under the Area Representative Agreement to participate in your defense or to indemnify you for expenses or damages in a proceeding involving a copyright or confidential information licensed to you.

Modification of Copyrights and Confidential Information

We may, in our discretion, modify our copyrights and confidential information. If we modify our copyrights or confidential information, you will have the obligation to make changes specified by us at your expense.

ITEM 15--OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must be personally involved in the conduct and operation of your area representative franchise. If you are not an individual, an individual owning an equity interest in area representative that is designated by the area representative and approved by us must be personally involved in the operation of the area representative franchise (this person is referred to as the "Designated Individual"). The Designated Individual will be listed in Item 5 of Appendix A to the Area Representative Agreement. The Designated Individual must not be changed without our prior written consent. If the Designated Individual, for any reason, is no longer personally involved in the

operation of the area representative franchise, you must, within five days after such involvement ends, notify us in writing, nominate a person to become the Designated Individual and have a replacement approved by us within 60 days. If this is not done, you will have 6 months within which to dispose of the area representative franchise. If you carry out any of your obligations through the use of agents or employees, those agents or employees must complete our training program, at your cost, unless we otherwise approve in writing. If the area representative is a corporation, partnership or other entity, the owners must personally guaranty all of the area representative's obligations to us (see Appendix D to the Area Representative Agreement - Personal Guaranty).

ITEM 16--RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must use your best efforts to actively promote and solicit the sale of unit franchises in your territory and must provide services to the unit franchises in your territory. You must restrict your activities to your territory. You must not represent, offer, sell, or refer any prospective franchisee to any other franchise concept and you must not engage in any business that franchises, licenses, or grants to others the right to operate a franchise of any type. The terms and conditions of the unit Franchise Agreements may change and you will be required to provide all of the services and assistance required by the terms of any new unit Franchise Agreements adopted in the future.

The Area Representative Agreement does not authorize you to operate a unit franchise or to offer or sell the products and services of a unit franchise to the public. Those rights are only granted under the unit Franchise Agreement that must be signed for each unit franchise in your territory.

ITEM 17--RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

These tables list certain important provisions of the Area Representative and related agreements. You should read these provisions in the Agreements attached to this Disclosure Document.

Provision	Section in Area Representative Agreement	Summary
a. Length of the franchise term	Section 3.1	10 years.
b. Renewal or extension of the term	Section 3.2	One option of 10 years.

Provision	Section in	Summary
1 1 0 1 151011	Area Representative	Summary
	Agreement	
c. Requirements for you to renew or extend	Section 3.2	Written notice, not in default, has met and continues to meet minimum development schedule and minimum performance requirement, has not had multiple defaults, satisfy additional training if specified, sign release, sign new Area Representative Agreement, agree to further development of territory, pay renewal fee and we approve renewal. As a condition of renewal, you may have to sign an Area Representative Agreement with materially different terms and conditions than your original Area Representative Agreement.
d. Termination by you	Section 13.1	If we materially breach the agreement and do not cure after notice.
e. Termination by us without cause	None	
f. Termination by us with cause	Section 13.2, 13.3, 13.4 and 13.5	If you materially breach the Agreement or commit any one of several listed violations.
g. "Cause" defined— curable defaults	Sections 13.4	Material breach of Agreement and failure to cure within the applicable cure period (10 days for monetary defaults and 30 days for other defaults).
h. "Cause" defined— non-curable defaults	Section 13.3	Material misrepresentations or dishonesty; violation of the in-term restrictions on competition; conviction of a crime; substance abuse; any conduct that reflects materially and adversely on the operation or reputation of the Franchise Marks or System; failure to cure defaults in the minimum development schedule during the cure period; or repeat defaults.
i. Your obligations on termination/ non-renewal	Article 14; Sections 4 and 5 of Appendix G of Area Representative Agreement – Confidentiality and Nondisclosure Agreement and Covenant not to Compete	Return to us all materials belonging to us; and cease using the Franchise Marks, confidential information, copyrighted materials, signs, advertising and other property.

Provision	Section in	Summary
	Area Representative	~~~~ y
	Agreement	
j. Assignment of contract by us	12.6	We may transfer our rights under the Area Representative Agreement to any person if adequate provision has been made for providing further required contractual services.
k. "Transfer" by you— defined	Section 12.1	Includes transfer of any interest in the Area Representative Agreement, the area representative business or in area representative.
1. Our approval of a transfer by you	Sections 12.1 and 12.3	You must have our written consent to any transfer. We will not unreasonably withhold consent.
m. Conditions for our approval of the transfer	Section 12.3	New area representative qualifies and is not a competitor; at our option, new Area Representative Agreement signed or existing Area Representative Agreement assigned; transferee completes training; area representative is current in its obligations; terms of transfer do not place an unreasonable burden on transferee; release signed; transfer fee paid; if the transfer involves installment payments, you must subordinate to us.
n. Our right of first refusal to acquire your business	Section 12.2	We can match any offer for a proposed transfer.
o. Our option to purchase your business	None	
p. Your death or disability	Section 12.4	Your estate may continue to operate the franchise if estate appoints a full time manager that completes our training program within 90 days of the death or disability. If no acceptable manager is approved, the estate must transfer the franchise within 180 days. We may take over operation of your franchise in the interim period.

Provision	Section in	Summary
1100151011	Area Representative	Summary
	Agreement	
q. Non-competition covenants during the term of the franchise	Section 11.2 and 11.4; Section 5 of Appendix G of Area Representative Agreement – Confidentiality and Nondisclosure Agreement and Covenant not to Compete	Must not represent or sell any other franchises or engage in or be involved in a business that sells franchises or operate a competing business.
r. Non-competition covenants after the franchise is terminated or expires	Section 11.3 and 11.4; Section 5 of Appendix G of Area Representative Agreement – Confidentiality and Nondisclosure Agreement and Covenant not to Compete	For a period of three years, must not operate a represent or sell franchises for competing businesses or engage in or be involved in a business that franchises competing businesses or operate a competing business within your territory, the territory of any other area representative or the protected area of any unit franchise.
s. Modification of the Agreement	Section 18.7; Section 10(b) of Appendix G of Area Representative Agreement – Confidentiality and Nondisclosure Agreement and Covenant not to Compete	No modifications unless in writing, but specifications subject to change by us.
t. Integration/merger clause	Section 18.7; Section 10(b) of Appendix G of Area Representative Confidentiality and Nondisclosure Agreement and Covenant not to Compete	Only the terms of the Area Representative Agreement are binding (subject to applicable state law—see Exhibit G); however, we do not disclaim and you do not waive reliance on any authorized statements in this disclosure document or in its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	None	
v. Choice of forum	Section 15.4; Section 10(d) of Appendix G of Area Representative Agreement – Confidentiality and Nondisclosure Agreement and Covenant not to Compete	Actions by you must and actions by us may be brought in the federal courts in Michigan or in the states courts in Michigan if the federal courts do not have jurisdiction (subject to applicable state law—see Exhibit G).

Provision	Section in Area Representative Agreement	Summary
w. Choice of law	Section 15.3; Section 10(c) of Appendix G of Area Representative Agreement – Confidentiality and Nondisclosure Agreement and Covenant not to Compete	Except for the applicability of the Federal Arbitration Act, the U.S. Trademark Law or other applicable federal law, Michigan law applies (subject to applicable state law—see Exhibit G).

Applicable State law may require additional disclosures related to the information in this Franchise Disclosure Document. These additional disclosures, if any, appear in Exhibit G to this Franchise Disclosure Document.

ITEM 18--PUBLIC FIGURES

We do not use any public figure to promote our franchise.

ITEM 19--FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 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 an area representative's future financial performance or 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 Happy Asker at 30955 Northwestern Highway, Suite 300, Farmington Hills, Michigan 48334 or (248) 538-0000, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20-- OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary For Years 2021 to 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	0	0	0
	2022	0	0	0
	2023	0	1	+1
Affiliate -Owned	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Total Outlets	2021	0	0	0
	2022	0	0	0
	2023	0	1	+1

Table No. 2

Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor) For Years 2021 to 2023

State	Year	Number of Transfers
Texas	2021	0
	2022	0
	2023	0
Totals	2021	0
	2022	0
	2023	0

Status of Franchised Outlets For Years 2021 to 2023

State	Year	Outlets at Start of Year	Outlets Opened	Termina- tions	Non- Renewals	Re- acquired by Franchisor	Ceased Opera- tions- Other Reasons	Outlets at End of Year
Texas	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Totals	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1

Table No. 4

Status of Affiliate -Owned Outlets For Years 2021 to 2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
None	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Totals	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0

Table No. 5

Projected Openings as of December 31, 2023

State	Franchise Agreements Signed But Outlet Not Yet Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Affiliate-Owned Outlet in the Next Fiscal Year
Florida	0	1	0
Texas	0	0	0
Totals	0	1	0

The information in the tables is as of December 31st of each year. The information in the tables relates only to area representative franchises and not to unit franchises.

We do not own or operate any area representative outlets. The outlets referred to in the tables as "Company-Owned," if any, are owned by our affiliates.

The names, addresses and telephone numbers of all area representatives are listed on Exhibit D. A list of the name, city and state and current business telephone number, or if unknown, the last home telephone number of every area representative who has had a franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under an Area Representative Agreement during the calendar year 2023 or who has not communicated with us within ten weeks of our application date (or the date of this Franchise Disclosure Document, if this Franchise Disclosure Document is not for use in a state requiring registration of franchises) is attached as Exhibit E. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years we have signed confidentiality clauses with current or former franchisees. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

There are no trademark-specific franchisee organizations associated with the Savvy Sliders[®] franchise system that have been created, sponsored or endorsed by us or that have asked to be included in our Franchise Disclosure Document.

ITEM 21--FINANCIAL STATEMENTS

Our financial statements listed below are attached as Exhibit L. We were incorporated and began operating in 2019. We have not been in business for three years, so we are not able to provide the financial statements that are normally required, which includes balance sheets for the previous two fiscal years and statements of operations, stockholders equity and cash flows for the previous three fiscal years.

- Audited Balance Sheets as of December 31, 2023 and December 31, 2022 and the related audited Statements of Income and Member's Equity (Deficit) and Cash Flows for the 12-month periods ending December 31, 2023 and December 31, 2022.
- Audited Balance Sheets as of December 31, 2022 and December 31, 2021 and the related audited Statements of Income and Member's Equity (Deficit) and Cash Flows for the 12-month periods ending December 31, 2022 and December 31, 2021.

ITEM 22--CONTRACTS

The following contracts are attached to this Franchise Disclosure Document:

- Area Representative Agreement Exhibit B
 - Specifics Appendix A to Area Representative Agreement

- Obligations and Representations of Individuals Involved in the Area Representative Franchise – Appendix B to Area Representative Agreement
- Acknowledgments by Area Representative Appendix C to Area Representative Agreement
- Personal Guaranty Appendix D to Area Representative Agreement
- Promissory Note Appendix E to Area Representative Agreement
- Electronic Fund Transfer Authorization Appendix F to Area Representative Agreement
- Confidentiality and Nondisclosure Agreement and Covenant Not to Compete
 Appendix G to Area Representative Agreement
- Confidentiality and Non Competition Agreement (management employee) and Confidentiality Agreement (rank and file employee) Exhibit C
- State Specific Addenda Exhibit G

ITEM 23--RECEIPTS

Two copies of a Receipt that acknowledges your receipt of this Franchise Disclosure Document, including all Exhibits, are attached as Exhibit H. You must date and sign one copy of the Receipt and deliver it to us.

EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

Our Agent for Service of Process in the State of Michigan is Paul Miller, 2745 Pontiac Lake Rd., Waterford, Michigan 48328. We may register this disclosure document as a franchise in some or all of the following states, in accordance with applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise laws) in these states, we will designate the following state offices or officials as our agents for service of process in those states.

List of State Administrators	Agents for Service of Process
California	
Department of Business Oversight	Department of Business Oversight
320 West 4 th Street, Suite 750	State of California
Los Angeles, California 90013	320 West 4 th Street
(866) 275-2677	Los Angeles, California 90013-2344
Illinois	
Illinois Attorney General's Office	Illinois Attorney General
Franchise Bureau	State of Illinois
500 South Second Street	500 South Second Street
Springfield, Illinois 62706	Springfield, Illinois 62706
(217) 782-4465	
Indiana	
Indiana Secretary of State	Indiana Secretary of State
Securities Division, Room E 111	201 State House
302 West Washington Street	200 West Washington Street
Indianapolis, Indiana 46204	Indianapolis, Indiana 46204
(317) 232-6681	
Maryland	
Office of Attorney General	Maryland Securities Commissioner
Securities Division	200 St. Paul Place, 20th Floor
200 St. Paul Place	Baltimore, Maryland 21202-2020
Baltimore, Maryland 21202	
(410) 576-7786	
Michigan	
Franchise Administrator	Michigan Department of Commerce
Consumer Protection Division	Corporations and Securities Bureau
Michigan Department of	6546 Mercantile Way
Attorney General	P.O. Box 30222
670 Law Building	Lansing, Michigan 48910
Lansing, Michigan 48913	
(517) 373-7117	
Minnesota	
Commissioner	Minnesota Commissioner of Commerce
Minnesota Department of Commerce	85 7 th Place East, Suite 500
85 7th Place East, Suite 500	St. Paul, Minnesota 55101-2138
St. Paul, Minnesota 55101-2198	
(651) 296-4026	

Agents for Service of Process
Secretary of State, New York
One Commerce Plaza
99 Washington Avenue
Albany, New York 12231
ND Securities Department
600 East Boulevard, Fifth Floor
Bismarck, North Dakota 58505
(701) 328-2910
Director of Rhode Island Department of Business
Regulation
1511 Pontiac Avenue
John O. Pastore Complex, Bldg 69-1
Cranston, Rhode Island 02920
,
Department of Labor and Regulation
Division of Securities
445 E. Capitol Avenue
Pierre, South Dakota 57501-3185
Clerk of the State Corporation Commission
1300 East Main Street
Tyler Building, 9th Floor
Richmond, Virginia 23219
Franchise Registration
Department of Financial Institutions
Division of Securities
201 W. Washington Ave., Ste. 300
Madison, Wisconsin 53703
(608) 267-9140
Franchise Registration
Department of Financial Institutions
Division of Securities
201 W. Washington Ave., Ste. 300
Madison, Wisconsin 53703

EXHIBIT B

AREA REPRESENTATIVE AGREEMENT

AREA REPRESENTATIVE AGREEMENT

BETWEEN

SAVVY SLIDERS FRANCHISE LLC ("Franchisor")

AND

("Area Representative")

EFFECTIVE DATE: _____, 20___

TERRITORY: _____

TABLE OF CONTENTS

ARTIC	CLE 1—INTRODUCTION	1
1.1	Franchise Systems	1
1.2	Franchise Marks	
1.3	Area Development and Representation.	1
ARTIC	CLE 2—GRANT OF AREA REPRESENTATIVE FRANCHISE	2
2.1	Grant of Rights	2
2.2	Rights of Development in Territory; Franchisor's Reservation of Rights	2
2.3	Restrictions on Franchising/Subfranchising.	
2.4	Territorial Restrictions.	3
2.5	Marketing Responsibility	3
2.6	Area Representative's Undertaking.	
ARTIC	CLE 3TERM AND RENEWAL	3
3.1	Term	3
3.2	Renewal	4
ARTIC	CLE 4—PAYMENTS BY AREA REPRESENTATIVE	5
4.1	Initial Area Representative Fee.	
4.2	Fees Due Under Unit Franchise Agreements	
4.3	Late Charges, NSF Fees, and Interest.	
	CLE 5—PROCEDURE FOR DEVELOPMENT IN THE TERRITORY	
5.1	Rights to Use the Franchise Marks and Franchise Systems.	-
5.2	Duty to Provide Disclosure.	
5.3	Recruitment and Processing of Applications.	
5.4	Signing of Franchise Agreements.	
5.5	Site Selection.	
5.6	Payment of Fees by Unit Franchises	
5.7	Franchisor's Right to Recruit and Sell Unit Franchises in the Territory	
ARTIC	CLE 6—FEES PAYABLE TO AREA REPRESENTATIVE	
6.1	Fees for Services.	
6.2	Payment of Fees.	
6.3	Area Representative Owned Unit Franchises.	
6.4	Refund of Fees.	8
6.5	Collection of Fees.	
6.6	Set-off.	
ARTIC	CLE 7—AREA REPRESENTATIVE'S OBLIGATIONS	9
7.1	Open and Operate a Unit Franchise in the Territory; Training Restaurant	
7.2	Standards of Operation; Area Representative Manual	
7.3	Registration and Disclosure Compliance.	
7.4	Sales Activities.	
7.5	Minimum Development Schedule; Default; Cure Periods.	
7.6	Unit Franchise Minimum Performance Requirement.	
7.7	Representations	
7.8	Costs of Development of Unit Franchises	

7.9	Services to Unit Franchises in the Territory.	13
7.10	Local Advertising Programs in the Territory	14
7.11	Compliance with Laws and other Obligations; Taxes.	14
7.12	Insurance.	14
7.13	Inspections and Enforcement of Standards	15
7.14	Communication with Franchisor; Reports.	
7.15	Office and Computer Equipment.	
7.16	Enforcement of Unit Franchise Agreements	
7.17	Protect the Franchise Marks and Goodwill.	
7.18	Reimbursement for Expenses.	
7.19	Meetings or Training Sessions.	
7.20	Personal Involvement; Designated Individual.	
7.21	Employees	
7.22	Acknowledgement of Area Representative Regarding Franchisor's Rights.	
7.23	Indemnification.	
	E 8FRANCHISOR'S OBLIGATIONS	
8.1	Sales Materials.	
8.2	State Registrations.	
8.3	Training of Area Representative.	
8.4	Refer Leads.	
8.5	Training of Unit Franchisees.	
8.6	Consultation with Franchisor Representative.	
8.7	Payment of Fees.	
8.8	Enforcement Actions.	
ARTICL	E 9—FRANCHISE MARKS	20
9.1	Use of Franchise Marks.	20
9.2	Acknowledgement of Franchise Marks.	20
ARTICI	E 10—ACCESS AND AUDIT	
10.1	Access and Audit by Franchisor.	
10.1	Access and Audit by Area Representative.	
	E 11—CONFIDENTIALITY AND NON-COMPETITION	
11.1	Confidential Information.	
11.3	Restrictions on Competition During Term.	
11.4	Restrictions on Competition After Term.	
11.5	Other Restrictions.	
11.6	Definition of Competing Business, Geographic Areas and Family Members	
11.7	Acknowledgements and Agreements Relating to Confidentiality and Restrictions	
Compe	etition	25
ARTICL	E 12—TRANSFERABILITY	25
12.1	General Rule.	
12.2	Notice of Proposed Transfer; Right of First Refusal.	
12.2	Conditions of Franchisor's Consent to Transfer.	
12.5	Transfer on Death or Incapacity.	
12.1	Transfers to Controlled Entities.	
12.5	Assignment by Franchisor.	
12.0		_,

ARTICL	E 13—DEFAULT AND REMEDIES; TERMINATION	
13.1	Default by Franchisor; Termination by Area Developer.	
13.2	Default by Area Representative.	
13.3	Events of Default by Area Representative; No Right to Cure	
13.4	Events of Default by Area Representative; Right to Cure	
13.5	Termination by Franchisor	
13.6	Provisions Applicable on Bankruptcy.	
13.7	Right to Withhold Services and Payments on Default by Area Representative.	
13.8	Other Remedies.	
ARTICI	E 14 – EFFECT OF TERMINATION OR EXPIRATION	33
14.1	Rights and Obligations of the Parties on Expiration or Termination	
14.1	Liquidated Damages.	
	1 0	
	E 15 – NEGOTIATION; LAW AND JURISDICTION; INJUNCTIVE	
	OF ENFORCEMENT; JURY WAIVER; LIMITATIONS OF CLAIMS	
15.1	Negotiation.	
15.2	Disputes Not Subject to Negotiation	
15.3	Applicable Law.	
15.4	Jurisdiction and Venue.	
15.5	Right to Injunctive Relief	
15.6	Costs of Enforcement	
15.7	No Class Action or Consolidation.	
15.8	Jury Waiver; Time Period for Bringing Claims; Limitation of Damages	
15.9	Survival	37
	~ #1 * 1 * #4	
ARTICL		
ARTICL		AREA
ARTICL	E 16 – ACKNOWLEDGMENTS AND REPRESENTATIONS BY	AREA
ARTICL REPRES	E 16 – ACKNOWLEDGMENTS AND REPRESENTATIONS BY ENTATIVE	AREA
ARTICL REPRES 16.1	E 16 – ACKNOWLEDGMENTS AND REPRESENTATIONS BY ENTATIVE Risk of Operations.	AREA
ARTICL REPRES 16.1 16.2	E 16 – ACKNOWLEDGMENTS AND REPRESENTATIONS BY ENTATIVE Risk of Operations Representations by Franchisor Review of Materials and Consultation with Advisors	AREA
ARTICL REPRES 16.1 16.2 16.3	E 16 – ACKNOWLEDGMENTS AND REPRESENTATIONS BY ENTATIVE Risk of Operations Representations by Franchisor.	AREA
ARTICL REPRES 16.1 16.2 16.3 16.4 16.5	E 16 – ACKNOWLEDGMENTS AND REPRESENTATIONS BY ENTATIVE	AREA
ARTICL REPRES 16.1 16.2 16.3 16.4 16.5 ARTICL	E 16 – ACKNOWLEDGMENTS AND REPRESENTATIONS BY ENTATIVE Risk of Operations Representations by Franchisor Review of Materials and Consultation with Advisors Independent Status of Contract; Non-Uniformity of Agreements Terrorist and Money Laundering Activities E 17 – WAIVERS AND APPROVALS	AREA
ARTICL REPRES 16.1 16.2 16.3 16.4 16.5 ARTICL 17.1	 E 16 – ACKNOWLEDGMENTS AND REPRESENTATIONS BY ENTATIVE Risk of Operations. Representations by Franchisor. Review of Materials and Consultation with Advisors. Independent Status of Contract; Non-Uniformity of Agreements. Terrorist and Money Laundering Activities. E 17 – WAIVERS AND APPROVALS No Waivers. 	AREA
ARTICL REPRES 16.1 16.2 16.3 16.4 16.5 ARTICL 17.1 17.2	 E 16 – ACKNOWLEDGMENTS AND REPRESENTATIONS BY ENTATIVE	AREA
ARTICL REPRES 16.1 16.2 16.3 16.4 16.5 ARTICL 17.1 17.2 17.3	 E 16 – ACKNOWLEDGMENTS AND REPRESENTATIONS BY ENTATIVE	AREA
ARTICL REPRES 16.1 16.2 16.3 16.4 16.5 ARTICL 17.1 17.2 17.3 ARTICL	 E 16 – ACKNOWLEDGMENTS AND REPRESENTATIONS BY ENTATIVE	AREA 37 37 37 38 38 38 38 39 39 39 39 39 39 39 39 39
ARTICL REPRES 16.1 16.2 16.3 16.4 16.5 ARTICL 17.1 17.2 17.3 ARTICL 18.1	E 16 – ACKNOWLEDGMENTS AND REPRESENTATIONS BY ENTATIVE	AREA
ARTICL REPRES 16.1 16.2 16.3 16.4 16.5 ARTICL 17.1 17.2 17.3 ARTICL 18.1 18.2	 E 16 – ACKNOWLEDGMENTS AND REPRESENTATIONS BY ENTATIVE	X AREA
ARTICL REPRES 16.1 16.2 16.3 16.4 16.5 ARTICL 17.1 17.2 17.3 ARTICL 18.1 18.2 18.3	E 16 – ACKNOWLEDGMENTS AND REPRESENTATIONS BY ENTATIVE	X AREA
ARTICL REPRES 16.1 16.2 16.3 16.4 16.5 ARTICL 17.1 17.2 17.3 ARTICL 18.1 18.2 18.3 18.4	E 16 – ACKNOWLEDGMENTS AND REPRESENTATIONS BY ENTATIVE	AREA
ARTICL REPRES 16.1 16.2 16.3 16.4 16.5 ARTICL 17.1 17.2 17.3 ARTICL 18.1 18.2 18.3 18.4 18.5	E 16 – ACKNOWLEDGMENTS AND REPRESENTATIONS BY ENTATIVE	AREA
ARTICL REPRES 16.1 16.2 16.3 16.4 16.5 ARTICL 17.1 17.2 17.3 ARTICL 18.1 18.2 18.3 18.4 18.5 18.6	E 16 – ACKNOWLEDGMENTS AND REPRESENTATIONS BY ENTATIVE	X AREA
ARTICL REPRES 16.1 16.2 16.3 16.4 16.5 ARTICL 17.1 17.2 17.3 ARTICL 18.1 18.2 18.3 18.4 18.5 18.6 18.7	E 16 – ACKNOWLEDGMENTS AND REPRESENTATIONS BY ENTATIVE	AREA
ARTICL REPRES 16.1 16.2 16.3 16.4 16.5 ARTICL 17.1 17.2 17.3 ARTICL 18.1 18.2 18.3 18.4 18.5 18.6 18.7 18.8	E 16 – ACKNOWLEDGMENTS AND REPRESENTATIONS BY ENTATIVE	AREA
ARTICL REPRES 16.1 16.2 16.3 16.4 16.5 ARTICL 17.1 17.2 17.3 ARTICL 18.1 18.2 18.3 18.4 18.5 18.6 18.7	E 16 – ACKNOWLEDGMENTS AND REPRESENTATIONS BY ENTATIVE	AREA

18.12	Headings.42Counterparts.43Supplemental Agreements.43
APPENI	DIX A—SPECIFICS
	DIX B—OBLIGATIONS AND REPRESENTATIONS OF INDIVIDUALS /ED IN THE AREA REPRESENTATIVE FRANCHISE
APPENI	DIX C—ACKNOWLEDGEMENTS BY AREA REPRESENTATIVE 1
APPENI	DIX D—PERSONAL GUARANTY1
APPENI	DIX E—PROMISSORY NOTE1
APPENI	DIX F—ELECTRONIC FUND TRANSFER AUTHORIZATION
	DIX G— CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT AND ANT NOT TO COMPETE

SAVVY SLIDERS FRANCHISE LLC AREA REPRESENTATIVE AGREEMENT

THIS AGREEMENT is made this _____ day of _____, 20___, between SAVVY SLIDERS FRANCHISE LLC, a Michigan limited liability company ("Franchisor") and

, a ____

("Area Representative").

ARTICLE 1—INTRODUCTION

1.1 Franchise Systems.

Franchisor, as the result of the expenditure of time, skill, effort and money, has developed multiple restaurant concepts that offer to the public all or some of the following products-sliders, wings, fries, beverages, and other food products-for carry-out, dine-in, catering or delivery. Each restaurant concept includes technical information and expertise relating to the preparation and production of food products; the use of special spices and sauces, all of which constitute trade secrets and are identified by the public with Savvy Sliders products; special recipes and menu items; prescribed exterior and interior design, decor, fixtures, and furnishings; standards and specifications for products and supplies; service standards; uniform standards, specifications, and procedures for operations; training and assistance; and advertising and promotional programs (collectively "Systems"); all of which may be changed, improved, and further developed by Franchisor from time to time. Each restaurant concept utilizes Franchisor's Systems for that concept, portions of which may be the same or similar to Systems provided by Franchisor for other restaurant concepts, and portions of which may only be authorized by Franchisor for use by a specific restaurant concept. The Systems authorized by Franchisor from time to time for use by the specific restaurant concept to be licensed to a franchisee are referred to as the "Franchise Systems." A business operated under the Franchise Systems, whether operated by Franchisor, an affiliate of Franchisor or a person authorized by Franchisor, will be referred to in this agreement as a "Restaurant". A Restaurant operated by Area Representative or another franchisee will be referred to in this Agreement as a "Unit Franchise." Franchisor grants franchisees the right to operate Unit Franchises under the Franchise Systems by entering into a franchise agreement with the franchisee (referred to in this Agreement as the "Unit Franchise Agreement"). Franchisor may modify the Unit Franchise Agreement from time to time in its sole discretion.

1.2 Franchise Marks.

Franchisor identifies its restaurant concepts by means of certain trademarks, service marks, trade names, logos and other marks ("Marks"); all of which may be changed by Franchisor from time to time. Each restaurant concept may use certain Marks which are only authorized for use with that concept as well as share other Marks with other restaurant concepts. The Marks authorized by Franchisor from time to time to time for use by the specific restaurant concept to be licensed to a Unit Franchise will be referred to in this Agreement as the "Franchise Marks."

1.3 Area Development and Representation.

Franchisor desires to expand and develop Unit Franchises and seeks qualified area representatives to promote the sale of Unit Franchises in a designated territory and to provide

services to the Unit Franchises in the designated territory. Area Representative recognizes the advantages of operating under the Franchise Systems and Franchise Marks and desires to obtain the right to act as a contractor for Franchisor in the development and servicing of Unit Franchises in the territory described in this Agreement.

ARTICLE 2—GRANT OF AREA REPRESENTATIVE FRANCHISE

2.1 Grant of Rights.

Franchisor grants to Area Representative the right, during the term of this Agreement, to act as a contractor for Franchisor in the territory described in Item 1 of Appendix A (referred to in this Agreement as the "Territory") to promote the sale of Unit Franchises in the Territory and to provide services to Unit Franchises in the Territory in accordance with the terms and subject to the conditions of this Agreement. The rights and obligations of Area Representative under this Agreement are sometimes referred to as the "Area Representative Franchise."

2.2 Rights of Development in Territory; Franchisor's Reservation of Rights.

During the term of this Agreement and so long as Area Representative is not in default of its obligations under this Agreement, Franchisor will not authorize any other person to operate an area representative franchise for the development of Unit Franchises in the Territory. All rights not expressly granted in this Agreement to Area Representative are reserved to Franchisor, including the right to: (a) offer and sell Unit Franchises for operation in the Territory, subject to the rights and responsibilities of Area Representative under this Agreement; (b) authorize Franchisor's affiliate, Happy's Pizza Franchise, LLC, to operate or authorize its franchisees to operate a Happy's Pizza restaurant that is co-branded with Savvy Sliders (a "Co-Branded Restaurant") inside or outside the Territory; (c) authorize others to promote the sale of and service in the Territory of business concepts now or in the future offered by Franchisor as well as other businesses operated under Franchisor's current or future marks or systems other than Unit Franchises of the specific type to be developed by Area Representative under this Agreement; (d) authorize other persons to operate area representative franchises in any area other than the Territory; (e) offer, sell and/or operate or authorize others to offer, sell and/or operate Unit Franchises at any location outside the Territory without invoking any of Area Representative's rights or responsibilities under this Agreement; (f) acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at a Unit Franchise, and franchising, licensing or creating similar arrangements with respect to those businesses once acquired, wherever those businesses (or the franchisees or licensees of those businesses) are located or operating (including in the Territory) without invoking any of Area Representative's rights or responsibilities under this Agreement; and (g) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided by Unit Franchises, or by another business, even if the business operates, franchises and/or licenses competitive businesses in the Territory without invoking any of Area Representative's rights or responsibilities under this Agreement.

2.3 Restrictions on Franchising/Subfranchising.

Area Representative will not have the right to franchise or subfranchise Unit Franchises, and, as a consequence, Area Representative will not have the right to sign or execute any Unit

Franchise Agreements, or any other agreements on behalf of Franchisor. Area Representative will act solely as a franchise broker and an area representative for Franchisor in connection with the sale and servicing of Unit Franchises in the Territory.

2.4 Territorial Restrictions.

Area Representative agrees that it will restrict its business activities under this Agreement to the Territory and, unless Franchisor agrees otherwise in writing, will reside in the Territory. The franchisees recruited and sold by Area Representative under this Agreement must have their franchise locations and protected areas within the Territory.

Area Representative acknowledges and agrees that, if it recruits a franchisee that does not locate its Unit Franchise in the Territory but locates its Unit Franchise in another area representative's territory or in unassigned territory, Area Representative will not be entitled to include such sale in its Minimum Development Schedule as set forth in Section 7.5 below, nor receive fees under Article 6 with respect to that Unit Franchise. Area Representative, Franchisor and other area representatives may be required to pay a referral fee in an amount specified by Franchisor to Area Representative or Franchisor, or such other area representative, as the case may be, that recruits a franchisee that locates in another area representative's territory or in an unassigned territory.

2.5 Marketing Responsibility.

The marketing of Unit Franchises by Area Representative in the Territory will be the sole and exclusive responsibility of Area Representative. Franchisor may assist Area Representative by forwarding to Area Representative any leads relating to the Territory that are generated by any marketing efforts of Franchisor. Any other assistance by Franchisor in the marketing of Unit Franchises in the Territory will be at the sole discretion of Franchisor.

2.6 Area Representative's Undertaking.

Area Representative undertakes the obligation to act as a franchise broker and an area representative for Franchisor in strict compliance with the terms and conditions of this Agreement. The rights and privileges granted to Area Representative under this Agreement are applicable only to the Territory, are personal in nature, and may not be used elsewhere or at any other location or in any other territory by the Area Representative. Area Representative will not have the right to franchise, subfranchise, license, sublicense, assign or transfer its rights under this Agreement, except as specifically provided in this Agreement.

ARTICLE 3--TERM AND RENEWAL

3.1 Term.

This Agreement will commence on the date it is executed and will continue in effect for ten (10) years from that date (the "Initial Term"), unless sooner terminated in accordance Article 13 below. This Agreement will not be considered executed and will not be enforceable until both the Area Representative and Franchisor have signed the Agreement.

3.2 Renewal.

On the expiration of the Initial Term, Area Representative will have the option to remain as an area representative in the Territory for a renewal term of ten (10) years (the "Renewal Term") if each of the following conditions is met:

(a) Area Representative is not in default of this Agreement or any Unit Franchise Agreement and no affiliate of Area Representative is in default under any agreement between the affiliate and Franchisor.

(b) Area Representative has met and continues to meet the Minimum Development Schedule set forth in Section 7.5 below and the Minimum Performance Requirement set forth in Section 7.6 below.

(c) Area Representative, during the past twelve (12) months, has not received from Franchisor two (2) or more notices of default of the terms of this Agreement or any specification, standard or operating procedure of Franchisor (whether or not such notices related to the same or different violations and whether or not those violations have been remedied by Area Representative).

(d) Area Representative provides written notice of its intent to continue as an area representative not more than twelve (12) months and not less than six (6) months before the beginning of the Renewal Term.

(e) Area Representative has satisfied any additional training requirements for new or existing area representatives.

(f) Area Representative has signed a general release, in a form specified by Franchisor, of any and all claims against Franchisor, its subsidiaries and affiliates, and their respective officers, directors, agents, members and employees.

(g) Area Representative must have signed and delivered to Franchisor, within thirty (30) days of receipt from Franchisor, Franchisor's standard area representative agreement in use by Franchisor at the time of Area Representative's notice to Franchisor together with such other documents as are then customarily used by Franchisor to grant new area representative franchises, all of which will replace this Agreement. If Franchisor believes that additional development is desired and possible in the Territory at the end of the Initial Term, the new area representative agreement will require Area Representative to agree to further develop the Territory in accordance with a reasonable Minimum Development Schedule specified by Franchisor.

(h) Area Representative must pay a renewal fee to exercise its option. The renewal fee will be equal to twenty-five percent (25%) of the initial area representative fee paid by Area Representative under this Agreement. This fee must be paid at the time the new area representative agreement is delivered to Franchisor.

(i) Franchisor approves the renewal. Franchisor will not withhold approval of renewal without good cause.

If, on expiration of the Initial Term of this Agreement, Area Representative elects not to enter into a new Area Representative Agreement or does not meet the conditions set forth in this Section, the area representative franchise relationship between Franchisor and Area Representative will automatically terminate on completion of the Initial Term and the provisions of Article 14 and other provisions of this Agreement applicable on expiration or termination will apply.

ARTICLE 4—PAYMENTS BY AREA REPRESENTATIVE

4.1 Initial Area Representative Fee.

Area Representative must pay an initial area representative fee in the amount set forth in Item 2 of Appendix A. Area Representative must pay the initial fee at the time of signing of this Agreement by cashier's check or wire transfer. The initial fee is earned on execution of this Agreement by Franchisor and is not refundable. Franchisor may, in its sole discretion, offer to finance all or a portion of the initial area representative fee for qualified area representatives. If this finance arrangement is offered to and accepted by Area Representative, Area Representative will sign a Promissory Note for the amount of the area representative fee being financed. The Promissory Note will be payable in equal monthly payments of principal and interest over a three-year period with interest of one percent (1%) over the prime rate published in The Wall Street Journal one week before the signing of the Promissory Note or on other terms acceptable to Franchisor. Any default under the Promissory Note will constitute a default under this Agreement and under any Unit Franchise Agreement between Franchisor and Area Representative or its affiliates. Franchisor may deduct Promissory Note payments due from Area Representative from amounts payable to Area Representative under this Agreement. The Promissory Note may be prepaid at any time without penalty. The Promissory Note will be in the form attached as Appendix E.

4.2 Fees Due Under Unit Franchise Agreements.

Area Representative must pay all then current fees due under any Unit Franchise Agreements signed by Area Representative for any Unit Franchises operated by Area Representative, including, without limitation, initial franchise fees, royalty fees and advertising fees.

4.3 Late Charges, NSF Fees, and Interest.

The charges, fees and interest described in this Section must be paid by Area Representative in connection with any payments due to Franchisor under this Agreement or under any other agreement or arrangement between Area Representative and Franchisor. Area Representative must pay to Franchisor, on demand, a late charge of One Hundred Dollars (\$100) for the first payment not made to Franchisor within five days of the due date of the payment and Two Hundred Fifty Dollars (\$250) for each subsequent payment not made to Franchisor within five days of the due date of the payment. In addition, Area Representative must pay on demand a fee equal to any charges Franchisor may incur as a result of checks or debits returned to Franchisor for non-sufficient funds or other similar reasons, but not less than Forty Dollars (\$40)

for each item returned. Also, Area Representative must pay to Franchisor, on demand, interest on all overdue payments from the date the payment was due until paid equal to the lesser of (i) 1.5% per month or (ii) the maximum rate of interest permitted by law. The assessment of late charges and interest will not be the sole remedies of Franchisor in such circumstances.

ARTICLE 5—PROCEDURE FOR DEVELOPMENT IN THE TERRITORY

5.1 Rights to Use the Franchise Marks and Franchise Systems.

Area Representative acknowledges that this Agreement does not grant Area Representative or any other person any rights to use the Franchise Marks or the Franchise Systems, except as provided in Section 9.1 of this Agreement. Those rights will only be granted in individual Unit Franchise Agreements that will be entered into for each Unit Franchise in the Territory.

5.2 Duty to Provide Disclosure.

Franchisor will provide each prospective franchisee with a Franchise Disclosure Document required by federal and/or state law and/or rules and regulations, which has been prepared, approved and, if required, registered or filed by Franchisor with the appropriate agency having jurisdiction in the Territory. Area Representative must not make any changes to the Franchise Disclosure Document provided by Franchisor. Area Representative will not receive or accept any funds as a franchise broker or area representative on behalf of Franchisor without first complying with all federal and state franchising laws. Franchisor will provide the required disclosure at least by the earlier of: (a) fourteen (14) days before the franchisee signs any franchise or related agreement or pays any consideration to Franchisor; or (b) the minimum time period required by state law.

5.3 Recruitment and Processing of Applications.

Area Representative will make every effort to recruit prospective Unit Franchise franchisees that are reputable and financially responsible. Franchisor, in its sole discretion, will determine the acceptability of each prospective franchisee and Area Representative has no authority to, and will not, withhold submittal of any leads or prospective franchisees to Franchisor. Area Representative must conduct pre-qualifying interviews of franchisee candidates in the manner specified by Franchisor and must submit to Franchisor applications and other materials specified by Franchisor for each prospect for a Unit Franchise in the Territory. Area Representative will provide Franchisor with all financial and other information for any prospective franchisee in the form specified by Franchisor. Franchisor will have the right to reject a prospective franchisee's application on any basis that it deems appropriate. Area Representative must, on execution by a prospective franchisee, immediately forward to Franchisor the designated Receipt pages that are attached to the Franchise Disclosure Document furnished to the prospective franchisee by Area Representative.

5.4 Signing of Franchise Agreements.

A separate Unit Franchise Agreement on the form in effect at the time of signing of the agreement must be signed for each Unit Franchise to be developed and operated in the Territory. Franchisor and the franchisee of the Unit Franchise will be parties to the Unit Franchise Agreement. Area Representative will not be a party to the Unit Franchise Agreement except as a

franchisee for Unit Franchises operated by Area Representative. Franchisor will not be required to sign any Unit Franchise Agreements if such signing would be in violation of federal or state law. Area Representative will not have the right or authority to sell, negotiate or sign a Unit Franchise Agreement on behalf of Franchisor or otherwise bind Franchisor with respect to any Unit Franchises to be developed and operated in the Territory without express written authorization from Franchisor.

5.5 Site Selection.

Each location for a Unit Franchise in the Territory must be approved by Franchisor pursuant to Franchisor's then current standards and procedures. For each location for a Unit Franchise that must be approved by Franchisor, Area Representative must submit the site to Franchisor for written approval using Franchisor's standard site survey forms and/or such other forms as Franchisor may specify. Area Representative must also obtain and submit demographic information relating to the site as specified by Franchisor. Franchisor will have thirty (30) days from its receipt of all of the required information to approve or disapprove the proposed site using its standard selection criteria and its reasonable discretion.

5.6 Payment of Fees by Unit Franchises.

All fees to be paid by franchisees under any Unit Franchise Agreements for Unit Franchises operated in the Territory will be paid directly to Franchisor. Area Representative will not have the right to accept or receive payments from prospects or franchisees unless the payments are made payable to Franchisor and are remitted to Franchisor immediately on receipt by Area Representative.

5.7 Franchisor's Right to Recruit and Sell Unit Franchises in the Territory.

(a) Franchisor reserves the right to take the lead in recruiting and selling a Unit Franchise to a prospective franchisee of a Unit Franchise in the Territory. If Franchisor decides to exercise that right with respect to a particular prospective franchisee, Area Representative will only engage in further sales activities with that prospective franchisee in the manner specified by Franchisor. If a Unit Franchise is sold to a prospective franchisee under those circumstances, Area Representative will provide those Unit Franchises with all services specified under this Agreement for Unit Franchises recruited by Area Representative and will be entitled to share in fees received from those Unit Franchises under Section 6.1 of this Agreement.

(b) After Area Representative has fully complied with the Minimum Development Schedule, Franchisor will have the right, but not the obligation, to recruit and sell additional Unit Franchises for operation in the Territory. If Franchisor recruits and sells Unit Franchises in the Territory under this right, Area Representative will provide those Unit Franchises with all services specified under this Agreement for Unit Franchises recruited by Area Representative and will be entitled to share in fees received from those Unit Franchises under Section 6.1 of this Agreement.

ARTICLE 6—FEES PAYABLE TO AREA REPRESENTATIVE

6.1 Fees for Services.

After Franchisee has developed four Unit Franchises in the Territory and only for periods during which at least four (4) Unit Franchises developed by Franchisee are open and operating in the Territory, Franchisor will pay Area Representative the following amounts, during the Initial Term, for the services Area Representative provides to Franchisor and franchisees:

Two percent (2%) of Gross Sales (as defined in the Unit Franchise Agreement) on which royalties have been paid by Unit Franchises in the Territory that are serviced by Area Representative, less the reasonable costs of collection paid to third parties, including attorneys' fees, if the royalties are not received in the due course of business and require the collection efforts of Franchisor.

If an open and operating Unit Franchise in the Territory is not in compliance with its obligations under the Unit Franchise Agreement, the payment of fees related to that Unit Franchise to Area Representative will be reduced by one-half; however, if, in the good faith opinion of Franchisor, Area Representative has made and continues to make a substantial effort to bring the Unit Franchise into compliance, payments to Area Representative relating to that Unit Franchise will not be reduced.

6.2 Payment of Fees.

The fees payable to Area Representative by Franchisor under Section 6.1 above will be paid by the 15th day of each month based on amounts received by Franchisor in the previous calendar month.

Area Representative acknowledges and agrees that Franchisor does not guaranty collection of royalty fees from franchisees in the Territory and that Area Representative will only receive the applicable portion of the fees actually collected by Franchisor from franchisees in the Territory.

6.3 Area Representative Owned Unit Franchises.

When Area Representative or an affiliate of Area Representative owns or operates a Unit Franchise in the Territory, the amount of the initial franchise fees and royalties or other payments to be paid by Area Representative or its affiliate in its capacity as the owner of the Unit Franchise must be paid in accordance with the terms of the Unit Franchise Agreement. Area Representative and its affiliates will not have the right to offset any amounts claimed to be due under this Agreement against any initial franchise fees or royalties or other payments payable to Franchisor under such Unit Franchise Agreement.

6.4 **Refund of Fees.**

If Franchisor is required to, or decides in good faith for legitimate business reasons to, return all or any portion of the ongoing royalty fees received from Unit Franchises in the Territory, Area Representative must pay over to Franchisor the portion of such fees previously paid to it by Franchisor. Payment must be made within fifteen (15) days of demand by Franchisor.

6.5 Collection of Fees.

If, in the sole discretion of Franchisor, legal proceedings are initiated (see Section 7.16) to collect any fees due from franchisees and from which Area Representative is entitled to be paid under Section 6.1 above, the parties will each bear that proportionate share of the cost and expense of such collection proceedings, including but not limited to, out-of-pocket costs, personnel costs, attorney's fees, court costs and related fees and arbitration fees and related fees, as will equal their proportionate entitlement to the amounts so payable. If Area Representative does not pay its proportionate share of the cost of collection, it will forfeit any right to receive any part of the amounts collected.

6.6 Set-off.

If Area Representative or any affiliate of Area Representative fails to pay any amounts to Franchisor when due or is otherwise obligated to Franchisor under this Agreement or under any other agreement between the parties, Franchisor may set-off those amounts against any amounts Franchisor is required to pay to Area Representative under this Agreement or otherwise.

ARTICLE 7—AREA REPRESENTATIVE'S OBLIGATIONS

7.1 Open and Operate a Unit Franchise in the Territory; Training Restaurant.

Area Representative or an affiliate of Area Representative must sign a Unit Franchise Agreement and open and operate a Unit Franchise in the Territory as specified in Item 3 of Appendix A. After the required opening date for Area Representative's Unit Franchise, Area Representative or an affiliate must continually operate at least one (1) Unit Franchise in the Territory throughout the term of this Agreement. At least one (1) Unit Franchise operated by Area Representative or an affiliate in the Territory must meet the specifications for and be available for use as a training Restaurant.

7.2 Standards of Operation; Area Representative Manual.

Area Representative acknowledges that every component of the Franchise Systems and Franchisor's specifications, policies and procedures relating to operation of the Area Representative Franchise is important to Franchisor and to the operation of the Area Representative Franchise. Area Representative must, at all times, operate and maintain the Area Representative Franchise in a competent manner and in full compliance with all aspects of the Franchise Systems and policies and procedures specified by Franchisor. In all business dealings with the public, Area Representative must be governed by the highest standards of honesty, integrity, fair dealing and ethical conduct.

Area Representative must comply with all lawful and reasonable policies and procedures specified by Franchisor in connection with the operation of the Area Representative Franchise. The policies and procedures specified by Franchisor may be contained in training, operating and/or policy manuals of Franchisor or in memos, bulletins, newsletters, emails, or other written or electronic materials prepared by Franchisor (for the purposes of this Agreement, "Area Representative Manual" will mean all manuals or other written materials relating to the Area Representative Franchise or containing Franchisor's specifications, policies and procedures relating to the Area Representative Franchise). Area Representative will be loaned a copy of any

currently existing Area Representative Manual after the signing of this Agreement or when and if prepared by Franchisor and made available to area representatives. Area Representative will be loaned any applicable modifications or additions to the Area Representative Manual as they become available. The Area Representative Manual remains the property of Franchisor, must not be duplicated, and must be returned to Franchisor immediately on request or on expiration or termination of this Agreement.

Area Representative must at all times ensure that its copy of the Area Representative Manual is kept current and up to date. If there is a dispute as to the contents of the Area Representative Manual, the terms and dates of the master copy of the Area Representative Manual maintained by Franchisor at its place of business will be controlling.

Due to the nature of operation of the Area Representative Franchise and the fact that the specifications for operation of the Area Representative Franchise must and do change, Franchisor reserves the right to change the Franchise Systems and its specifications, policies and procedures relating to Area Representative Franchises after the signing of this Agreement and to change the terms of the Area Representative must comply with all such changes immediately on written notice from Franchisor of the change. The Area Representative Manual cannot change the terms of this Agreement, but will be in addition to this Agreement and will have the same effect as if set forth in this Agreement. If the Area Representative Manual is inconsistent with this Agreement, this Agreement will control. Franchisor agrees that it will specify its policies and procedures in a reasonable manner.

7.3 Registration and Disclosure Compliance.

Area Representative has been advised by Franchisor that many states require that a Franchise Disclosure Document be registered or filed with governmental authorities before any franchise is offered in those states, and that the Federal Trade Commission and certain states impose certain disclosure requirements with respect to franchises. Before making any offer to any prospective franchisee, Area Representative, at its expense, will: (a) seek independent legal advice concerning the legal requirements associated with offering franchises in the Territory; and (b) seek Franchisor's (or its attorney's) advice concerning applicable laws. Area Representative will indemnify Franchisor and its officers, agents, members and employees from all liability, including reasonable attorney's fees that may result by reason of Area Representative's failure to comply with the provisions of this Section.

7.4 Sales Activities.

Area Representative must use its best efforts to actively promote and solicit the sale of Unit Franchises in the Territory. This will include advertising for prospects, responding to sales leads and processing them in a prompt and efficient manner, and providing prospects with information about Franchisor and Unit Franchises in a timely manner in conformity with the policies of Franchisor as established and modified from time to time and in accordance with federal, state and local laws and regulations. Area Representative must provide Franchisor such assistance and information as Franchisor may request in order to adequately disclose the relationship of Area Representative and Franchisor in accordance with all disclosure laws and regulations relating to the sale of Unit Franchises. Area Representative must obtain and maintain all licenses and/or registrations necessary to solicit the sale of Unit Franchises in the Territory, including, but not limited to, any necessary franchise broker registrations.

All advertising, promotion, marketing and other communications by Area Representative for Unit Franchise prospects must be in accordance with Franchisor's standards and procedures and must be approved in advance by Franchisor. In order to obtain approval of advertising, Area Representative must submit the advertising to Franchisor. If Franchisor has not rejected the proposed advertising within fourteen (14) days of receipt, the proposed advertising will be considered approved by Franchisor.

Area Representative recognizes and acknowledges that certain State franchising laws require that all sales, promotional and advertising materials to be used by Area Representative must be filed with and approved by the State before the time that such materials are used, displayed, placed or distributed and Area Representative agrees to comply with all such laws.

If Area Representative identifies a prospective franchisee that is interested in developing a Unit Franchise that will not be located in the Territory or in developing multiple Unit Franchises, some of which may not be located in the Territory, Area Representative must immediately notify Franchisor of the name and contact information of that prospective franchisee.

7.5 Minimum Development Schedule; Default; Cure Periods.

Area Representative must develop sufficient Unit Franchises in the Territory to comply with the minimum development schedule specified in Item 4 of Appendix A ("Minimum Development Schedule"). For the purposes of the Minimum Development Schedule, a Unit Franchise will only be considered in operation if the Unit Franchise in open and operating and not in default of any of its obligations under the terms of the Unit Franchise Agreement for that Unit Franchise.

If Area Representative defaults in its obligations under the Minimum Development Schedule, Franchisor may provide written notice of the default to Area Representative. Area Representative will have thirty (30) days from the date of the written notice to cure the default in the Minimum Development Schedule. If the default in the Minimum Development Schedule is not cured within the thirty-day period, Franchisor may exercise one or more of the following remedies:

(a) Area Representative must pay Franchisor liquidated damages in the amount of Twenty-Five Thousand Dollars (\$25,000) annually for each Unit Franchise required to be open under the Minimum Development Schedule that is not yet open. Franchisor will invoice Area Representative for these amounts on an annual basis and they will be payable within seven (7) days of receipt of the invoice.

(b) Franchisor may withhold and Area Representative will forfeit, thirty-five percent (35%) of all payments due to Area Representative under Section 6.1 of this Agreement, until Area Representative is no longer in default of the Minimum Development Schedule.

(c) If Area Representative's default in the Minimum Development Schedule is still not cured within sixty (60) days after the end of the thirty-day period, Franchisor may, in its discretion, terminate this Agreement under Section 13.3 of this Agreement.

If a failure to comply with the Minimum Development Schedule is due to causes beyond the control of the Area Representative, such as strike, weather, the inability to obtain essential equipment or materials, or fire, and the Area Representative has acted in good faith to comply with the Minimum Development Schedule, the Minimum Development Schedule will be extended for an additional time equal to the delay. However, in no event will the Minimum Development Schedule be extended for more than one hundred twenty (120) days for such a delay unless Franchisor has caused the delay.

For the purposes of the Minimum Development Schedule, a Unit Franchise will only be counted as a Unit Franchise developed by Area Representative if Area Representative or an affiliate of Area Representative develops the Unit Franchise or Area Representative recruits the franchise of the Unit Franchise. A Unit Franchise will not be considered developed by Area Representative if: (a) it is a Co-Branded Restaurant; (b) the Unit Franchise is open or under development in the Territory before the date of this Agreement; or (c) the franchisee for the Unit Franchise has been recruited by Franchisor. However, if specified by Franchisor in writing, Area Representative will provide the services described in this Agreement for each such Unit Franchise and, in that case, will be entitled to receive the fees set forth in Section 6.1 above with respect to that Unit Franchise.

7.6 Unit Franchise Minimum Performance Requirement.

Area Representative is responsible for ensuring that all Unit Franchises in the Territory that have been in operation for a period of twelve (12) months or more achieve minimum Gross Revenues of Seven Hundred Thousand Dollars (\$700,000) for each calendar year ("Minimum Performance Requirement"). If the Minimum Performance Requirement is not met for a calendar year, Franchisor may provide written notice of the failure to Area Representative within ninety (90) days of the end of the calendar year. If, after such notice, the Minimum Performance Requirement is not met for the next consecutive calendar year, Franchisor may immediately withhold and Area Representative will forfeit, thirty-five percent (35%) of all payments due to Area Representative under Section 6.1 of this Agreement, until the Minimum Performance Requirement is met for a calendar year. In addition, if Franchisor has provided notice to Area Representative of failure to meet the Minimum Performance Requirement for two consecutive calendar years within ninety (90) days of the end of each of those calendar years and the Minimum Performance Requirement is not met for a third consecutive calendar year, Franchisor may, in its discretion, terminate this Agreement under Section 13.4 of this Agreement.

7.7 Representations.

Area Representative must make no representations or promises to franchisees or prospective franchisees of Unit Franchises that are not true and that are not contained in a disclosure document or marketing materials approved by Franchisor or otherwise pre-approved by Franchisor in writing.

7.8 Costs of Development of Unit Franchises.

Area Representative is responsible for all costs of developing Unit Franchises in the Territory, other than the obligations to be performed by Franchisor as specified in Article 8 below.

7.9 Services to Unit Franchises in the Territory.

Area Representative is responsible for performing all obligations that would be performed by Franchisor in the development and servicing of Unit Franchises, except for the obligations to be performed by Franchisor as specified in Article 8 below and except as otherwise may be specified by Franchisor. Area Representative's obligations under this Section may include, but are not limited to:

(a) bringing franchisees through the entire process or selling and closing the sale of a Unit Franchise;

(b) assisting franchisees with site selection, lease negotiation, construction of the Unit Franchises, installation of equipment, training, Unit Franchise openings, promotion of the businesses of the Unit Franchises and operation of the Unit Franchises in the manner specified by Franchisor;

(c) ongoing support of franchisees, including visits, inspections and written reports to Franchisor and the applicable Unit Franchise at the times and in the manner specified by Franchisor;

(d) operating a state-of-the-art training Restaurant for use in training and ongoing support of franchisees;

(e) conducting franchisee meetings for franchisees in the Territory at the times and in the manner specified by Franchisor;

(f) working with franchisees in connection with transfers of Unit Franchises in the manner specified by Franchisor; and

(g) remaining available to render to franchisees in the Territory such advice and counsel as will be reasonably required and to promptly refer to Franchisor such matters as Area Representative is unable to resolve after diligent, good faith effort.

Area Representative acknowledges and agrees that the terms and conditions of the Unit Franchise Agreements may change from time to time, and that Area Representative will provide all of the services and assistance required by the terms of any new Unit Franchise Agreements adopted by Franchisor for the fees that are set forth in this Agreement. Area Representative agrees to perform such services and assistance pursuant to the specifications of Franchisor and the requirements set forth in any Unit Franchise operations manuals and Area Representative acknowledges and agrees that such manuals may be revised and updated periodically by Franchisor and that Area Representative will comply with all updates and modifications. Area Representative understands that its only compensation for services provided to Unit Franchises in the Territory are the fees paid under Article 6 of this Agreement and that Area Representative is prohibited from charging Unit Franchises or receiving from Unit Franchises any fees or any other form of payment or compensation for services provided to those Unit Franchises in the Territory or relating to the sale of Unit Franchises.

7.10 Local Advertising Programs in the Territory.

If specified by Franchisor, Area Representative will be responsible for planning, producing, coordinating and placing advertising for local advertising programs advertising the businesses of the Unit Franchises in the Territory. If authorized by Franchisor, Area Representative will use all or a portion of any advertising fees paid by Unit Franchises in the Territory that are designated by Franchisor for local advertising and/or use contributions to advertising cooperatives for these local advertising programs. All local advertising must be in compliance with Franchisor's standards and procedures for advertising.

7.11 Compliance with Laws and other Obligations; Taxes.

Area Representative must obtain and keep in force every registration, charter, license or permit required for Area Representative's business. Area Representative must comply with all federal, state, county, municipal and other civil and criminal statutes, laws, ordinances, regulations, rules and orders of public authorities applicable to Area Representative's business, including but not limited to those relating to health, safety, sanitation, employment (including the Fair Labor Standards Act and comparable laws regulating minimum wage, overtime pay, recordkeeping, youth employment standards and other aspects of employment), environmental regulation and taxation. Area Representative must immediately notify Franchisor if any governmental department or agency begins an investigation of the Area Representative's business, schedules a review, inspection or audit of Area Representative's business or takes any action against Area Representative's business.

Area Representative must pay, when due, all taxes of every kind applicable to Area Representative's business or the income of Area Representative's business, including all local, state or federal taxes. Franchisor will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property, or other taxes, whether levied on Area Representative or Area Representative's business, due to the business Area Representative conducts (except for Franchisor's income taxes). Area Representative is responsible for paying these taxes and must reimburse Franchisor for any taxes that Franchisor must pay to any federal, state or local taxing authority on account of either Area Representative's operation or payments that Area Representative makes to Franchisor.

7.12 Insurance.

Area Representative must obtain insurance in the amounts and with the coverages specified by Franchisor, including comprehensive automobile liability insurance covering physical damage, personal injury and uninsured motorists and comprehensive general liability insurance covering the operation of Area Representative's business. Area Representative must deliver to Franchisor certificates of all required insurance, each of which must contain a statement that the policy will not be cancelled without at least thirty (30) days written notice to Franchisor. Franchisor must be named as an additional insured on all liability policies covering the Area Representative's business.

7.13 Inspections and Enforcement of Standards.

Area Representative must regularly inspect all Unit Franchises in the Territory for appearance and cleanliness and compliance with all standards of quality and uniformity specified by Franchisor, such as selling only approved products and services and use of only approved products and services, supplies, equipment, furnishings, and fixtures. Area Representative must continually report to Franchisor the information discovered in Area Representative's inspections, such as deficiencies and problems, opportunities for improvement, deviations from standards, violations of Unit Franchise Agreements, violations of laws and steps that are being taken or will be taken to follow through on information discovered. Area Representative is responsible for taking all action necessary for enforcement of Franchisor's standards unless otherwise specified by Franchisor. Area Representative must obtain the prior written consent of Franchisor before instituting any actions for enforcement of Franchisor's standards.

7.14 Communication with Franchisor; Reports.

Area Representative must continually inform Franchisor of all action taken and decisions made with respect to Unit Franchises in the Territory. Area Representative must provide periodic reports at the times and in the manner specified by Franchisor using the standard reporting systems and forms designated by Franchisor. Area Representative must follow the directions and recommendations of Franchisor's personnel regarding the efficient and effective performance of its duties.

7.15 Office and Computer Equipment.

Area Representative must maintain an office for Area Representative's business and acquire and maintain computer and communications equipment specified by Franchisor for the purpose of monitoring sales and other information designated by Franchisor for each Unit Franchise in the Territory and to allow Franchisor and Area Representative to communicate electronically regarding such information.

7.16 Enforcement of Unit Franchise Agreements.

Unless otherwise specified by Franchisor, Area Representative is responsible for taking all action necessary for enforcement of all of the provisions of the Unit Franchise Agreements for Unit Franchises in the Territory, including, but not limited to, enforcement or Franchisor's systems and standards and collection of amounts due to Franchisor. Area Representative must obtain the prior written consent of Franchisor before instituting any actions for enforcement of Unit Franchise Agreements in the Territory. Franchisor may institute an action for enforcement of Unit Franchise Agreements in the Territory or may direct Area Representative to do so; provided that, Area Representative will not be required to institute actions in any venue outside of the Territory or to terminate any Unit Franchise Agreement in the Territory, Area Representative will be responsible for twenty-five percent (25%) of any and all costs and expenses and must pay its share of any such costs and expenses within thirty (30) days of demand from Franchisor. These costs and expenses may include, but are not limited to, out-of-pocket costs, personnel costs, attorneys' fees, court costs and related fees.

7.17 Protect the Franchise Marks and Goodwill.

Area Representative must protect the integrity of the Franchise Marks and other proprietary rights and maintain the highest standards of quality and reputation associated with the Franchise Marks; provided that Area Representative will not be required to bring any action for this purpose, although Area Representative may be required to share in the cost of such action as provided in Section 7.16 above.

7.18 Reimbursement for Expenses.

If Franchisor incurs any expense in performing services for Unit Franchises in the Territory, which Area Representative is required to perform under this Agreement but has failed to perform within fifteen (15) days of written notice from Franchisor, Area Representative must reimburse Franchisor, on demand, an amount equal to the expense plus twenty-five percent (25%) of the expense.

7.19 Meetings or Training Sessions.

If specified by Franchisor, Area Representative must, through the Designated Individual, attend, at its expense, all meetings or training sessions conducted by or on behalf of Franchisor for franchisees and area representatives.

7.20 Personal Involvement; Designated Individual.

Area Representative must be personally involved in the conduct and operation of the Area Representative Franchise. If Area Representative is not an individual, an individual owning an equity interest in Area Representative that is designated by the Area Representative and approved by Franchisor must be personally involved in the operation of the Area Representative Franchise (the "Designated Individual"). The Designated Individual will be listed in Item 5 of Appendix A. The Designated Individual must not be changed without the prior written consent of Franchisor. Any change made without the consent of Franchisor will be a material breach of this Agreement.

If the Designated Individual, for any reason, is no longer personally involved in the conduct and operation of the Area Representative Franchise, Area Representative must, within five (5) days after such involvement ends, notify Franchisor in writing. Within thirty (30) days after the date on which the Designated Individual is no longer personally involved in the conduct and operation of the Area Representative Franchise, Area Representative must nominate a person to become the Designated Individual. If, within sixty (60) days after the date on which the Designated Individual. If, within sixty (60) days after the date on which the Designated Individual is no longer personally involved in the conduct and operation of the Area Representative Franchise, Franchisor has not approved a replacement Designated Individual, Area Representative will have six (6) months within which to dispose of the Area Representative Franchise. If Area Representative does not dispose of the Area Representative Franchise within such six-month period, this Agreement will automatically terminate.

7.21 Employees.

Area Representative must hire all employees for Area Representative's business and must be exclusively responsible for the terms and conditions of their employment and compensation. Area Representative is responsible for compliance with all federal, state, county, municipal and other civil and criminal statutes, laws, ordinances, regulations, rules and orders of public authorities applicable to Area Representative's employment practices and employees, including but not limited to, the Fair Labor Standards Act and comparable laws regulating minimum wage, overtime pay, recordkeeping, youth employment standards and other aspects of employment. Franchisor will not directly or indirectly control the terms and conditions of employment of Area Representative's employees and will not be responsible for Area Representative's payroll or other employee matters regardless of any information that Franchisor may provide in operations or training manuals or otherwise. Area Representative must indemnify and hold harmless Franchisor from and against any liability relating to or arising from Area Representative's employees, including joint employer liability and any failure to comply with employment related laws.

Area Representative must implement its own training program for its employees in compliance with Franchisor's standards. Area Representative must maintain at all times a staff of trained employees sufficient to operate Area Representative's business in compliance with Franchisor's standards. Area Representative must require its employees and agents to sign an agreement relating to confidentiality and/or non-competition in the form specified by Franchisor as a condition of employment of the employee. Franchisor may impose a reasonable charge on Area Representative for any training provided to Area Representative. Any such fees will be uniform as to all persons attending training at that time and will be based on Franchisor's out-ofpocket expenses plus an hourly or per diem rate of the training personnel involved. These fees are not refundable.

7.22 Acknowledgement of Area Representative Regarding Franchisor's Rights.

Area Representative acknowledges that the delegation of any of Franchisor's duties to Area Representative under this Agreement or otherwise does not affect Franchisor's right to independently exercise its rights and duties under the Unit Franchise Agreements for Unit Franchises in the Territory.

7.23 Indemnification.

Area Representative agrees that it will, at its sole cost, at all times defend, indemnify and hold harmless Franchisor, any affiliate of Franchisor, the affiliates, subsidiaries, successors and assigns and designees of each and the officers, directors, managers, employees, agents, attorneys, shareholders, owners, members, designees and representatives of all of the foregoing (the "Indemnitees") to the fullest extent permitted by law, from all claims, losses, liabilities and costs incurred in connection with any civil, criminal or governmental action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether any of the foregoing is reduced to judgment) or any settlement of the foregoing, which actually or allegedly, directly or indirectly, arises out of, is based on, is a result of, or is related in any way to any element of the establishment and operation of Area Representative's business, including, without limitation: any personal injury, death or property damage suffered by any customer, visitor, operator, employee or guest of Area Representative's business; crimes committed on or near any locations used in Area Representative's business or vehicles used in Area Representative's business; all acts, errors, neglects or omissions of Area Representative or Area Representative's business and/or the owners, members, officers, directors, management, employees, agents, servants,

contractors, partners, proprietors, affiliates or representatives of Area Representative or Area Representative's business (or any third party acting on behalf of or at the direction of Area Representative), whether in connection with Area Representative's business or otherwise; and all liabilities arising from or related to the offer, sale and/or delivery of products and/or services by Area Representative or Area Representative's business.

As used above, the phrase "claims, losses, liabilities and costs" includes: all claims; causes of action; fines; penalties; liabilities; losses; compensatory, exemplary, statutory or punitive damages or liabilities; costs of investigation; lost profits; court costs and expenses; reasonable attorneys' and experts' fees and disbursements; settlement amounts; judgments; compensation for damage to Franchisor's reputation and goodwill; costs of or resulting from delays; travel, food lodging and other living expenses necessitated by the need or desire to appear before (or witness the proceedings of courts or tribunals (including arbitration tribunals), or government or quasi-governmental entities (including those incurred by Indemnitees' attorneys and/or experts); all expenses of recall, refunds, compensation and public notices; and other such amounts incurred in connection with the matters described. All such losses and expenses incurred under this indemnification provision will be chargeable to and paid by Area Representative, regardless of any actions, activity or defense.

Area Representative agrees to give Franchisor written notice of any action, suit, proceeding, claim, demand, inquiry or investigation that could be the basis for a claim for indemnification by any Indemnitee within three days of Area Representative's actual or constructive knowledge of it. At Area Representative's expense and risk, Franchisor may elect to assume (but under no circumstance will Franchisor be obligated to undertake) the defense and/or settlement of the action, suit, proceeding, claim, demand, inquiry or investigation. Franchisor's undertaking of defense and/or settlement will in no way diminish Area Representative's obligation to indemnify Franchisor and other Indemnitees and to hold Franchisor and other Indemnitees harmless. Franchisor will have the right, at any time it considers appropriate, to offer, order, consent or agree to settlements or take any other remedial or corrective actions Franchisor considers expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation if, in Franchisor's sole judgment, there are reasonable grounds to do so.

This indemnity obligation will continue in full effect even after the expiration, transfer or termination of this Agreement. Franchisor's right to indemnity under this Agreement will arise and be valid notwithstanding that joint or concurrent liability may be imposed on Franchisor by statute, ordinance, regulation or other law. An Indemnitee 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 against Area Representative under this Section. Area Representative agrees that a failure to pursue recovery or mitigate a loss will not reduce or alter the amounts that an Indemnity may recover from Area Representative under this Section.

ARTICLE 8--FRANCHISOR'S OBLIGATIONS

8.1 Sales Materials.

Franchisor will provide Area Representative with master copies of disclosure documents, agreements, brochures and other materials required for the purposes of marketing Unit Franchises in the Territory, and master copies of unit franchise operations and other manuals and other documentation normally prepared by Franchisor, which is necessary for performing Area Representative's duties under this Agreement. Area Representative is responsible for copying or otherwise reproducing these materials for use in the Territory.

8.2 State Registrations.

Franchisor will obtain and keep in force appropriate registrations or permits as required by any applicable present or future franchise investment law or regulation or any similar law as necessary to offer and sell Unit Franchises in the Territory.

8.3 Training of Area Representative.

Franchisor will provide an initial training program for Area Representative or the Designated Individual, in Michigan, relating to Franchisor's standards and procedures for developing and servicing Unit Franchises. Area Representative (or the Designated Individual if the Area Representative is a corporation or other entity) must attend and successfully complete the training program. Franchisor will train one (1) person without charge. Franchisor may allow additional persons to attend the training program, but may, in that case, charge a reasonable fee. The persons attending training must sign an agreement relating to confidentiality and/or noncompetition in the form specified by Franchisor before beginning the training program.

Area Representative understands and agrees that any specific ongoing training or advice Franchisor provides does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which Franchisor may discontinue and modify from time to time.

Area Representative acknowledges and agrees that no compensation or other benefits will be paid by Franchisor to Area Representative, its principals, owners, managers, or employees for any services performed by Area Representative or its principals, owners, managers, or employees during training at any Restaurant operated by Franchisor, its affiliates or any other person or at any other location. Area Representative will be responsible for compliance with all minimum wage and hour and other employment laws applicable to Area Representative's employees attending training and/or providing services during training. Area Representative assumes all responsibility for any injuries sustained by Area Representative, its principals, owners, managers, or employees while attending training. Area Representative agrees to indemnify and hold harmless Franchisor and its affiliates, agents and employees from any injuries or damages arising out of or related to attendance and participation in training by Area Representative or its principals, owners, managers, or employees.

8.4 Refer Leads.

Franchisor will refer all leads that it receives for prospective franchisees of Unit Franchises in the Territory to Area Representative.

8.5 Training of Unit Franchisees.

Franchisor will provide an initial training program for each franchisee of a Unit Franchise developed in the Territory. The training program may be conducted exclusively in Michigan or, in Franchisor's discretion, portions of the training program may be conducted in the Territory using a Unit Franchise operated by Area Representative or its affiliate or another Restaurant in the Territory. If Franchisor uses a Unit Franchise of Area Representative as a training Restaurant, Franchisor's standard policies for use of a franchisee's Restaurant as a training Restaurant will apply.

8.6 Consultation with Franchisor Representative.

Area Representative will have access to a person assigned by Franchisor for consultation with regard to the Area Representative's business and Franchisor's standards and procedures. Franchisor will not be obligated to incur expenses for travel for its personnel in providing this service.

8.7 Payment of Fees.

Franchisor will pay Area Representative the fees as described in Article 6 above.

8.8 Enforcement Actions.

Franchisor will consult with Area Representative and reasonably cooperate with Area Representative before bringing any action against a Unit Franchise in the Territory. In such cases, Area Representative will be given notice of the proposed action and a reasonable opportunity to negotiate with the Unit Franchise to amicably resolve the dispute before any action is brought against the Unit Franchise. Area Representative must not settle any such dispute without the prior written consent of Franchisor.

ARTICLE 9—FRANCHISE MARKS

9.1 Use of Franchise Marks.

Area Representative will have the right to use the Franchise Marks in connection with the marketing of Unit Franchises in the Territory and in connection with the placement of advertising for the businesses of Unit Franchises in the Territory. All such use of the Franchise Marks must be in compliance with the then current standards and procedures of Franchisor for such use and must be approved in advance in writing by Franchisor. If the Franchise Marks are modified or changed by Franchisor, Area Representative will have the right and obligation to use the modified or changed Franchise Marks.

9.2 Acknowledgement of Franchise Marks.

Area Representative acknowledges the validity of the Franchise Marks and that the Franchise Marks are the sole property of Franchisor. Area Representative also agrees that any further rights or goodwill that may develop in any of the Franchise Marks in the future will inure solely to the benefit of Franchisor. Area Representative must promptly notify Franchisor of any unauthorized use of the Franchise Marks, or any name or mark confusingly similar to the Franchise Marks, or any claim or litigation involving the Franchise Marks. Franchisor will have

the right to control any negotiations, proceedings or litigation involving the Franchise Marks. Area Representative must not initiate, settle or compromise any lawsuit or other proceeding involving the Franchise Marks without the prior written consent of Franchisor. If Franchisor chooses to prosecute any violation of the Franchise Marks or undertakes the expense of any defense of the Franchise Marks, Area Representative must execute all documents and do all acts necessary or incidental to that action as counsel for Franchisor may reasonably request.

ARTICLE 10—ACCESS AND AUDIT

10.1 Access and Audit by Franchisor.

Franchisor will have the right to enter on, inspect and audit all aspects of Area Representative's business, including all books, records and supporting data, facilities, business equipment, materials and services and any other matters relating to Area Representative's obligations under this Agreement. Such access and audit must be at reasonable times and after reasonable notice and must not unreasonably interfere with Area Representative's business. Area Representative must fully cooperate with Franchisor in providing such access and in the conduct of any audit.

10.2 Access and Audit by Area Representative.

Area Representative will have the right to inspect and audit the books, records, and supporting data of Franchisor relating to Franchisor's obligations to Area Representative under this Agreement. Such access and audit must be at reasonable times and after reasonable notice and must not unreasonably interfere with Franchisor's business. Franchisor must fully cooperate with Area Representative in providing such access and in the conduct of any audit.

ARTICLE 11—CONFIDENTIALITY AND NON-COMPETITION

11.1 Confidential Information.

Area Representative acknowledges that Franchisor is the owner of all proprietary rights in and to the Franchise Systems and any operations manuals or Area Representative Manual and all material now or later revealed to Area Representative under this Agreement relating to the Franchise Systems, any operations manuals or Area Representative Manual or the Area Representative Franchise. Area Representative further acknowledges that the Franchise Systems and any operations manuals or Area Representative Manual, in their entirety, constitute trade secrets and/or confidential information (hereinafter "Confidential Information") of Franchisor that is revealed to Area Representative in confidence, solely for the purpose of enabling Area Representative to operate the Area Representative Franchise in accordance with the terms of this Agreement. Area Representative agrees that during the term of this Agreement and after termination or expiration of this Agreement, Area Representative and its shareholders, officers, directors, partners, owners, investors, employees or agents must not reveal any aspect of the Franchise Systems or any operations manuals or Area Representative Manual or any documentation relating to the Franchise Systems, any operations manuals or Area Representative Manual or the Area Representative Franchise to any person or entity other than a person authorized by Franchisor. Area Representative must require its employees and agents to execute a confidentiality and non-competition agreement in the form specified by Franchisor before revealing any aspect of the Franchise Systems, any operations manuals or Area Representative Manual or the Area Representative Franchise to the employee.

The Confidential Information includes, but is not limited to:

(a) Area Representative Manuals, operations manuals, training methods, operations methods, menus, recipes, food preparation techniques and other techniques, processes, policies, procedures, systems and data;

(b) Knowledge and experience relating to Restaurants;

(c) Advertising, marketing techniques and advertising programs used in developing and operating Restaurants;

(d) All information regarding the identities and business transactions of customers and suppliers;

(e) Computer software and similar technology that has been or may be developed by or for Franchisor or its agents, which is proprietary to Franchisor, including, without limitation, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;

(f) Knowledge of the operating results and financial performance of Restaurants;

(g) Other aspects of the Franchise Systems now or later revealed to Area Representative under this Agreement and all changes and enhancements in the Franchise Systems, even if developed by Area Representative.

(h) Other property that Franchisor describes as being Confidential Information or trade secrets of the Franchise Systems.

11.2 Ownership and Use of Confidential Information.

Area Representative acknowledges that Franchisor owns the Confidential Information and agrees that Area Representative will not acquire any interest in the Confidential Information, other than the right to use it as Franchisor specifies solely for the purpose of recruiting and selling the Franchise Units during the term of this Agreement. Area Representative acknowledges and agrees that the Confidential Information is proprietary to Franchisor and is disclosed to Area Representative in confidence only on the condition that Area Representative and its shareholders, officers, directors, partners, members, managers, owners, investors, employees and agents, Family Members (defined in Section 11.5) and affiliates of Area Representative agree that they will:

(a) Not use the Confidential Information in any business or capacity other than in selling and/or operating the Unit Franchises as authorized by this Agreement, both during

the term of this Agreement and after expiration or termination of this Agreement for as long as the Confidential Information is not generally known in the industry;

(b) Keep each item deemed to be part of Confidential Information absolutely confidential, both during the term of this Agreement and after expiration or termination of this Agreement for as long as the item is not generally known in the industry;

(c) Not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form;

(d) Adopt and implement procedures to prevent unauthorized use or disclosure of Confidential Information, including, without limitation, restricting its disclosure to Area Representative's employees; and

(e) Require Area Representative's employees, agents, and any other person or entity that Area Representtive reveals Confidential Information to, to sign an agreement relating to confidentiality and/or non-competition in the form specified by Franchisor before revealing any aspect of the Confidential Information to them. Franchisor has the right to be a third party beneficiary of those agreements with independent enforcement rights.

Area Representative acknowledges and agrees that it will be liable to Franchisor for any use of the Confidential Information not authorized by this Agreement. If Area Representative or its shareholders, officers, directors, partners, members, managers, owners, investors, employees, agents, and Family Members receive notice of any request, demand, or order to transfer or disclose all or any portion of the Confidential Information, Area Representative must immediately notify Franchisor, and must fully cooperate with and assist Franchisor in prohibiting or denying any such transfer or disclosure. If such transfer or disclosure is required by a valid, final, non-appealable court order, Area Representative must fully cooperate with and assist Franchisor in protecting the confidentiality of the Confidential Information to the maximum extent permitted by law.

11.3 Restrictions on Competition During Term.

During the term of this Agreement, Area Representative, and its past, present and future shareholders, officers, directors, partners, members, managers, owners and investors, Family Members (defined in Section 11.5) and affiliates of Area Representative must not, directly or indirectly: (a) represent, offer, sell or refer any prospective franchisee to any franchise concept other than Savvy Sliders Unit Franchises under this Agreement; (b) engage in any business or entity that franchises, licenses, or otherwise grants to others the right to operate a franchise of any type; (c) engage in any activity in competition with the Franchisor or its franchisees, including but not limited to involvement, whether as an owner (except ownership of no more than 1% of a publicly traded entity), director, officer, member, manager, employee, consultant, lender, representative or agent, or in any other capacity, or otherwise in any business that is involved, in whole or in part, in a Competing Business (defined in Section 11.5 below); or (d) employ any person or furnish or permit access to any proprietary information of Franchisor to any person who is engaged or has arranged to become engage in any Competing Business.

11.4 Restrictions on Competition After Term.

On the termination (including termination on transfer), expiration or non-renewal of this Agreement, Area Representative, its shareholders, officers, directors, members, managers, partners, owners and investors, Family Members and affiliates must not, directly or indirectly: (a) represent, offer or sell any franchise concept for a Competing Business (defined in Section 11.5 below); (b) engage in any activity in competition with the Franchisor or its franchisees, including but not limited to involvement, whether as an owner, partner, director, officer, member, manager, employee, consultant, lender, representative or agent, or in any other capacity in any business that is involved, in whole or in part, in a Competing Business; or (c) engage in any business or entity that franchises, licenses, or otherwise grants to others the right to operate a Competing Business. The restrictions in this Section will apply within the Geographic Areas (defined in Section 11.5 below) and for a period of three (3) years following the date of expiration or termination, or the date Area Representative or other applicable person ceases to operate the Competing Business, whichever is later.

11.5 Other Restrictions.

Area Representative, its shareholders, officers, directors, partners, members, managers, owners and investors, Family Members and affiliates of Area Representative, must not, during the term of this Agreement and for a period of three (3) years after termination, expiration or non-renewal of this Agreement: (a) divert or attempt to divert any business or customer of a Unit Franchise to any Competing Business by direct or indirect inducements or otherwise; (b) sponsor, appoint or encourage or influence or promote friends, relatives or associates to operate a Competing Business; or (c) employ any person or furnish of permit access to Franchisor's confidential or proprietary information to any person who is engaged or has arranged to become engaged in any activity in competition with Franchisor or Unit Franchises, including but not limited to involvement, either as a owner (except no more than 1% of the publicly traded securities of an entity), partner, director, officer, member, manager, employee, consultant, lender, representative or agent, or in any other capacity, of any business that is involved, in whole or in part in a Competing Business.

11.6 Definition of Competing Business, Geographic Areas and Family Members.

The following definitions will apply to this Agreement:

(a) "Competing Business" means any business that is the same or similar as the Franchisor's business, the Area Representative Franchise or the Unit Franchise or that would compete with those businesses.

(b) "Geographic Areas" means the Territory, the territory of any other area representative, and the protected area of any Unit Franchise.

(c) "Family Members" means all individuals with any of the following relationships with the Area Representative or any of its shareholders, officers, directors, partners, members, managers, owners or investors and any of their affiliates: (i) spouse; (ii) children; (iii) grandchildren; (iv) stepchildren; (v) parents; (vi) siblings; (vii) spouse's parents; and (viii) spouse's siblings.

11.7 Acknowledgements and Agreements Relating to Confidentiality and Restrictions on Competition.

If Area Representative is not an individual, the owners of Area Representative (stockholders, partners, members, etc.) will be bound by the provisions of Article 11 and must, contemporaneously with signing this Agreement, sign the Obligations and Representations of Individuals Involved in the Area Representative Franchise attached as Appendix B to this Agreement. Area Representative and its owners must also execute a separate Confidentiality and Nondisclosure Agreement and Covenant Not to Compete in a form specified by Franchisor.

Area Representative acknowledges that, although under certain circumstances restrictive covenants against competition may not be enforceable, Area Representative regards the restrictive covenants contained in this Agreement as reasonable under all the facts and circumstances, and hence as enforceable, and that it is entering into this Agreement with the intent of being bound by the restrictive covenants contained in this Agreement. If the above restrictions or any part of these restrictions are invalid, this Article will be considered as imposing the maximum restrictions allowed under the applicable state law in place of the invalid restriction or part of the restriction. In addition, Franchisor reserves the right to reduce the scope of these provisions without Area Representative's consent, at any time, effective immediately on notice to Area Representative.

Area Representative agrees to have each of its management and/or supervising employees sign a confidentiality, non-disclosure, and non-competition agreement consistent with the terms of this Section in a form supplied by Franchisor.

ARTICLE 12—TRANSFERABILITY

12.1 General Rule.

This Agreement is personal to Area Representative or to the owners of Area Representative if Area Representative is a corporation, partnership, limited liability company or other entity. Accordingly, neither Area Representative nor any person owning any direct or indirect ownership or equity interest in Area Representative, may, without Franchisor's prior written consent, directly or indirectly or contingently, whether voluntarily or by operation of law, sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in: (a) this Agreement; (b) the Area Representative Business or any of the assets of the Area Representative Business; or (c) or any equity or voting interest in Area Representative. Any such act or event described above in this Section or any other act defined as a transfer elsewhere in this Agreement will be referred to as a "Transfer." Any permitted Transfer must only be made in accordance with the provisions of this Article 12. Area Representative does not have the right to sublicense any of the rights granted by this Agreement. Any attempted Transfer not in accordance with this Agreement will have no effect and will constitute a breach of this Agreement.

If Area Representative is a corporation, partnership, limited liability company or other entity, all shares of stock or other evidences of ownership of the entity must bear the following legend: The shares of capital stock or other ownership interests represented by this certificate are subject to a written Area Representative Agreement which grants Savvy Sliders Franchise LLC a right of first refusal to purchase shares of capital stock or other ownership interests from the owner.

12.2 Notice of Proposed Transfer; Right of First Refusal.

Area Representative or any person owning an interest in Area Representative or any legal heir or devisee of any deceased Area Representative or person owning an interest in Area Representative ("Seller") who receives and desires to accept a bona fide offer from a third party to engage in a Transfer, must notify Franchisor in writing of such offer ("Offer Notice") within ten (10) days of receipt of the offer. The Offer Notice must describe the proposed Transfer in detail, including the name and address of the proposed purchaser, the nature of the Transfer, the consideration to be paid and all other material terms and conditions of the Transfer. In addition to the Offer Notice, the Seller must also deliver copies of all documents to be executed in conjunction with the Transfer and any financial or other information as Franchisor may specify to reasonably inform Franchisor of the financial condition of the Area Representative Franchise.

Franchisor will have, for a period of forty-five (45) days from the date of delivery of the information specified above, the right and option ("right of first refusal"), exercisable by written notice to the Seller, to purchase the Seller's interest on the terms specified in the Offer Notice (modified as described below). Franchisor may designate a substitute purchaser to complete the Transfer. If the Transfer involves the purchase of stock or other ownership interests, Franchisor will have the option to purchase the assets of the Area Representative Franchise instead for equivalent consideration. If the consideration, terms or conditions offered by the proposed purchaser are such that Franchisor may not reasonably be required to furnish the same, for example, if the consideration is not cash or cash equivalents, Franchisor may pay a reasonable equivalent in cash. If the Seller and Franchisor may appoint an independent appraiser, whose determination will be binding on Seller and Franchisor.

If Franchisor exercises its right of first refusal, the Transfer between Franchisor and Seller will be closed by the later of: (a) ninety (90) days after exercise of the right of first refusal; or (b) thirty (30) days after any necessary determinations of equivalent or substitute cash consideration. Franchisor will be entitled to customary warranties, closing documents and post closing indemnification.

If Franchisor does not exercise its right of first refusal and Franchisor consents to the proposed Transfer (subject to the conditions set forth in Section 12.3 below), the Seller may complete the proposed Transfer, but only on the same terms as offered to Franchisor. However, the proposed Transfer must be completed within sixty (60) days after the expiration of Franchisor's forty-five-day option period. If the Transfer is not completed within the sixty-day period, the Transfer will again become subject to Franchisor's right of first refusal as set forth in this Section.

12.3 Conditions of Franchisor's Consent to Transfer.

If Franchisor does not exercise its right of first refusal under Section 12.2, Area Representative may only engage in the proposed Transfer if Franchisor consents to the proposed Transfer. Before Franchisor consents to a proposed Transfer, the conditions listed below, as well as any other reasonable conditions specified by Franchisor, must be fulfilled. If these conditions are met, Franchisor will not unreasonably withhold its consent to a proposed Transfer of the type permitted by this Agreement.

Before Franchisor consents to a proposed Transfer, the following conditions must be fulfilled:

(a) The proposed transferee must follow the same application procedures as a new Area Representative and must meet the same standards of character, business experience, credit standing, health, etc. as Franchisor has set for any new area representative.

(b) The proposed transferee must, at Franchisor's option: (i) sign with Franchisor an Area Representative Agreement on the standard form in use by Franchisor at the time of transfer, in which case the new Area Representative Agreement signed by the transferee will continue for the remaining term stated in this Agreement; or (ii) sign, with Area Representative, an assignment and assumption satisfactory to Franchisor, whereby the proposed transferee will assume all of Area Representative's obligations under this Agreement. The owners of the proposed transferee must agree to be personally bound, jointly and severally, by all of the provisions of this Agreement or the new area representative agreement, as applicable.

(c) The proposed transferee has completed Franchisor's training program to Franchisor's satisfaction, exercised in good faith.

(d) As of the date of the Transfer, Area Representative has fully complied with all of its obligations to Franchisor, whether under this Agreement or any other agreement with Franchisor.

(e) The terms of the proposed Transfer must not place unreasonable burdens on the proposed transferee.

(f) Area Representative must sign at the time of sale an agreement terminating this Agreement (unless this Agreement will be assigned to the transferee--see subsection (b) above) and must sign an agreement, in the form specified by Franchisor, releasing Franchisor and its affiliates, owners, officers, directors, employees and agents from any and all claims and causes of action.

(g) The proposed transferee must pay Franchisor a transfer fee equal to twenty-five (25%) percent of the initial area representative fee paid by Area Representative under this Agreement.

(h) The proposed transferee and its owners, shareholders, officers, directors, partners, members, investors, employees and agents and their family members and affiliates of Area Representative must not be an owner, shareholder, officer, director, partner, member, investor, employee, agent or consultant of or to a business that competes with Savvy Sliders Restaurants. On Franchisor's request, the transferee may be required to sign an acknowledgement of compliance with this prohibition.

(i) If the Transfer involves installment payments by the transferee to the Seller, the Seller must sign a subordination agreement under which the Seller subordinates its right to receive any installment from the transferee to Franchisor's right to receive any and all amounts due it from Area Representative under this Agreement through the due date of the installment. The subordination agreement must be in a format and contain such additional terms and conditions as may be specified by Franchisor.

Area Representative acknowledges that the conditions listed above are necessary for protection of the Franchise Marks and Franchise Systems and do not impose unreasonable restrictions on the transfer of this Agreement.

12.4 Transfer on Death or Incapacity.

If Area Representative or the last surviving Designated Individual of Area Representative (if Area Representative is a corporation, partnership, limited liability company or other entity) dies or becomes incapacitated, Area Representative's or the Designated Individual's rights under this Agreement will pass to the estate, heirs, devisees or legal representatives of Area Representative or the Designated Individual of Area Representative (collectively referred to in this Agreement as the "estate"). The estate may continue to perform under this Agreement if: (a) the estate provides a qualified individual acceptable to Franchisor to manage the business of Area Representative on a full time basis; (b) this manager attends and successfully completes Franchisor's training program at the estate's expense; and (c) this manager assumes full time operation of the business of Area Representative within ninety (90) days of the date Area Representative dies or becomes incapacitated. If the estate fails to designate an acceptable manager or the designated manager fails to attend and satisfactorily complete the training program and to assume the full time operation of the business of Area Representative within 90 days of the death or incapacity, then the estate must sell the estate's interest in this Agreement within one hundred eighty (180) days of the date of death or incapacity. Any sale is subject to Franchisor's right of first refusal under Section 12.2 and subject to Franchisor's consent under Section 12.3.

After the date of death or incapacity, until a trained manager assumes full time operational control of Area Representative's business or until the estate's interest in Area Representative's business or in this Agreement is sold, Franchisor may, at its option, assume control of and operate Area Representative's business. During any period that Franchisor operates Area Representative's business, Franchisor may deduct its expenses for payroll, travel, lodging, meals and all other expenses and fees from the gross revenues of Area Representative's business. Any remaining gross revenues of the Area Representative's business, after paying all other operational expenses of Area Representative's business will be paid to the estate. Any deficiency in amounts due to Franchisor under this Section or any deficiencies from operation of Area Representative's business must be

paid by the estate within ten (10) days of a notice of deficiency from Franchisor. Franchisor is not obligated to operate Area Representative's business. If Franchisor does operate Area Representative's business, Franchisor will not be responsible for any operational losses of Area Representative's business, nor will Franchisor be obligated to continue operation of Area Representative's business. Area Representative hereby irrevocably appoints and designates Franchisor as Area Representative's attorney-in-fact for the purpose of taking operational control of Area Representative's business as provided in this paragraph. This power of attorney will apply to all aspects of operation of Area Representative's business, including, without limitation, control over Area Representative's bank accounts and the premises and assets of Area Representative's business. Area Representative agrees and directs that third parties, including, without limitation, landlords, banks, vendors and employees may rely on this power of attorney.

12.5 Transfers to Controlled Entities.

If Area Representative is in full compliance with this Agreement, the Agreement may be assigned to a corporation, partnership or other entity in which Area Representative owns and will continue to own all the issued and outstanding stock, partnership interest, or other ownership interests and in which Area Representative will act as its principal executive officer or manager ("Controlled Entity"), provided that:

(a) All owners of the Controlled Entity execute this Agreement and agree to be personally bound, jointly and severally, by all of the provisions of this Agreement;

(b) The Controlled Entity agrees to be bound by all the provisions of this Agreement and to assume and discharge all of Area Representative's obligations under this Agreement; and

(c) The Controlled Entity will have no right to engage in a Transfer except in accordance with the provisions of Article 12 of this Agreement.

12.6 Assignment by Franchisor.

This Agreement is fully assignable by Franchisor and will inure to the benefit of any assignee or other legal successor to the interests of Franchisor. Franchisor may sell, assign, discount or otherwise transfer any rights under this Agreement or any other assets of Franchisor or its owners, without notice to or approval of Area Representative or any other area representative or franchisee, at any time. However, Franchisor will remain liable for the performance of its obligations under this Agreement or will make adequate provision for the performance of those obligations by the assignee, to the extent required by applicable law.

ARTICLE 13—DEFAULT AND REMEDIES; TERMINATION

13.1 Default by Franchisor; Termination by Area Developer.

Franchisor will be considered in default of this Agreement if Franchisor breaches any material obligations of Franchisor under this Agreement and fails to cure that default within 60 days of written notice from Area Representative. As a remedy for a default by Franchisor, Area Representative may elect to terminate this Agreement, but only if: (a) Area Representative is in full compliance with all terms of this Agreement; (b) Area Representative provides written

notice to Franchisor by certified mail, return receipt requested, specifying a default of this Agreement by Franchisor and the proposed date of termination; and (c) Franchisor has committed the default and has not cured the default within sixty (60) days of written notice from Area Representative of the default. Written notice from Area Representative of the default must specify in writing with particularity the nature of the default and the steps Area Representative requests that Franchisor take to cure the default. Franchisor will have not less than sixty (60) days to cure the default. Failure of Area Representative to comply with the provisions of this Section will result in any attempt to terminate being deemed null and void and without legal effect.

13.2 Default by Area Representative.

Area Representative will be considered in default of this Agreement on the occurrence of any of the events listed in Sections 13.3 and 13.4 or otherwise listed as a default in this Agreement or if Area Representative breaches any other obligation of Area Representative under this Agreement.

13.3 Events of Default by Area Representative; No Right to Cure.

Any of the following events will constitute a default by Area Representative and good cause for termination of this Agreement by Franchisor without affording Area Representative an opportunity to cure.

(a) Any material misrepresentation or dishonesty by Area Representative;

(b) Area Representative violates the provisions of Section 11.2 restricting Area Representative's activities during the term of this Agreement;

(c) The conviction of, or plea of guilty or no contest by the Area Representative or a Designated Individual of the Area Representative to: (i) a crime, offense or misconduct for which the minimum penalty includes imprisonment for more than one (1) year; or (ii) any crime, offense or misconduct for which the minimum penalty includes imprisonment for one-year or less that involves fraud or dishonesty or is in any other way relevant to the operation of Area Representative's business;

(d) Intoxication, illegal drug use or other substance abuse by Area Representative or the Designated Individual that interferes with the operation of the Area Representative Franchise;

(e) Any conduct by the Area Representative that reflects materially and adversely on the operation or reputation of the Franchise Marks or Franchise Systems;

(f) Area Representative has failed to cure any defaults in the Minimum Development Schedule beyond the cure periods specified in Section 7.5 of this Agreement; (g) Area Representative has received one (1) or more prior notices of default and/or to terminate for the same or similar default during any consecutive twelve-month period; or

(h) Area Representative has received two (2) or more prior notices of default and/or to terminate, whether or not for the same or similar default, during any consecutive twelve-month period.

13.4 Events of Default by Area Representative; Right to Cure.

Any of the following events will constitute a default by Area Representative and good cause for termination of this Agreement by Franchisor if the Area Representative fails to cure the default during the applicable cure period specified in Section 13.5 below.

(a) Adjudication of bankruptcy of Area Representative, the insolvency of Area Representative, appointment of a receiver or trustee to take charge of the Area Representative's business by a court of competent jurisdiction or the general assignment by Area Representative for the benefit of creditors;

(b) A final judgment or the unappealed decision of a regulatory officer or agency that results in a temporary or permanent suspension of any permit or license that is a prerequisite to operation of Area Representative's business;

(c) A default by Area Representative under any promissory note issued to Franchisor, including but not limited to, a Promissory Note referenced in Section 4.1 of this Agreement; and

(d) Any assignment or transfer of this Agreement or of any ownership interest in Area Representative without complying with Article 12 of this Agreement;

(e) The Minimum Performance Requirement has not been met for three (3) consecutive calendar years after applicable notice as described in Section 7.6 of this Agreement;

(f) Any material breach of this Agreement by Area Representative or a material breach by Area Representative or an affiliate of Area Representative of any of the terms of any other agreements entered into with Franchisor.

13.5 Termination by Franchisor.

Franchisor has the right to terminate this Agreement before its expiration only for good cause and only in accordance with the requirements of this Section. Good cause for termination of this Agreement by Franchisor includes any default of Area Representative as defined in this Article 13 or elsewhere in this Agreement.

(a) On the happening of any of the events specified in Section 13.3, Franchisor may, at Franchisor's option, terminate this Agreement effective on delivery of written notice

to Area Representative without affording Area Representative an opportunity to cure (except as may be required by applicable law).

(b) On the happening of any of the events specified in Section 13.4 or elsewhere in this Agreement or for any other good cause, Franchisor may, at its option, terminate this Agreement effective on written notice to Area Representative and Area Representative's failure to cure the defaults during the applicable cure period. Written notice of termination from Franchisor must specify any defaults under this Agreement or other reasons for termination and the date the termination will be effective. The effective date of termination must be: (i) at least ten (10) days from the date of notice for any monetary defaults; and (ii) at least thirty (30) days from the date of notice in all other instances. Termination will be automatically effective without further action by Franchisor on the date specified in the notice as the effective date of termination unless Area Representative completely cures, before the date specified in the notice as the effective date of termination, all the defaults or other reasons for termination specified by Franchisor in the notice.

13.6 Provisions Applicable on Bankruptcy.

If termination of this Agreement by Franchisor or expiration of this Agreement is precluded by operation of the bankruptcy laws, then Franchisor may terminate this Agreement unless Area Representative: (a) immediately and fully compensates Franchisor for any such breach or provides Franchisor with adequate assurances of prompt and full compensation for the breach; and (b) provides Franchisor with adequate assurance of future performance under this Agreement. For purposes of this Section: (i) full compensation must include full payment of any losses suffered by Franchisor due to Area Representative's actions or inaction; (ii) adequate assurance of prompt and full compensation must include, at a minimum, immediate presentation to Franchisor by Area Representative of an irrevocable letter of credit in an amount sufficient for full compensation of Franchisor, issued to the account of Area Representative by a commercial bank, payable to Franchisor, at sight, within thirty (30) days from the date of issuance, on presentation of an affidavit signed by Franchisor stating that Franchisor is entitled to payment pursuant to this Agreement; and (iii) adequate assurances of future performance must include immediate presentation to Franchisor by Area Representative of an irrevocable letter of credit (or a series of such letters of credit covering all the periods during which such payment may be demanded) in an amount sufficient to make full payment to Franchisor of any amounts that will be due under this Agreement.

13.7 Right to Withhold Services and Payments on Default by Area Representative.

If Area Representative commits a default under this Agreement that is not cured within ten (10) days of written notice, then Franchisor will have the right to: (a) withhold Franchisor's support services from Area Representative; (b) prohibit Area Representative from attending any meetings or seminars held or sponsored by Franchisor; (c) terminate access to any computer system provided to Area Representative by Franchisor; and/or (d) withhold payments due to Area Representative under Article 6 of this Agreement. Franchisor's actions as authorized in this Section may continue until Area Representative has cured its defaults and will not suspend or release Area Representative from any obligation that Area Representative owes to Franchisor or its affiliates under this Agreement or otherwise.

13.8 Other Remedies.

The exercise of any remedy by Franchisor as described in this Article 13 or elsewhere in this Agreement and/or enforcement of the provisions of Article 14 on termination or expiration of this Agreement will not affect or prejudice any other rights or remedies of Franchisor for breach of this Agreement by Area Representative whether those rights and remedies are contained in this Agreement or otherwise provided by law or equity. Franchisor's other rights and remedies may include, but are not limited to, an action for specific enforcement of this Agreement or other injunctive relief or an action for damages caused by the breach.

ARTICLE 14 – EFFECT OF TERMINATION OR EXPIRATION

14.1 Rights and Obligations of the Parties on Expiration or Termination.

On the expiration of the term of this Agreement or on the prior termination of this Agreement, all rights of Area Representative under this Agreement will cease, including, but not limited to, the rights to develop Unit Franchises in the Territory and the following provisions will apply:

(a) Expiration or termination of this Agreement under any circumstance will not abrogate, impair, release or extinguish any debt, obligation or liability of the parties to this Agreement that may have accrued under this Agreement on or before the date of expiration or termination, including, but not limited to, any debt, obligation or liability that was the cause of termination or arose out of such cause.

(b) Other than amounts to which Area Representative may be entitled under Article 6 based on amounts received by Franchisor on or before the date of expiration or termination, Area Representative will not be entitled to any further fees or payments from Franchisor under any provision of this Agreement, and Area Representative will have no further obligation to perform service or assistance to franchisees in the Territory required under this Agreement.

(c) Expiration or termination of this Agreement will not affect the parties rights and obligations under Section 7.23 relating to indemnification, Article 9 relating to trademarks, Article 11 relating to confidentiality and noncompetition, Article 15 relating to dispute resolution or other rights and obligations under this Agreement that, by their terms or intent survive expiration or termination of this Agreement.

(d) Expiration or termination of this Agreement will not, by itself, cause the termination of any Unit Franchise Agreements between Franchisor and Area Representative or any of its affiliates.

(e) Area Representative must immediately return to Franchisor, at Area Representative's expense, all materials belonging to Franchisor, including Area Representative Manuals, marketing materials, equipment, documents, forms, current and outstanding reports and all other items that are the property of Franchisor.

(f) Area Representative must immediately and permanently discontinue using any of the Franchise Marks, Confidential Information, copyrighted materials, signs, symbols, trade dress, advertising, and other property of Franchisor; provided, however, that Area Representative's obligations under this paragraph will not apply to Area Representative's rights under any Unit Franchise Agreements between Franchisor and Area Representative in effect and in good standing on such termination.

(g) If Area Representative is indebted to Franchisor under any note or payment plan relating to this Agreement, all amounts due to Franchisor will be accelerated and payable in full on termination of this Agreement; provided, however, that this paragraph will not apply to Area Representative's obligations under any note or payment plan arising under any Unit Franchise Agreements between Franchisor and Area Representative in effect and in good standing on such termination.

14.2 Liquidated Damages.

In the event of the termination of this Agreement following Area Representative's default, Area Representative will be liable to Franchisor for damages suffered by Franchisor. The parties acknowledge that the amount of the actual damages suffered by Franchisor may include but will not be limited to the expenses of finding and training a new area representative for the Territory and performing Area Representative's duties in the interim. The parties agree that these damages are difficult to determine at this time but that a reasonable estimate of those damages is fifty percent (50%) of the initial area representative fee paid by Area Representative. Area Representative agrees to pay this amount to Franchisor, as a liquidated damage, within thirty (30) days after termination of this Agreement following Area Representative's default.

If any court interprets the liquidated damages payable under this Section to be invalid or unenforceable because it is found to be either a penalty or not a reasonable estimate of actual damages, the amount of such payment will be automatically amended to the extent necessary to be found to be valid and enforceable by such court.

ARTICLE 15 – NEGOTIATION; LAW AND JURISDICTION; INJUNCTIVE RELIEF; COSTS OF ENFORCEMENT; JURY WAIVER; LIMITATIONS OF CLAIMS

15.1 Negotiation.

Except for actions described in Section 15.2, the parties will try to resolve all disputes by having Area Representative or the Designated Individual negotiate with an executive officer of Franchisor to resolve the dispute, including at least one (1) face-to-face meeting. The parties agree to conduct these negotiations in good faith and to use their best efforts to resolve any such disputes. If the parties have not resolved the dispute within ten (10) days after beginning these negotiations, then either party may take action to enforce its rights.

15.2 Disputes Not Subject to Negotiation.

The following controversies, disputes and claims between the parties referred to in Section 15.1 will not be subject to negotiation: (a) any dispute involving the Franchise Marks; (b) any dispute involving termination of this Agreement by the Franchisor under Article 13; (c) any dispute involving enforcement of the restrictions on competition set forth in Article 11 of this Agreement;

and (d) any judicial proceeding in equity seeking temporary restraining orders, preliminary injunctions or other interlocutory relief.

15.3 Applicable Law.

This Agreement takes effect on its acceptance and execution by Franchisor in Michigan. Except for the applicability of the U.S. Trademark Law or other applicable federal law, all controversies, disputes or claims arising from or related to: (a) this Agreement or any other agreement between Area Representative (or Area Representative's owners) and Franchisor; (b) Franchisor's relationship with Area Representative; (c) the validity of this Agreement or any other agreement between Area Representative (or Area Representative's owners) and Franchisor; or (d) any standard under the Franchise Systems, Area Representative Manual and/or Operations Manual; will be interpreted and construed under the laws of Michigan. In the event of any conflict of law, the laws of Michigan will prevail, without regard to the application of Michigan conflict-of-law rules. If, however, any provision of this Agreement would not be enforceable under the laws of Michigan, and if Area Representative's business is located outside of Michigan and such provision would be enforceable under the laws of the state in which Area Representative's business is located, then such provision will be interpreted and construed under the laws of that state. Notwithstanding the foregoing, this Agreement will not be subject to any franchise or similar law, rule, or regulation of the State of Michigan unless the jurisdictional requirements of that law are met independently without reference to this Section.

15.4 Jurisdiction and Venue.

Any action brought by Area Representative (or Area Representative's owners) against Franchisor or Franchisor's affiliates or their respective owners, officers, directors, managers, agents or employees, must be brought exclusively, and any action brought by Franchisor against Area Representative (or Area Representative's owners) may be brought, in the federal district court covering the location at which Franchisor has its principal place of business at the time the action is commenced; provided, however, that if the federal court would not have subject matter jurisdiction had the action been commenced in such court, then, in such event, the action must (with respect to actions commenced by Area Representative), and may (with respect to actions commenced by Franchisor), be brought in the state court within the judicial district in which Franchisor has its principal place of business at the time the action is commenced. Franchisor's principal place of business is currently Farmington Hills, Michigan. The parties waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision. Neither party will seek a transfer or change in venue from a venue established or authorized in this Section or elsewhere in this Agreement.

15.5 Right to Injunctive Relief.

Notwithstanding Section 15.1, Franchisor will have the right, without the posting of any bond or security and without the need to prove irreparable injury, to obtain specific enforcement of the terms of this Agreement from a court or competent jurisdiction, by temporary or permanent injunctions or other equitable relief. Franchisor will have the right, without limitation, to obtain injunctive relief to prevent Area Representative from engaging in the following acts, which Area Representative acknowledges would cause irreparable harm to Franchisor: (a) using the Franchise Marks during the term of this Agreement in any manner not authorized by this Agreement or infringing on the Franchise Marks after termination of this Agreement; (b) using any of the rights franchised by this Agreement in any manner not authorized by this Agreement; (c) failing to operate in accordance with the standards and procedures specified by Franchisor; (d) engaging in operations in violation of the in-term and post-term restrictions on competition set forth in Article 11; (e) disclosing to any person or using the trade secrets or Confidential Information of Franchisor in violation of this Agreement; (f) engaging in any transfer without complying with this Agreement; (g) engaging in acts or practices in violation of applicable laws and regulations or that are fraudulent, dishonest or create health or other hazards to the public; or (h) significantly impairing the goodwill associated with Franchisor. The sole remedy of Area Representative, in the event of entry of an injunction, will be the dissolution of the injunction, if warranted, after notice and a hearing (all claims for damages by reason of the wrongful issuance of any injunction are being expressly waived by Area Representative). Franchisor's rights to obtain injunctive relief are in addition to all other remedies available to Franchisor under applicable law.

15.6 Costs of Enforcement.

If any legal action or other proceeding is begun for the enforcement of this Agreement, or for an alleged dispute, breach, default or misrepresentation under any term of this Agreement, then Franchisor, if Franchisor is the prevailing party, is entitled to recover reasonable preinstitution and post-institution attorneys fees, court costs, and all expenses even if not taxable as court costs (including all fees and expenses incident to appellant, bankruptcy and post-judgment proceedings), incurred in the action or proceeding in addition to all other relief to which Franchisor is entitled. Attorneys fees includes paralegal fees, administrative costs, investigative costs, costs of expert witnesses, court reporter fees, sales and use taxes, if any, and all other charges billed by the attorney to Franchisor. If Franchisor engages legal counsel because of the Area Representative's failure to pay when due any monies owed under this Agreement or submit when due any reports, information or supporting records, or for any failure to otherwise comply with this Agreement, the Area Representative must reimburse Franchisor on demand for all of the above listed expenses Franchisor incurs.

15.7 No Class Action or Consolidation.

Franchisor and Area Representative agree that any litigation will only be conducted on an individual, not a class-wide basis, and that a litigation proceeding between Franchisor and Area Representative may not be consolidated with any other litigation proceeding between the parties and any other person, corporation, limited liability company, partnership or other entity. The parties waive, to the fullest extent allowed by law, any right to pursue or participate as a lead plaintiff or a class representative in any claim on a class or consolidated basis.

15.8 Jury Waiver; Time Period for Bringing Claims; Limitation of Damages.

SUBJECT TO APPLICABLE STATE LAW, FRANCHISOR AND AREA REPRESENTATIVE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

ALL CLAIMS ARISING UNDER THIS AGREEMENT OR FROM THE RELATIONSHIP BETWEEN THE PARTIES ARE BARRED UNLESS AN ACTION IS

FILED AND TIMELY SERVED ON THE OPPOSING PARTY WITHIN ONE YEAR FROM THE DATE THE PARTY KNEW OR SHOULD HAVE KNOWN OF THE FACTS CREATING THE CLAIM, EXCEPT TO THE EXTENT ANY APPLICABLE LAW OR STATUTE PROVIDES FOR A SHORTER PERIOD OF TIME TO BRING A CLAIM OR AS OTHERWISE REQUIRED BY LAW.

AREA REPRESENTATIVE WAIVES IN ANY JUDICIAL ACTION, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM OF ANY SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES AGAINST FRANCHISOR AND AGREES THAT IN THE EVENT OF A DISPUTE BETWEEN THEM, AREA REPRESENTATIVE WILL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY AREA REPRESENTATIVE.

15.9 Survival.

The provisions of this Article 15 will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

ARTICLE 16 – ACKNOWLEDGMENTS AND REPRESENTATIONS BY AREA REPRESENTATIVE

16.1 Risk of Operations.

Area Representative understands the risks of being involved in an area representative business and is able to bear such risks. Area Representative also acknowledges that the success of the Area Representative Franchise depends primarily on Area Representative's efforts. In addition, other factors beyond the control of Franchisor or Area Representative may affect the success of Area Representative's business, including competition, economic conditions, business trends, costs, market conditions, and other conditions that may be difficult to anticipate, assess or even identify. Area Representative understands and acknowledges that the Area Representative Franchise may lose money or fail.

16.2 Representations by Franchisor.

Area Representative acknowledges and agrees that, except as specifically set forth in this Agreement or the Franchisor's Franchise Disclosure Document or the attached "Acknowledgments by Area Representative," no representations or warranties, express or implied, have been made to Area Representative, either by Franchisor or anyone acting on its behalf or purporting to represent it, including, but not limited to, the prospects for successful operations, the level of business or profits that Area Representative might reasonably expect, the desirability, profitability or expected volume or profit of the Area Representative Franchise. Area Representative acknowledges that all such factors are necessarily dependent upon variables beyond Franchisor's control, including, without limitation, the ability, motivation and amount and quality of effort expended by Area Representatives have made or are authorized to make any oral, written or visual representations or projections of actual or potential sales, earnings, net or gross profits, operational costs or expenses, prospects or chances of success that are not contained in this Agreement or in the Franchisor's Franchise Disclosure Document. Area Representative agrees that it has not relied on, and that Franchisor will not be bound by allegations of any representations as to earnings, sales, profits, costs, expenses, prospects or chances of success that are not contained in this Agreement or the Franchisor's Franchise Disclosure Document.

16.3 Review of Materials and Consultation with Advisors.

Area Representative acknowledges that it is familiar with and has made an independent investigation of the business to be conducted by the Unit Franchise and the Area Representative Franchise and has reviewed Franchisor's Franchise Disclosure Document. Area Representative acknowledges that it has read and understood this Agreement, the appendixes to this Agreement, and the documents relating to this Agreement, if any, and has been given ample time and opportunity to consult with an attorney or other professional advisor about the potential benefits and risks of entering into this Agreement. Area Representative represents that it understands and agrees to be bound by the obligations of this Agreement. Area Representative accepts the terms, conditions, covenants, representations and requirements contained in this Agreement and in Franchisor's Franchise Disclosure Document as being fair and reasonably necessary to maintain the high standards of quality, service and uniformity required to adequately protect and preserve the goodwill associated with the Franchise Marks and the Franchise Systems.

16.4 Independent Status of Contract; Non-Uniformity of Agreements.

Area Representative understands and agrees that Franchisor is entering into this Agreement with Area Representative independently and separately from any franchise or license that Franchisor may grant to any other person or entity, and that Area Representative is not entering into this Agreement in reliance on or because of any other agreement that Franchisor may have entered into with a third party. Area Representative understands and agrees that the terms of Franchisor's agreements with third parties, now and in the future, may be materially different with respect to any terms and condition of this Agreement, including but not limited to, fees, territory, term and renewals. These variations may be based on any factors or conditions that Franchisor deems to be in the best interest of the Savvy Sliders Franchise LLC franchise system or a particular franchise, including but not limited to, peculiarities of a particular area, density, business potential, population of trade area, existing business practices or any other condition that Franchisor deems to be of importance to the operation of a specific franchise. Also, these variations may result from Franchisor, in its sole discretion, compromising, forgiving, or settling claims or disputes with or against other area representatives. Area Representative will not be entitled to require Franchisor to disclose or grant to Area Representative a like or similar variation.

16.5 Terrorist and Money Laundering Activities.

Area Representative and its owners, officers, directors, members, partners and agents represent and warrant to Franchisor that: (a) they are not identified by name or alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control; (b) they are not directly or indirectly owned or controlled by the government of any country that is subject to a United States embargo; (c) they will not act directly or indirectly on behalf of the government of any country that is subject to a United States embargo; and (d) they are in full compliance with all laws proscribing money laundering and corrupt practices. Further, Area Representative and its owners, officers, directors, members, partners and agents represent and warrant to Area Representative that they have not violated and agree not to violate any law prohibiting corrupt business practices, money laundering or the aid or support of persons who conspire to commit acts of terror against any person or government, including acts prohibited by the USA Patriot Act (text currently available at http://www.epic.org/privacy/terrorism/hr3162.html), U.S. Executive Order 13244, or any similar law. The foregoing constitute continuing representations and warranties, and Area Representative and its owners, officers, directors, members, partners and agents must immediately notify Franchisor in writing of the occurrence of any event or the development of any circumstance that might render any of the foregoing representations and warranties false, inaccurate or misleading.

ARTICLE 17 – WAIVERS AND APPROVALS

17.1 No Waivers.

The failure or delay of any party at any time to require performance by another party of any provision of this Agreement, even if known, will not affect the right of that party to require performance of that provision or to exercise any right under this Agreement. The failure or delay of Franchisor to require performance by another area representative of any provision of its agreement, even if known, will not affect the right of Franchisor to require performance of that provision in this Agreement or to exercise any right under this Agreement. Any waiver by any party of any breach of any provision of this Agreement is not a waiver of any continuing or later breach of that provision, a waiver of the provision itself, or a waiver of any right under this Agreement. No notice to or demand on any party in any case, of itself, entitles that party to any other notice or demand in similar or other circumstances.

17.2 Consents, Approvals and Satisfaction; Liability.

Whenever Franchisor's consent or approval is required under this Agreement, consent or approval will not be unreasonably withheld or delayed unless specifically stated in this Agreement to the contrary. All consents or approvals required of Franchisor are not binding on Franchisor unless the consent or approval is in writing and signed by the president or a managing member of Franchisor. Franchisor's consent or approval, whenever required, may be withheld if Area Representative is in default under this Agreement. Where the satisfaction of Franchisor is required under this Agreement, unless the Agreement expressly states otherwise, the satisfaction is determined in Franchisor's sole discretion. Franchisor will not be liable to Area Representative in any manner for providing or failing to provide or for any delay in providing any waiver, approval, assistance, consent or suggestion to Area Representative. Area Representative waives any claims against Franchisor for such liability.

17.3 Franchisor's Reasonable Business Judgment.

Whenever Franchisor has reserved in this Agreement a right to take or to withhold an action, or to grant or decline to grant Area Representative a right to take or omit an action, Franchisor may, except as otherwise specifically provided in this Agreement, make its decision or exercise its rights based on information readily available to Franchisor and Franchisor's judgment of what is in Franchisor's and/or the Savvy Sliders Franchise LLC franchise system's best interests at the time Franchisor's decision is made, without regard to either whether Franchisor could have made other reasonable or even arguably preferable alternative decisions or whether Franchisor's decision promotes its financial or other individual interest. Examples of

items that will promote or benefit the Savvy Sliders Franchise LLC franchise system include, without limitation, enhancing the value of the Franchise Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the Savvy Sliders Franchise LLC franchise system.

ARTICLE 18—GENERAL CONDITIONS AND PROVISIONS

18.1 Independent Contractor.

Area Representative understands and agrees that it will be an independent contractor under this Agreement. Nothing in this Agreement may be construed to create a partnership, joint venture, agency or employment relationship of any kind. The parties acknowledge that this Agreement does not create a fiduciary relationship between the parties. Area Representative will not, without Franchisor's prior written approval, have any power to obligate Franchisor for any expenses, liabilities or other obligations, other than as specifically provided in this Agreement. Except as otherwise expressly authorized by this Agreement, neither party will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between Franchisor and Area Representative is other than that of franchisor and franchisee. Franchisor does not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by Area Representative unless expressly authorized under this Agreement. Franchisor will not be obligated for any damages to any person or property that directly or indirectly arises from or is related to the operation of Area Representative's business by Area Representative.

Area Representative acknowledges and agrees, and will never contend otherwise, that Area Representative alone will exercise day-to-day control over all operations, activities and elements of Area Representative's business and that under no circumstance will Franchisor do so or be deemed to do so. Area Representative further acknowledges and agrees, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the Franchise Systems, which Area Representative is required to comply with under this Agreement, whether contained in the Area Representative Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that Franchisor directly or indirectly controls any aspect or element of the day-to-day operations of the Area Representative's business, which Area Representative alone controls, but only constitute standards that Area Representative must adhere to when exercising control of the day-to-day operations of Area Representative's business.

None of Area Representative's employees will be considered employees of Franchisor. Neither Area Representative nor any of its employees whose compensation Area Representative may pay in any way, directly or indirectly, expressly or by implication, will be construed to be an employee of Franchisor for any purpose, including, without limitation, with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any local, state or federal governmental agency. Franchisor will not have the power to control the terms and conditions of employment of Area Representative's employee or hire or fire Area Representative's employees. Area Representative expressly agrees, and will never contend otherwise, that Franchisor's authority under this Agreement to to perform certain functions for Area Representative's business does not directly or indirectly vest in Franchisor power to hire, fire, or control any of Area Representative's employees.

18.2 Corporation, Partnership or Other Entity.

If Area Representative is a corporation, limited liability company, partnership or other entity, the name and address of each owner of Area Representative is set forth on Appendix B— Obligations and Representation of Individuals Involved in the Area Representative Franchise. Each of those owners must agree, by signing Appendix B, to be personally bound by all the terms and provisions of this Agreement, other than those requiring the payment of money by Area Representative, to the same extent and in the same manner as Area Representative is bound, including but not limited to the confidentiality and restrictions on competition provisions contained in Article 11 of this Agreement. The owners of Area Representative must also personally guaranty the monetary obligations of Area Representative under this Agreement by signing the Personal Guaranty attached as Appendix D.

18.3 Definition of Affiliate.

For purposes of this Agreement, an affiliate of a party is any person (including an individual, sole proprietorship, partnership, corporation, limited liability company or other entity) that, directly or indirectly, controls, is controlled by or is under common control with the party or any of its shareholders, officers, directors, partners, owners or investors.

18.4 Third Parties.

Except as provided in this Agreement to the contrary for any affiliates or franchisees of Franchisor, nothing in this Agreement, whether expressed or implied, is intended to confer any rights under this Agreement on any person (including other area representatives or franchisees) other than the parties and their respective personal representatives, other legal representatives, heirs, successors and permitted assigns.

18.5 Notices.

Unless otherwise specified in this Agreement, notices under this Agreement must be in writing signed by the party serving the same and must be sent by: (a) registered or certified mail, return receipt requested, postage pre-paid, in which case the notice will be complete two (2) days after mailing; (b) overnight courier service, in which case the notice will be complete one (1) day after delivery to the overnight courier; or (c) facsimile with proof of completion, in which case the notice must be sent to the address or facsimile number set forth below or at such address or facsimile number as designated by notice pursuant to this Section.

If to Franchisor:	Savvy Sliders Franchise LLC Attention: Chief Operating Officer 30955 Northwestern Highway, Suite 300 Farmington Hills, Michigan 48334 Fax: (248) 538-0011
With a copy to:	Paul S. Miller, Esq. Schmidt, Isgrigg, Anderson & Miller

2745 Pontiac Lake Rd. Waterford, Michigan 48328 Phone: (248) 682-8800 Fax: (248) 682-0378

If to the Area Representative: See Item 6 of Appendix A.

18.6 Unavoidable Contingencies.

Neither party will be responsible for any contingency that is unavoidable or beyond its control, such as strike, flood, war, rebellion, governmental limitation or Act of God.

18.7 Entire Agreement; Modifications.

This Agreement and all appendixes and other documents attached to this Agreement are incorporated in this Agreement and will constitute the entire agreement between the parties. This Agreement supersedes and replaces any and all previous or contemporaneous written and oral agreements, understandings, promises, representations or dealings between the parties. However, nothing in this Section or otherwise in this Agreement is intended to disclaim or waive Area Representative's reliance on any authorized statements made in the Franchise Disclosure Document delivered to Area Representative or in the exhibits and amendments to the Franchise Disclosure Document. This Agreement may not be amended or modified except in a writing executed by both parties, except that Franchisor may unilaterally modify the Franchise Systems, Area Representative Manual and its specifications as provided in this Agreement. THIS SECTION 18.7 WILL NOT APPLY TO THE SEPARATE CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT AND COVENANT NOT TO COMPETE EXECUTED BY AREA REPRESENTATIVE AND ITS OWNERS OR THE GUARANTY, WHICH EACH CONSTITUTE A SEPARATE AGREEMENT AND WILL NOT BE INTEGRATED WITH OR CONSIDERED A PART OF THIS AGREEMENT.

18.8 Severability.

Each Section, part or provision of this Agreement will be considered severable. If a court of competent jurisdiction finds any Section, part or provision unenforceable, that determination will not impair the operation or affect the validity of the remainder of this Agreement.

18.9 Obligations Joint and Several.

If there is more than one individual or entity executing this Agreement as Area Representative, all such persons are jointly and individually liable for the Area Representative's obligations under this Agreement.

18.10 Execution by Franchisor.

The submission of this Agreement is not an offer by Franchisor and Franchisor is not bound in any way until an executive officer of Franchisor executes this Agreement.

18.11 Headings.

Section and Subsection headings are for convenience of reference only and do not limit or affect the provisions of this Agreement.

18.12 Counterparts.

This Agreement may be executed in any number of counterparts each of which when so executed shall be an original, but all of which together shall constitute one (1) and the same instrument. This Agreement may be executed on signature pages exchanged by electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., <u>www.docusign.com</u>) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. Copies of executed counterparts transmitted by such electronic transmission service shall be considered original executed counterparts for purposes of this Agreement.

18.13 Supplemental Agreements.

Area Representative and/or its owners must sign supplemental agreements, which are attached as Appendixes to this Agreement, simultaneous with the signing of this Agreement, including the following:

(a) **Appendix A—Specifics.** This document describes the Territory, initial term, Minimum Development Schedule, Area Representative's address for notice and other matters referenced in this Agreement.

(b) Appendix B—Obligations and Representation of Individuals Involved in the Area Representative Franchise. The owners of Area Representative must sign this document to agree to be personally bound by the provisions of this Agreement and to provide information about Area Representative and its owners.

(c) Appendix C—Acknowledgements by Area Representative. Area Representative must complete and sign this document to provide information about representations and disclosures by Franchisor so that Franchisor may ensure that all applicable franchise rules and laws have been followed in the sale of the franchise to Area Representative.

(d) **Appendix D—Personal Guaranty.** The owners of Area Representative must sign this document to agree to be personally bound by the financial obligations of Area Representative to Franchisor.

(e) **Appendix E—Promissory Note.** Area Representative must sign this document if Franchisor agrees to finance a portion of the initial area representative fee.

(f) **Appendix F—Electronic Fund Transfer Authorization.** Area Representative must sign this document to authorize Franchisor to withdraw funds from Area Representative's account for payment of amounts owed to Franchisor.

(g) Appendix G – Confidentiality and Non-Disclosure Agreement and Covenant Not to Compete. The Area Representative and each of its individual owners must sign this agreement.

SAVVY SLIDERS FRANCHISE LLC

By:_____

Its:_____

	Acknowledged before me in _	County, Michigan, on	, 20,
by	, the	of the SAVVY SLIDERS FRAN	CHISE LLC, a
Michi	gan limited liability company.		

Notary Signature:	
Print Name:	
Notary Public,	, County, MI
Commission Expires:	
Acting in the County of:	

CORPORATE OR PARTNERSHIP AREA REPRESENTATIVE

By:				

Its:_____

 Acknowledged before me in ______ County, _____, on ____, 20___, by _____, the _____, of _____, a

Notary Signature:	
Print Name:	
Notary Public,	, County, MI
Commission Expires:	
Acting in the County of:	

(Individual Area Representative(s))

20	Acknowledged_,	before	me in	 County,	Michigan,	on _	, by

Notary Signature:	
Print Name:	
Notary Public,	, County, MI
Commission Expires:	
Acting in the County of:	

APPENDIX A—SPECIFICS

ITEM 1: The Territory referred to in Section 2.1 is:

ITEM 2: The initial fee payable by Area Representative is \$

ITEM 3: No later than _____, 20____, Area Representative must enter into a Unit Franchise Agreement with Franchisor for a Unit Franchise to be operated by Area Representative in the Territory. No later than ______, 20____, Area Representative must have that Unit Franchise open and operating in the Territory.

ITEM 4: The Minimum Development Schedule referred to in Section 7.5 is:

Time Period Ending	Cumulative Number of Unit Franchises Developed by Area Representative that must be in Operation in the Territory

ITEM 5: The individual designated (the "Designated Individual") to be involved in the conduct and operation of the Area Representative Franchise pursuant to Section 7.20 of the Agreement is

· · ·

ITEM 6: Area Representative's address and facsimile number for purposes of notice under Section 18.5 are:

Facsimile number: (___) ____

Dated:

SAVVY SLIDERS FRANCHISE LLC	Corporate or Partnership Area Representative	
By:	By:	
Its:	Its:	

(Individual Area Representative(s))

APPENDIX B—OBLIGATIONS AND REPRESENTATIONS OF INDIVIDUALS INVOLVED IN THE AREA REPRESENTATIVE FRANCHISE

This is an Appendix to the Area Representative Agreement between Savvy Sliders Franchise LLC and the Area Representative named below dated ______, 20____ ("Area Representative Agreement"). All capitalized terms not defined in this Appendix will have the same meaning ascribed to them in the Area Representative Agreement.

Each of the individuals signing below (each an "Interested Party") is directly or indirectly beneficially interested in the Area Representative's business as a shareholder, officer, director, partner, member, owner, investor, family member and/or affiliate of Area Representative. As such, each Interested Party hereby agrees to and shall be jointly, severally and personally bound by all the terms and provisions of the Area Representative Agreement, other than those requiring the payment of money by Area Representative, to the same extent and in the same manner as Area Representative is bound, including but not limited to the confidentiality covenants, the non-competition covenants, and all other restrictive covenants set forth in Article 11 of the Area Representative Agreement, whether or not Interested Party's status as a shareholder, officer, director, partner, member, owner, investor, family member and/or affiliate of Area Representative may change or cease during or after the term of the Area Representative Agreement. This Appendix will not impair any separate instrument of guaranty or subordination that any Interested Party signing below has executed or may execute in the future.

Each Interested Party signing below represents and warrants to Franchisor that the following is correct and true:

Legal Name of Area Representative: _____

Type of Entity and State of Organization (sole proprietorship, corporation, partnership, limited liability company, etc.):

d/b/a (if applicable):_____

Address of Area Representative: _____

Business Telephone:

Name, Address, Phone No., Title and % of Ownership of each Owner of an interest in Area Representative or the Area Representative Franchise:

Name	
Address	
Telephone	
Title	% Ownership

Name Address			
Telephone Title			% Ownership
Name			
Address Telephone		 	
Title			% Ownership
(Attach additional sheet	if necessary)		
		 Dated:	
		Dated:	

APPENDIX C—ACKNOWLEDGEMENTS BY AREA REPRESENTATIVE

As you know, you and we are entering into an Area Representative Agreement. The purpose of this Acknowledgement Addendum is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your Area Representative Franchise. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgements and Representations*.

1. Did you receive a copy of our Franchise Disclosure Document (and all exhibits and appendixes) at least 14 days before you signed a binding agreement with, or paid any consideration to, us or our affiliates in connection with the proposed franchise sale? Check one: (_) Yes (_) No. If no, please comment:______

- 1B. If you are a resident of or your franchise will be located in **Indiana**, **Michigan**, **Washington** or **Wisconsin**, did you receive a copy of our Franchise Disclosure Document at least 10 business days before you signed a binding agreement with, or made a payment to, us or our affiliates in connection with the proposed franchise sale? Check one: (_) N/A (_) Yes (_) No. If no, please comment:______
- 2. Were the terms and conditions of the Area Representative Agreement presented to you for signing materially different from the Area Representative Agreement contained in the Franchise Disclosure Document delivered to you: Check one: (_) Yes (_) No.

If yes, did you receive a copy of the Area Representative Agreement in the form presented to you for signing at least seven calendar days before signing the Area Representative Agreement?

Check one: (_) Yes (_) No. If no, please comment:

- 3. Have you studied and reviewed carefully our Disclosure Document and Area Representative Agreement? Check one: (_) Yes (_) No. If no, please comment:_____
- 4. Did you understand all the information contained in both the Disclosure Document and Area Representative Agreement? Check one: (_) Yes (_) No. If no, please comment:_____
- 5. Was any oral, written or visual claim or representation made to you that contradicted the disclosures in the Disclosure Document? Check one: (_) Yes (_) No. If yes, please state in detail the oral, written or visual claim or representation:

- 6. Except as stated in Item 19 of Franchisor's Disclosure Document, did any employee or other person speaking on behalf of Franchisor make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any Restaurant location or business, or the likelihood of success of your Area Representative Franchise? Check one:

 () Yes
 () No. If yes, please state in detail the oral, written or visual claim or representation:
- 7. Except as stated in Item 19 of Franchisor's Disclosure Document, did any employee or other person speaking on behalf of Franchisor make any statement or promise regarding the costs involved in operating a franchise that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document. Check one: (_) Yes (_) No. If yes, please comment:______

8. Do you understand that the Area Representative Agreement contains the entire agreement between you and us concerning the franchise for the Area Representative Franchise, meaning that any prior oral or written statements not set out in the Area Representative Agreement will not be binding? Check one: (_) Yes (_) No. If no, please comment:_____

^{9.} Do you understand that the success or failure of your Area Representative Franchise will depend in large part upon your skills and experience, your business acumen, your

location, the local market for products under Franchisor's trademarks, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you open your Area Representative Business may change? Check one: () Yes () No. If no, please comment:

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS ADDENDUM, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH.

<u>NOTE</u>: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGEMENT.

Signed:	Signed:
Print Name:	Print Name:
Date:	Date:
	APPROVED ON BEHALF OF SAVVY SLIDERS FRANCHISE LLC
Signed:	By:
Print Name:	Title:
Date:	Date:

*Such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act or under the Maryland Franchise Registration and Disclosure Law.

APPENDIX D—PERSONAL GUARANTY

Each of the persons signing this Guaranty (each a "Guarantor"), in order to induce SAVVY SLIDERS FRANCHISE LLC ("Franchisor") to enter into an Area Representative Agreement, dated the day of 20 with ("Area Representative"), unconditionally and absolutely guaranties payment when due, whether by stated maturity, demand, acceleration or otherwise, of all existing and future indebtedness ("Indebtedness") of Area Representative to Franchisor. Indebtedness includes without limit: any and all obligations or liabilities of the Area Representative to Franchisor under the Area Representative Agreement or any Promissory Note issued in connection with the Area Representative Agreement or any other agreement between the Franchisor and Area Representative or otherwise arising, whether absolute or contingent, direct or indirect, voluntary or involuntary, liquidated or unliquidated, joint or several, known or unknown; any and all indebtedness, obligations or liabilities for which Area Representative would otherwise be liable to Franchisor were it not for the invalidity, irregularity or unenforceability of them by reason of any bankruptcy, insolvency or other law or order of any kind, or for any other reason; any and all amendments, modifications, renewals and/or extensions of any of the above; and all costs of collecting Indebtedness, including, without limit, actual attorney fees. In addition, Guarantor agrees as follows:

1. Guarantor hereby agrees to and will be jointly, severally, and personally bound by all the terms and provisions of the Franchise Agreement to the same extent and in the same manner as Area Representative is bound.

2. This Guaranty is a continuing guaranty of payment and not of collection and remains effective whether the Indebtedness is from time to time reduced and later increased or entirely extinguished and later reincurred.

3. If any Indebtedness is guaranteed by two or more guarantors, the obligation of Guarantor will be several and also joint, each with all and also each with any one or more of the others, and may be enforced at the option of Franchisor against each severally, any two or more jointly, or some severally and some jointly. Franchisor, in its sole discretion, may release any one or more of the Guarantors for any consideration that it deems adequate, and may fail or elect not to prove a claim against the estate of any bankrupt, insolvent, incompetent or deceased Guarantor; and after that, without notice to any Guarantor, Franchisor may extend or renew any or all Indebtedness and may permit Area Representative to incur additional Indebtedness, without affecting in any manner the unconditional obligation of the remaining Guarantor(s). Guarantor acknowledge(s) that the effectiveness of this Guaranty is not conditioned on any or all of the Indebtedness being guaranteed by anyone else.

4. Guarantor, to the extent not expressly prohibited by applicable law, waive(s) any right to require Franchisor to: (a) proceed against any person or property; (b) give notice of the terms, time and place of any public or private sale of personal property security held from Area Representative or any other person, or otherwise comply with the provisions of Sections 9-611 or 9-621 of the Michigan or other applicable Uniform Commercial Code, as the same may be amended, revised or replaced from time to time; or (c) pursue any other remedy in Franchisor's power. Guarantor waive(s) notice of acceptance of this Guaranty and presentment, demand,

protest, notice of protest, dishonor, notice of dishonor, notice of default, notice of intent to accelerate or demand payment of any Indebtedness, any and all other notices to which Guarantor might otherwise be entitled, and diligence in collecting any Indebtedness, and agree(s) that Franchisor may, once or any number of times, modify the terms of any Indebtedness, compromise, extend, increase, accelerate, renew, or forbear to enforce payment of any or all Indebtedness, or permit Area Representative to incur additional Indebtedness, all without notice to Guarantor and without affecting in any manner the unconditional obligation of Guarantor under this Guaranty.

5. Guarantor unconditionally and irrevocably waive(s) each and every defense and setoff of any nature which, under principles of guaranty or otherwise, would operate to impair or diminish in any way the obligation of Guarantor under this Guaranty, and acknowledge(s) that each such waiver is by this reference incorporated into each security agreement, collateral assignment, pledge and/or other document from Guarantor now or later securing this Guaranty and/or the Indebtedness, and acknowledge(s) that as of the date of this Guaranty no such defense or setoff exists.

6. This Guaranty is an absolute and continuing guarantee and will remain in effect unless revoked in writing by Guarantor.

7. As long as Area Representative owes any monies to Franchisor (other than payments that are not past due) Area Representative will not pay and Guarantor will not accept payment of any part of any indebtedness owed by Area Representative to us, or any one of us, either directly or indirectly, without the consent of Franchisor.

8. This Guaranty constitutes the entire agreement of Guarantor and Franchisor with respect to the subject matter of this Guaranty. No waiver, consent, modification or change of the terms of the Guaranty will bind any of Guarantor or Franchisor unless in writing and signed by the waiving party or an authorized officer of the waiving party, and then this waiver, consent, modification or change will be effective only in the specific instance and for the specific purpose given. This Guaranty will inure to the benefit of Franchisor and its successors and assigns and will be binding on Guarantor and Guarantor's heirs, legal representatives, successors and assigns including, without limit, any debtor in possession or trustee in bankruptcy for any of Guarantor. Guarantor has (have) knowingly and voluntarily entered into this Guaranty in good faith for the purpose of inducing Franchisor to extend credit or make other financial accommodations to Area Representative. If any provision of this Guaranty is unenforceable in whole or in part for any reason, the remaining provisions shall continue to be effective.

9. THIS GUARANTY WILL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MICHIGAN (WITHOUT REFERENCE TO THE CONFLICT OF LAWS PROVISIONS). ANY ACTION BROUGHT BY GUARANTOR AGAINST FRANCHISOR OR FRANCHISOR'S AFFILIATES OR THEIR RESPECTIVE OWNERS, OFFICERS, DIRECTORS, MANAGERS, AGENTS OR EMPLOYEES, MUST BE BROUGHT EXCLUSIVELY, AND ANY ACTION BROUGHT BY FRANCHISOR AGAINST GUARANTOR MAY BE BROUGHT, IN THE FEDERAL DISTRICT COURT COVERING THE LOCATION AT WHICH FRANCHISOR HAS ITS PRINCIPAL PLACE OF BUSINESS AT THE TIME THE ACTION IS COMMENCED; PROVIDED, HOWEVER, THAT IF THE FEDERAL COURT WOULD NOT HAVE SUBJECT MATTER JURISDICTION HAD THE ACTION BEEN COMMENCED IN SUCH COURT, THEN, IN SUCH EVENT, THE ACTION MUST (WITH RESPECT TO ACTIONS COMMENCED BY GUARANTOR), AND MAY (WITH RESPECT TO ACTIONS COMMENCED BY FRANCHISOR), BE BROUGHT IN THE STATE COURT WITHIN THE JUDICIAL DISTRICT IN WHICH FRANCHISOR HAS ITS PRINCIPAL PLACE OF BUSINESS AT THE TIME THE ACTION IS COMMENCED. FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS CURRENTLY FARMINGTON HILLS, MICHIGAN. GUARANTOR WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. GUARANTOR WILL NOT SEEK A TRANSFER OR CHANGE IN VENUE FROM A VENUE ESTABLISHED OR AUTHORIZED IN THIS GUARANTY. SERVICE OF PROCESS MAY BE MADE ON GUARANTOR IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS GUARANTY OR GUARANTOR'S RELATIONSHIP WITH FRANCHISOR BY ANY MEANS ALLOWED BY MICHIGAN OR FEDERAL LAW.

10. GUARANTOR AND FRANCHISOR ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE, KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO, THIS GUARANTY OR THE INDEBTEDNESS.

11. If Franchisor is required to enforce this Guaranty in any judicial or arbitration proceeding or any appeals, each Guarantor, jointly and severally, must reimburse Franchisor for its enforcement costs. Enforcement costs include actual accountants', attorneys', attorney's assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

12. The failure to insist upon performance in any one (1) or more instances upon nonperformance of any terms, covenants, and conditions of this Guaranty shall not be construed as a waiver of future performance of any such term, covenant, or condition of this Guaranty, and any obligations with respect hereto shall continue in full force and effect. Except as otherwise expressly provided in this Guaranty, no remedy conferred upon the Parties pursuant to this Guaranty is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given pursuant to this Guaranty or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise of any right, power or remedy pursuant to this Guaranty shall preclude any other or further exercise thereof.

13. This Guaranty may be executed in any number of counterparts each of which when so executed shall be an original, but all of which together shall constitute one (1) and the same

instrument. This Guaranty may be executed on signature pages exchanged by electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. Copies of executed counterparts transmitted by such electronic transmission service shall be considered original executed counterparts for purposes of this Guaranty.

Dated: GUARANTOR Dated: GUARANTOR Dated: GUARANTOR Dated:

GUARANTOR

APPENDIX E—PROMISSORY NOTE

\$, 20 For value received, <u>,</u> a ("Area Representative"), promises to pay to the order of SAVVY SLIDERS FRANCHISE LLC, a Michigan limited liability company ("Franchisor") at 30955 Northwestern Highway, Suite 300, Farmington Hills, Michigan 48334, or at such other place as Franchisor may designate from time to time, the principal sum of (\$) Dollars with interest to accrue on unpaid principal and interest at the rate of percent (%) per annum until paid. During any period in which Area Representative is in default under this Note, the interest rate will be the stated interest rate plus five percent (5%). This note must be paid in equal monthly payments of principal and interest over a 36 month period. Monthly payments of (\$ ____) Dollars will begin on the day of each month thereafter until paid in full. Monthly payments will be applied first to any costs of enforcing this Note, second to the payment of interest due and third to the payment and reduction of principal. All payments under this Note must be made electronically in the manner specified by Franchisor. Area Representative must authorize these electronic payments at the time of signing this Note by signing Franchisor's Electronic Fund Transfer Authorization. Area Representative acknowledges and agrees that payments due under this Promissory Note may be deducted by Franchisor from payments due from Franchisor to Area Representative under the Area Representative Agreement between the parties.

This note may be prepaid at any time, in whole or in part, without penalty. Any installment not paid when due will be assessed a late charge of five percent (5%) of the installment. If Area Representative is in default under this Note (as defined below) and the default continues for a period of fifteen (15) days, then the entire indebtedness represented by this Note will become immediately due and payable at the option of Franchisor.

Except to the extent otherwise prohibited by law, Area Representative and each other person liable under this Note waives presentment, protest, notice of dishonor, demand for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, notice of sale and all other notices of any kind. Further, Area Representative agrees that Franchisor may (i) extend, modify or renew this Note or make a novation of the loan evidenced by this Note, and/or (ii) grant releases, compromises or indulgences with respect to any collateral securing this Note, or with respect to Area Representative or other person liable under this Note, all without notice to or consent of Area Representative and other such person, and without affecting the liability of Area Representative and other such person. The obligations of Area Representative under this Note (if there is more than one Area Representative or other person liable) are joint and several.

This Note is secured by the Personal Guaranty of the owners of Area Representative and/or other individuals and by the Area Representative Agreement between Area Representative and Franchisor. A default under this Note will constitute a default under the Area Representative Agreement and under any Unit Franchise Agreement between Franchisor and Area Representative or its affiliates. Area Representative will be considered in default under this Note if it fails to make any payment due under the terms of this Note or if Area Representative or any affiliate of Area Representative defaults under any other agreement between Area Representative or its affiliate and Franchisor, including, but not limited to, the Area Representative Agreement or any Unit Franchise Agreement entered into by Area Representative or an affiliate and Franchisor.

Area Representative must pay to Franchisor all Franchisor's costs incurred in collecting the amounts owed under this Note, including reasonable attorneys' fees and court costs, and those amounts will be added to the amounts owed under this Note.

THIS NOTE WILL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MICHIGAN (WITHOUT REFERENCE TO THE CONFLICT OF LAWS PROVISIONS). AREA REPRESENTATIVE IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE STATE COURTS OF OAKLAND COUNTY MICHIGAN AND TO THE FEDERAL DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN AND WAIVES ALL OUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. SERVICE OF PROCESS MAY BE MADE ON AREA REPRESENTATIVE IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS NOTE BY ANY MEANS ALLOWED BY MICHIGAN OR FEDERAL LAW. VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS NOTE WILL BE THE STATE COURTS IN OAKLAND COUNTY MICHIGAN OR THE FEDERAL DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION THAT INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE THAT HAS JURISDICTION.

AREA REPRESENTATIVE ACKNOWLEDGES THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. AREA REPRESENTATIVE, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF ITS CHOICE, KNOWINGLY AND VOLUNTARILY WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO, THIS NOTE.

	Area Representative
Dated:	By:
	Its:

	Acknowledged before me in		County,	, on	,
20	_, by	, the	of		,
a	·				

Notary Signature:	
Print Name:	
Notary Public,	, County, MI
Commission Expires:	
Acting in the County of:	

APPENDIX F—ELECTRONIC FUND TRANSFER AUTHORIZATION

AUTHORIZATION TO HONOR CHARGES DRAWN BY AND PAYABLE TO SAVVY SLIDERS FRANCHISE LLC ("FRANCHISOR")

The depositor identified below ("Depositor") authorizes Savvy Sliders Franchise LLC and its designees ("Franchisor") to initiate credit and debit entries electronically (referred to as an ACH or EFT transaction) or otherwise to Depositor's checking or savings account indicated below (the "Account") and authorizes the depository or bank designated below (the "Depository") to credit and/or debit the same to the Account.

Debts to the Depositor's Account that are not honored by the Depositor's bank will incur a returned item charge upon each occurrence in accordance with the fee schedule determined by Franchisor. For any return item, Franchisor may re-initiate the ACH transaction or require the Depositor to replace the returned item with a Cashier's check in the amount of the returned item plus any returned item fees due.

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 to act on it.

Depositor acknowledges and agrees that the origination of ACH transactions must comply with the provisions of all U.S. law and banking regulations.

Depository (Bank) Name:					
City:	State:	Zip Code:			
Transit/ABA Number:					
Account Number:					
Depositor: (Please Print):					
Acknowledged and Agreed: (P	lease Sign):				
Name and Title of Person Sign	ing:				
Date Signed:					

APPENDIX G— CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT AND COVENANT NOT TO COMPETE

SAVVY SLIDERS FRANCHISE, LLC

CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT AND COVENANT NOT TO COMPETE (Area Representative and Principal Owner)

This Confidentiality and Nondisclosure Agreement and Covenant Not to Compete (the "Agreement") is entered into as of the date or dates set forth below by and between located at ______ ("Area Representative") and SAVVY SLIDERS FRANCHISE, LLC, located at 30955 Northwestern Hwy, Farmington Hills, MI 48334 ("Franchisor"), and ______, owner of Area Representative ("Owner"). Area Representative and Owner are hereinafter, collectively referred to as the "Area Representative Parties".

1) Introduction. Area Representative is a party to the Area Representative Agreement dated (the "Area Representative Agreement") entered into by Area . 20 Representative and Franchisor. Franchisor franchises Savvy Sliders Restaurants and has the authority to disclose and discuss all information relating to the operations of a Savvy Sliders Restaurant. Confidential Information and Trade Secrets, which are more particularly described below, will be disclosed to the Area Representative Parties in relation to Area Representative's promotion, sale, and operation of Savvy Sliders Restaurant franchises. The Area Representative Parties understand the necessity of not disclosing any Confidential Information and Trade Secrets to any other party or using such information to compete against Franchisor, any affiliate(s) or other franchisee(s) of Franchisor, or in any business (i) that is a Competing Business (as defined below) or (ii) in which Trade Secrets and other Confidential Information (as defined below) could be used to the disadvantage of Area Representative, or Franchisor, any affiliate(s) of Franchisor, or Franchisor's franchisees and other area representatives. In order to induce Franchisor to transmit the Confidential Information and Trade Secrets to the Area Representative Parties, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Area Representative Parties and Franchisor hereby agree as follows:

2) <u>Franchise System</u>

a) Franchisor franchises a system for operation of multiple restaurant concepts that offer to the public all or some of the following products—sliders, wings, fries, beverages, and other food products—for carry-out, dine-in, catering or delivery. Each restaurant concept includes technical information and expertise relating to the preparation and production of food products; the use of special spices and sauces, all of which constitute trade secrets and are identified by the public with Savvy Sliders products; special recipes and menu items; prescribed exterior and interior design, decor, fixtures, and furnishings; standards and specifications for products and supplies; service standards; uniform standards, specifications, and procedures for operations; training and assistance; and advertising and

promotional programs (collectively "Systems"); all of which may be changed, improved, and further developed by Franchisor from time to time.

b) A business operated under the System will be referred to in this agreement as a "Restaurant". A Restaurant operated by Area Representative or another franchisee will be referred to in this Agreement as a "Unit Franchise."

3) **Definitions.**

- a) The term "Competing Business" will mean any business that is the same or similar to a Restaurant, including but not limited to a business that sells sliders or other sandwiches for carry-out, dine-in, catering or delivery or other products that may be offered by Restaurants now or in the future.
- b) The term "Confidential Information" will include, but is not limited to: (i) area representative manuals, operations manuals, training methods, operations methods, menus, recipes, food preparation techniques and other techniques, processes, policies, procedures, systems, and data; (ii) Knowledge and experience relating to Restaurants; (iii) Advertising, marketing techniques and advertising programs used in developing and operating Restaurants; (iv) All information regarding the identities and business transactions of customers and suppliers; (v) Computer software and similar technology that has been or may be developed by or for Franchisor or its agents, which is proprietary to Franchisor, including, without limitation, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology; (vi) Knowledge of the operating results and financial performance of Restaurants; (vii) Other aspects of the Systems now or later revealed to any Area Representative Party under the Area Representative Agreement and all changes and enhancements in the Systems, even if developed by an Area Representative Party; and (viii) other property that Franchisor describes as being Confidential Information or Trade Secrets of the Systems.
- c) The term "Family Members" will mean means all individuals with any of the following relationships with the Area Representative or any of its shareholders, officers, directors, partners, members, managers, owners or investors and any of their affiliates: (i) spouse; (ii) children; (iii) grandchildren; (iv) stepchildren; (v) parents; (vi) siblings; (vii) spouse's parents; and (viii) spouse's siblings.
- d) The term "Geographic Areas" will mean the Territory, the territory of any other area representative, and the protected area of any Unit Franchise.
- e) The term "Territory" will mean the territory in which Area Representative may promote and operate Unit Franchises pursuant to the Area Representative Agreement.
- f) The term "Trade Secret" will mean information in any form (including, but not limited to, materials and techniques, technical or non-technical data, formulas, patterns, compilations, recipes, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential

customers or suppliers) related to or used in the Restaurants that is not commonly known by or available to the public and that information: (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

4) **<u>Confidentiality and Nondisclosure</u>**.

- a) The Area Representative Parties must not at any time, during the term of the Area Representative Agreement, or after the termination, expiration, or any other end of the Area Representative Agreement, communicate, disclose, or use any Confidential Information or Trade Secrets (collectively, "Information") for their own benefit, or the benefit of any third party, and must not directly or indirectly aid any third party to imitate, duplicate, or "reverse engineer" any of the Information. The Area Representative Parties agree to use and permit the use of Information solely in connection with the operation of the Unit Franchises. The Area Representative Parties must not, without Franchisor's prior written consent, copy, duplicate, record, or otherwise reproduce any Information. The Area Representative Parties hereby agree to indemnify Franchisor and its directors, officers, employees, agents, members, successors and assigns, affiliates and subsidiaries, and the respective directors, officers, employees, agents, shareholders, members, affiliates, and successors and assigns of each, from any damages, costs, or expenses resulting from or related to any unauthorized disclosure or use of Information by the Area Representative Parties or their respective directors, officers, employees, agents, shareholders, members, affiliates, consultants, and contractors. The Area Representative Parties agree never to copy, duplicate, record or otherwise reproduce any of the Information, in whole or part, share it with any other third-party individual or entity (except as provided in this Agreement), store it in a computer or other electronic format, or otherwise make it available to any third party by any other means whatsoever. The Area Representative Parties must retain all Information in strict confidence and not use the Information except as otherwise provided in this Agreement. The Area Representative Parties agree not to claim any right or interest in or to disclose Information to others.
- b) During the term of the Area Representative Agreement between Area Representative and Franchisor or in the event the Area Representative Agreement terminates, expires without renewal, or ends for any other reason, the Area Representative Parties agree not to use any of the Information to own, operate, or develop any Competing Business.
- c) The Area Representative Parties acknowledge Franchisor's exclusive ownership of the Information and the System and Franchisor's exclusive ownership of Franchisor's trademarks. The Area Representative Parties must not, directly or indirectly, contest or impair Franchisor's exclusive ownership of, and/or license with respect to, the Information, the System, or Franchisor's trademarks.
- d) If the Area Representative Agreement between Area Representative and Franchisor terminates, expires without renewal, or ends for any other reason, or upon Franchisor's

reasonable request, the Area Representative Parties must return to Franchisor all Information, and must not retain any copies in whatever form, including without limitation electronically stored information, or other reproductions, or extracts thereof, provided or prepared by Franchisor or the Area Representative Parties or any of their respective officers, managers, shareholders, members, directors, agents, employees, representatives, or consultants. The Area Representative Parties must provide a certificate to Franchisor, in a form satisfactory to Franchisor, that all of the Information has in fact been returned and/or destroyed.

5) <u>Non-competition.</u>

- a) The Area Representative Parties acknowledge that the Information disclosed to the Area Representative Parties and all other aspects of Franchisor's System are highly valuable assets of Franchisor, and during the term of the Area Representative Agreement, Area Representative, and its past, present and future shareholders, officers, directors, partners, members, managers, owners and investors, Family Members and affiliates of the Area Representative Parties must not, directly or indirectly: (a) represent, offer, sell or refer any prospective franchisee to any franchise concept other than Savvy Sliders Unit Franchises under the Area Representative Agreement; (b) engage in any business or entity that franchises, licenses, or otherwise grants to others the right to operate a franchise of any type; (c) engage in any activity in competition with the Franchisor or its franchisees, including but not limited to involvement, whether as an owner (except ownership of no more than 1% of a publicly traded entity), director, officer, member, manager, employee, consultant, lender, representative or agent, or in any other capacity, or otherwise in any business that is involved, in whole or in part, in a engage in a Competing; or (d) employ any person or furnish or permit access to any proprietary information of Franchisor to any person who is engaged or has arranged to become engage in any Competing Business.
- b) On the termination, expiration, non-renewal, or any other end of the Area Representative Agreement, for any reason whatsoever, Area Representative, its shareholders, officers, directors, members, managers, partners, owners and investors, Family Members and affiliates must not, directly or indirectly: (a) represent, offer or sell any franchise concept for a Competing Business; (b) engage in any activity in competition with the Franchisor or its franchisees, including but not limited to involvement, whether as an owner, partner, director, officer, member, manager, employee, consultant, lender, representative or agent, or in any other capacity in any business that is involved, in whole or in part, in a engage in a Competing Business; or (c) engage in any business or entity that franchises, licenses, or otherwise grants to others the right to operate a Competing Business. The restrictions in this Section will apply within the Geographic Areas and for a period of three (3) years following the date of expiration or termination, or the date Area Representative Parties cease to operate the Competing Business, whichever is later.
- c) The Area Representative Parties acknowledge and agree that if any of the Area Representative Parties violate the provisions of this Section 5 with respect to the operation of a Competing Business following expiration, termination, or any other end of the Area Representative Agreement, then the period for which the prohibition stated

therein will be extended until three (3) years following the date the Area Representative Parties cease all activities that are in violation of this Section 5.

- 6) <u>Effect of Agreement.</u> Franchisor's sole obligation under this Agreement is to provide the Confidential Information to the Area Representative Parties at the outset of the parties' business relationship so that the Area Representative Parties may open and operate the Unit Franchises. Franchisor shall have no further obligations under this Agreement once Franchisor has provided the Information to the Area Representative Parties. Nothing in this Agreement shall be construed to create any additional or continuing obligation of Franchisor after Franchisor initially provides the Confidential Information to the Area Representative Parties. The Area Representative Parties' obligations under this Agreement will continue in effect after termination, expiration, or any other end of the Area Representative Agreement, regardless of the reason or reasons, whether such was voluntary or involuntary, and Franchisor is entitled to communicate the Area Representative Parties' obligations under this Agreement to any third party to the extent deemed necessary by Franchisor for protection of its rights.
- 7) Reasonableness of Restrictions. The Area Representative Parties have carefully considered the nature and extent of the restrictions upon the Area Representative Parties in this Agreement (including without limitation, the covenants not to compete, confidentiality restrictions, and the restrictions on assignment) and the rights and remedies conferred on all of the parties under this Agreement. The Area Representative Parties agree that these restrictions, rights, and remedies: (a) are reasonable, including, but not limited to, their term and geographic scope; (b) are designed to preclude competition which would be unfair to Franchisor and the Franchise System; (c) are fully required to protect Franchisor's legitimate business interests; and (d) do not confer benefits upon Franchisor that are disproportionate to the Area Representative Parties' detriment. The covenants not to compete in this Agreement are fair and reasonable and will not impose any undue hardship on the Area Representative Parties, since the Area Representative Parties have other considerable skills, experience, and education which afford the Area Representative Parties the opportunity to derive income from other endeavors. The Area Representative Parties acknowledge that each of the terms of this Agreement, including the restrictive covenants, are fair and reasonable and are reasonably required for the protection of Franchisor, Franchisor's Information, Franchisor's business system, its network of franchises, Franchisor's goodwill, and Franchisor's trade and service marks, and the Area Representative Parties waive any right to challenge these restrictions as being overly broad, unreasonable, or otherwise unenforceable. If, however, a court of competent jurisdiction determines that any such restriction is unreasonable or unenforceable, then the Area Representative Parties agree to submit to the reduction of any such activity, time period, or geographic restriction necessary to enable the court to enforce such restrictions to the fullest extent permitted under applicable law. It is the desire and intent of the parties that the provisions of this Agreement will be enforced to the fullest extent permissible under the laws and public policies applied in any jurisdiction where enforcement is sought.
- 8) <u>Relief for Breaches of Confidentiality and Non-Competition.</u> The Area Representative Parties acknowledge that it will be difficult to measure the damages to Franchisor from any breach by an Area Representative Party of the covenants and restrictions in this Agreement,

that the injury to Franchisor from any such breach would be incalculable and irremediable and the damages are not an alternative or an adequate remedy. The Area Representative Parties therefore agree that in the event any Area Representative Party breaches or attempts to breach any of the terms of this Agreement, Franchisor shall be entitled as a matter of right to obtain from any court of competent jurisdiction an injunction (i) prohibiting the breaching party from any further breaches of this Agreement; (ii) rescinding any action taken by the breaching party contrary to the terms of this Agreement; and (iii) authorizing Franchisor to recover from the breaching party any and all salaries, fees, commissions, income, profits or other remuneration or gain which the breaching party may have received or to which it may have become entitled to receive from or by reason of the conducting of any activity in violation of the terms, conditions or covenants of this Agreement. The issuance of such an injunction will not prevent Franchisor from obtaining such other relief as is appropriate under the circumstances, such as the award of other monetary damages.

9) Independent Contractor and Joint Employer Disclaimer. The Area Representative Parties understand and agree that nothing in this Agreement may be construed to create a partnership, joint venture, agency or employment relationship of any kind between Franchisor or any of the Area Representative Parties. The parties agree that they will not represent that the relationship between Franchisor and the Area Representative Parties is other than that of franchisor and area representative or franchisee. Franchisor does not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by the Area Representative Parties unless expressly authorized under this Agreement. Franchisor will not be obligated for any damages to any person or property that directly or indirectly arises from or is related to the operation of the Unit Franchises by the Area Representative Parties. The Area Representative Parties acknowledge and agree, and will never contend otherwise, that the Area Representative Parties alone will exercise day-today control over all operations, activities, and elements of the Unit Franchises and that under no circumstance will Franchisor do so or be deemed to do so. The Area Representative Parties further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, and covenants the Area Representative Parties are required to comply with under this Agreement do not directly or indirectly constitute, suggest, infer, or imply that Franchisor controls any aspect or element of the day-to-day operations of the Unit Franchises. None of Area Representative Parties' employees nor the Area Representative Parties will be considered employees of Franchisor. Neither the Area Representative Parties nor any of Area Representative Parties' employees whose compensation Area Representative may pay in any way, directly or indirectly, expressly or by implication, will be construed to be an employee of Franchisor for any purpose, including, without limitation, with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any local, state or federal governmental agency.

10) Miscellaneous.

a) The parties agree that this Agreement shall become non-executory after Franchisor's disclosure of the Information.

- b) This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. This Agreement supersedes any prior agreements, negotiations and discussions between the parties. This Agreement cannot be altered or amended except by an agreement in writing signed by the duly authorized representatives of the parties.
- c) Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. § 1050 et. seq), as amended, this Agreement shall be governed by the laws of the state of Michigan (without reference to its conflict of laws principles). The parties agree, however, that none of the Unit Franchises operated by Area Representative are located in Michigan, and if no Area Representative Party a resident of Michigan, the provisions of the Michigan Franchise Investment Law and the regulations promulgated thereunder shall not apply to this Agreement.
- d) Any action brought by any party to this Agreement shall only be brought in the appropriate state or federal court located in or serving the county in which Franchisor's principal place of business is located at the time the litigation is commenced. The parties waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision. Claims for injunctive relief may be brought by Franchisor where any Area Representative Party is located. This exclusive choice of jurisdiction and venue provision shall not restrict the ability of the parties to confirm or enforce judgments in any appropriate jurisdiction.
- e) If Franchisor is required to enforce this Agreement in any judicial or arbitration proceeding or any appeals, each Area Representative Party, jointly and severally, must reimburse Franchisor for its enforcement costs. Enforcement costs include actual accountants', attorneys', attorney's assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Agreement.
- f) This Agreement will be effective as of the date this Agreement is executed and will be binding on the successors and assigns of the parties and will inure to the benefit of the parties and their respective successors and assigns. The Area Representative Parties may not assign this Agreement without the prior written consent of Franchisor. Franchisor may assign this Agreement without the prior consent of the Area Representative Parties.
- g) The failure to insist upon performance in any one (1) or more instances on nonperformance of any terms, covenants, and conditions of this Agreement will not be construed a waiver of future performance of any such term, covenant, or condition of this Agreement, and the obligations of each party with respect thereto will continue in full force and effect.
- h) The paragraph headings in this Agreement are included solely for convenience and will not affect, or be used in connection with, the interpretation of this Agreement.

- i) The existence of any claim or cause of action an Area Representative Party might have against Franchisor will not constitute a defense to the enforcement by Franchisor of this Agreement.
- j) In the event any Section or portion of any Section in this Agreement is determined to be invalid or unenforceable for any reason(s), such invalidity or unenforceability will not affect the validity and enforceability of the remaining valid and enforceable Sections of this Agreement, which will be construed as if such invalid or unenforceable Section or Sections had not been inserted.
- k) Except as otherwise expressly provided in this Agreement, no remedy conferred upon the parties pursuant to this Agreement is intended to be exclusive of any other remedy, and each and every such remedy will be cumulative and will be in addition to every other remedy given pursuant to this Agreement or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party to this Agreement of any right, power or remedy pursuant to this Agreement will preclude any other or further exercise thereof.
- This Agreement may be executed in any number of counterparts each of which when so executed will be an original, but all of which together will constitute one (1) and the same instrument. This Agreement may be executed on signature pages exchanged by electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered will be deemed to have been duly and validly delivered and be valid and effective for all purposes. Copies of executed counterparts transmitted by such electronic transmission service will be considered original executed counterparts for purposes of this Agreement.

THE AREA REPRESENTATIVE PARTIES CERTIFY THAT THEY HAVE READ THIS AGREEMENT CAREFULLY AND UNDERSTAND AND ACCEPT THE OBLIGATIONS THAT IT IMPOSES WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO ANY AREA REPRESENTATIVE PARTY TO INDUCE THE SIGNING OF THIS AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year written below.

AREA REPRESENTATIVE:	FRANCHISOR: SAVVY SLIDERS FRANCHISE, LLC
By: Its:	By: Its:
Dated:	Dated:

OWNER:

Dated:

EXHIBIT H

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

SAVVY SLIDERS [™] FRANCHISE SYSTEM <u>CONFIDENTIALITY AND NON-COMPETITION AGREEMENT</u>

(management employee)

I am an employee or trainee of

(the "Company"). The Company operates or is developing a Savvy Sliders[™] Restaurant franchise under an Area Representative Agreement between the Company and Savvy Sliders Franchise, LLC (the "Franchisor").

As an employee or trainee of the Company, I acknowledge that in the course of my employment by the Company and my training in the Savvy Sliders[™] systems of operation, I will have access to certain Confidential Information, as defined below, about the Company's and the Franchisor's methods of establishing, developing, operating and maintaining Savvy Sliders™ Restaurants that is confidential and not available to the public in general. I understand that the Company and the Franchisor have spent a great deal of time and money developing this Confidential Information and I acknowledge that the Company's and the Franchisor's reasonable competitive business interests would be severely and irreparably damaged if the Confidential Information that has been (or may be) revealed to me were to be disclosed to any third person, become available to the public in general, or used by me to compete with the Company or the Franchisor or any of its affiliates or franchisees. I, therefore, agree that the Company and the Franchisor have a need to protect the Company's and the Franchisor's valuable Confidential Information and I agree that in consideration of these factors, and in consideration of my employment or continuing employment with the Company and/or my training in the Savvy Sliders[™] systems of operation, I promise and agree to be bound by the terms of this Agreement as follows:

1. I agree not to directly or indirectly disclose to any individual, partnership, corporation, limited liability company or any other entity ("person") or to use myself, any Confidential Information that I learn during my training and/or employment with the Company, except as necessary in the course of my employment with the Company. I agree that these restrictions will apply while I am in training and/or am employed by the Company and indefinitely after my training and/or employment is completed or ends or my employment terminates or ends for any reason.

I agree to, at all times, keep the Confidential Information strictly confidential and use my best efforts to maintain the secrecy of the Confidential Information. In particular, I will, at all times, keep all tangible forms of the Confidential Information that I have been entrusted with in a secure work area and safely locked away when not in use and will ensure that these items do not fall into the hands of unauthorized persons.

I also agree that if my training ceases without my being employed by the Company or my employment with the Company terminates, or ends for any reason, I will immediately return to the Company or the Franchisor, all memoranda, notes and other electronic, written, or printed information that is in my possession or under my control, which contains Confidential Information, including information, which although not confidential, belongs to the Company or the Franchisor or relates to the business or systems of the Company or the Franchisor. This obligation will apply regardless of whether the information was prepared by me, the Company, the Franchisor, or a third party.

The term "Confidential Information" as used in this Agreement includes, but is not limited to, (i) "proprietary information," including but not limited to, recipes, techniques, processes, equipment, materials, computer programs or information, whether patentable or not, relating to the establishment, development, operation and maintenance of the Company's business or a Savvy Sliders[™] Restaurant and all related information and all other information which is confidential, unique and/or not generally known or available to the public, including but not limited to, information regarding the Company's or the Franchisor's methods, equipment and materials relating to the development and operation of a Savvy Sliders[™] Restaurant; (ii) "trade secret" information which includes any knowledge, ideas, concepts, recipes, techniques, computer programs, systems manuals, installation guides, reports, technical manuals, operation manuals, and training programs relating to the establishment, development, operation and maintenance of the Company's business or a Savvy SlidersTM; (iii) "customer information" which includes information about current and prospective customers of the Company or the Franchisor, including any list that contains the names, addresses and telephone numbers, and other contact information of the Company's or the Franchisor's employees and/or current or prospective customers, and specific information about these customers or prospective customers; and (iv) "supplier information" which includes information about current and prospective carriers, suppliers, vendors, agencies or providers of the Company or the Franchisor, including the names, addresses and telephone numbers of any such suppliers and the terms of any contracts or arrangements between the Company or the Franchisor and such suppliers.

2. I will not, while I am in training or while I am employed by the Company, nor within two (2) years of the date that training ceases without my being employed by the Company or the date of termination of my employment by the Company, for any reason whatsoever, directly or indirectly:

(a) engage in any business within five (5) miles of any Savvy SlidersTM Restaurant that is in competition with the Franchisor or the Company, either directly or indirectly, as principal, agent on behalf of others, jointly with others, or as a stockholder, partner, director, officer, independent contractor, employee or advisor of or to any company, sole proprietorship, joint stock association, partnership, joint venture, individual person or any other entity that is capable of engaging in a competitive business (collectively a "Person"); or

(b) have a financial interest in, or aid or assist, financially or otherwise (as a lender, stockholder, or otherwise), any Person who is engaged in a business that is in competition with the Company or Franchisor within five (5) miles of any Savvy Sliders[™] Restaurant;

I also agree that I will not maliciously disparage or otherwise make harmful or unfavorable statements regarding the Company or the Franchisor or any of its services, operations, processes or methods to anyone else.

3. Pursuant to the federal Defend Trade Secrets Act of 2016, I have been notified and understand that I will not be held criminally or civilly liable under any federal or state trade secrets

law for the disclosure of a trade secret that: (i) is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

4. I understand that the Franchisor is the exclusive owner of all rights relating to the Savvy SlidersTM systems and I agree that as a condition of my training and/or employment by the Company, the Franchisor has the exclusive rights to all ideas, improvements and innovations relating to a Savvy SlidersTM Restaurant business, which I conceive, develop or help develop during my training and/or employment.

5. I understand that the Company is an independently owned and operated Savvy SlidersTM Restaurant franchisee and is my sole employer and solely responsible for the terms and conditions of my employment and my compensation. I further understand that the Franchisor is not directly or indirectly my employer, and that the Franchisor is granted rights under this Agreement solely for the purpose of protecting the Savvy SlidersTM systems and brand.

6. My obligations under this Agreement will be binding on me and my heirs and personal representatives and will inure to the benefit of the Company and the Franchisor and their successors and assigns. My obligations arising out of this Agreement are in addition to and are not in any manner limitations on all obligations not to use or disclose the Company's or the Franchisor's Confidential Information as provided by law, whether expressly or by implication.

7. I acknowledge that my breach of this Agreement will cause the Company and/or Franchisor irreparable harm. I, therefore, agree that the Company will be entitled to an injunction enjoining me and restraining me from performing and continuing to commit any violation or breach of this Agreement, in addition to any other rights and remedies it might have. Also, the Company will be entitled to recover all costs and expenses from me, including actual attorneys' fees and costs incurred in enforcing this Agreement. These remedies are cumulative and not alternative and will be in addition to every remedy given under this Agreement, any other agreement between me and the Company, or now or later existing at law or in equity, by statute or otherwise. The election of one or more remedies will not constitute a waiver of any right to pursue other remedies.

8. I agree that Franchisor is a third-party beneficiary of this Agreement and has the right independently of the Company to enforce the provisions of this Agreement.

9. I acknowledge and agree that the restrictions, rights, and remedies contained in this Agreement are reasonable, valid, and enforceable. However, if a court of competent jurisdiction finds any of the provisions of this Agreement to be too broad to be enforceable, such provision shall be reduced in scope by the court only to the extent deemed necessary by that court to render the provision reasonable and enforceable, bearing in mind that the purpose of this Agreement is to provide the broadest possible protection against disclosure of the Confidential Information.

10. I have had an opportunity to review all the terms of this Agreement with my attorney and/or advisors and have read, understand and voluntarily accept all the terms of this Agreement.

11. I agree that any litigation will only be conducted on an individual, not a classwide basis, and that a litigation proceeding between me and the Company or the Franchisor may not be consolidated with any other litigation proceeding between me and the Company or the Franchisor and any other person, corporation, limited liability company, partnership or other entity. I waive, to the fullest extent allowed by law, any right to pursue or participate as a lead plaintiff or a class representative in any claim on a class or consolidated basis.

12. AFTER CONSULTING WITH MY ATTORNEY OR HAVING THE OPPORTUNITY TO DO SO, I KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY (AND WITHOUT DURESS OR COERCION) WAIVE ANY RIGHT I MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION BASED ON OR ARISING OUT OF THIS AGREEMENT OR BASED ON ANY COURSE OF CONDUCT, DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTION RELATING TO THIS AGREEMENT. I WILL NOT SEEK TO CONSOLIDATE, BY COUNTERCLAIM OR OTHERWISE, ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. THESE PROVISIONS WILL NOT BE DEEMED TO HAVE BEEN MODIFIED IN ANY RESPECT OR RELINQUISHED BY ME OR THE COMPANY EXCEPT BY A WRITTEN INSTRUMENT EXECUTED BY ME AND THE COMPANY.

I AGREE THAT THIS AGREEMENT WILL BE GOVERNED BY AND 13. CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MICHIGAN (WITHOUT REFERENCE TO THE CONFLICT OF LAWS PROVISIONS). I IRREVOCABLY SUBMIT MYSELF TO THE JURISDICTION OF THE STATE COURTS OF MICHIGAN AND TO THE FEDERAL DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN. I WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. I AGREE THAT SERVICE OF PROCESS MAY BE MADE ON ME IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR MY RELATIONSHIP WITH THE COMPANY BY ANY MEANS ALLOWED BY MICHIGAN OR FEDERAL LAW. I FURTHER AGREE THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT WILL BE THE STATE COURTS IN MICHIGAN OR THE FEDERAL DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION THAT INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, THE COMPANY OR THE FRANCHISOR MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE THAT HAS JURISDICTION.

ACCEPTED:

Signature of Employee/Trainee

Type or Print Employee/Trainee Name

Dated: _____

The Franchisor or the Company

By:_____

Its:_____

Dated:

CONFIDENTIALITY AGREEMENT

(rank and file employee)

I am an employee or trainee of

(the

"Company"). The Company operates or is developing a Savvy Sliders[™] Restaurant franchise under an Area Representative Agreement between the Company and Savvy Sliders Franchise, LLC (the "Franchisor").

As an employee or trainee of the Company, I acknowledge that in the course of my employment by the Company and my training in the Savvy Sliders[™] systems of operation, I will have access to certain Confidential Information, as defined below, about the Company's and the Franchisor's methods of establishing, developing, operating and maintaining Savvy Sliders™ Restaurants that is confidential and not available to the public in general. I understand that the Company and the Franchisor have spent a great deal of time and money developing this Confidential Information and I acknowledge that the Company's and the Franchisor's reasonable competitive business interests would be severely and irreparably damaged if the Confidential Information that has been (or may be) revealed to me were to be disclosed to any third person, become available to the public in general, or used by me to compete with the Company or the Franchisor or any of its affiliates or franchisees. I, therefore, agree that the Company and the Franchisor have a need to protect the Company's and the Franchisor's valuable Confidential Information and I agree that in consideration of these factors, and in consideration of my employment or continuing employment with the Company and/or my training in the Savvy Sliders[™] systems of operation, I promise and agree to be bound by the terms of this Agreement as follows:

1. I agree not to directly or indirectly disclose to any individual, partnership, corporation, limited liability company or any other entity ("person") or to use myself, any Confidential Information that I learn during my training and/or employment with the Company, except as necessary in the course of my employment with the Company. I agree that these restrictions will apply while I am in training and/or am employed by the Company and indefinitely after my training and/or employment is completed or ends or my employment terminates or ends for any reason.

I agree to, at all times, keep the Confidential Information strictly confidential and use my best efforts to maintain the secrecy of the Confidential Information. In particular, I will, at all times, keep all tangible forms of the Confidential Information that I have been entrusted with in a secure work area and safely locked away when not in use and will ensure that these items do not fall into the hands of unauthorized persons.

I also agree that if my training ceases without my being employed by the Company or my employment with the Company terminates, or ends for any reason, I will immediately return to the Company or the Franchisor, all memoranda, notes and other electronic, written, or printed information that is in my possession or under my control, which contains Confidential Information, including information, which although not confidential, belongs to the Company or the Franchisor or relates to the business or systems of the Company or the Franchisor. This obligation will apply regardless of whether the information was prepared by me, the Company, the Franchisor, or a third party.

The term "Confidential Information" as used in this Agreement includes, but is not limited to, (i) "proprietary information," including but not limited to, recipes, techniques, processes, equipment, materials, computer programs or information, whether patentable or not, relating to the establishment, development, operation and maintenance of the Company's business or a Savvy Sliders[™] Restaurant and all related information and all other information which is confidential, unique and/or not generally known or available to the public, including but not limited to, information regarding the Company's or the Franchisor's methods, equipment and materials relating to the development and operation of a Savvy Sliders[™] Restaurant; (ii) "trade secret" information which includes any knowledge, ideas, concepts, recipes, techniques, computer programs, systems manuals, installation guides, reports, technical manuals, operation manuals, and training programs relating to the establishment, development, operation and maintenance of the Company's business or a Savvy Sliders[™] Restaurant; (iii) "customer information" which includes information about current and prospective customers of the Company or the Franchisor, including any list that contains the names, addresses and telephone numbers, and other contact information of the Company's or the Franchisor's employees and/or current or prospective customers, and specific information about these customers or prospective customers; and (iv) "supplier information" which includes information about current and prospective carriers, suppliers, vendors, agencies or providers of the Company or the Franchisor, including the names, addresses and telephone numbers of any such suppliers and the terms of any contracts or arrangements between the Company or the Franchisor and such suppliers.

2. Pursuant to the federal Defend Trade Secrets Act of 2016, I have been notified and understand that I will not be held criminally or civilly liable under any federal or state trade secrets law for the disclosure of a trade secret that: (i) is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

3. I understand that the Franchisor is the exclusive owner of all rights relating to the Savvy SlidersTM systems and I agree that as a condition of my training and/or employment by the Company, the Franchisor has the exclusive rights to all ideas, improvements and innovations relating to a Savvy SlidersTM Restaurant business, which I conceive, develop or help develop during my training and/or employment.

4. I understand that the Company is an independently owned and operated Savvy SlidersTM Restaurant franchisee and is my sole employer and solely responsible for the terms and conditions of my employment and my compensation. I further understand that the Franchisor is not directly or indirectly my employer, and that the Franchisor is granted rights under this Agreement solely for the purpose of protecting the Savvy SlidersTM systems and brand.

5. My obligations under this Agreement will be binding on me and my heirs and personal representatives and will inure to the benefit of the Company and the Franchisor and their successors and assigns. My obligations arising out of this Agreement are in addition to and are not

in any manner limitations on all obligations not to use or disclose the Company's or the Franchisor's Confidential Information as provided by law, whether expressly or by implication.

6. I acknowledge that my breach of this Agreement will cause the Company and/or Franchisor irreparable harm. I, therefore, agree that the Company will be entitled to an injunction enjoining me and restraining me from performing and continuing to commit any violation or breach of this Agreement, in addition to any other rights and remedies it might have. Also, the Company will be entitled to recover all costs and expenses from me, including actual attorneys' fees and costs incurred in enforcing this Agreement. These remedies are cumulative and not alternative and will be in addition to every remedy given under this Agreement, any other agreement between me and the Company, or now or later existing at law or in equity, by statute or otherwise. The election of one or more remedies will not constitute a waiver of any right to pursue other remedies.

7. I agree that Franchisor is a third-party beneficiary of this Agreement and has the right independently of the Company to enforce the provisions of this Agreement.

8. I acknowledge and agree that the restrictions, rights, and remedies contained in this Agreement are reasonable, valid, and enforceable. However, if a court of competent jurisdiction finds any of the provisions of this Agreement to be too broad to be enforceable, such provision shall be reduced in scope by the court only to the extent deemed necessary by that court to render the provision reasonable and enforceable, bearing in mind that the purpose of this Agreement is to provide the broadest possible protection against disclosure of the Confidential Information.

9. I have had an opportunity to review all the terms of this Agreement with my attorney and/or advisors and have read, understand and voluntarily accept all the terms of this Agreement.

10. I agree that any litigation will only be conducted on an individual, not a classwide basis, and that a litigation proceeding between me and the Company or the Franchisor may not be consolidated with any other litigation proceeding between me and the Company or the Franchisor and any other person, corporation, limited liability company, partnership or other entity. I waive, to the fullest extent allowed by law, any right to pursue or participate as a lead plaintiff or a class representative in any claim on a class or consolidated basis.

11. AFTER CONSULTING WITH MY ATTORNEY OR HAVING THE OPPORTUNITY TO DO SO, I KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY (AND WITHOUT DURESS OR COERCION) WAIVE ANY RIGHT I MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION BASED ON OR ARISING OUT OF THIS AGREEMENT OR BASED ON ANY COURSE OF CONDUCT, DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTION RELATING TO THIS AGREEMENT. I WILL NOT SEEK TO CONSOLIDATE, BY COUNTERCLAIM OR OTHERWISE, ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. THESE PROVISIONS WILL NOT BE DEEMED TO HAVE BEEN MODIFIED IN ANY RESPECT OR RELINQUISHED BY ME OR THE COMPANY EXCEPT BY A WRITTEN INSTRUMENT EXECUTED BY ME AND THE COMPANY.

I AGREE THAT THIS AGREEMENT WILL BE GOVERNED BY AND 12. CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MICHIGAN (WITHOUT REFERENCE TO THE CONFLICT OF LAWS PROVISIONS). I IRREVOCABLY SUBMIT MYSELF TO THE JURISDICTION OF THE STATE COURTS OF MICHIGAN AND TO THE FEDERAL DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN. I WAIVE ALL OUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. I AGREE THAT SERVICE OF PROCESS MAY BE MADE ON ME IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR MY RELATIONSHIP WITH THE COMPANY BY ANY MEANS ALLOWED BY MICHIGAN OR FEDERAL LAW. I FURTHER AGREE THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT WILL BE THE STATE COURTS IN MICHIGAN OR THE FEDERAL DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION THAT INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, THE COMPANY OR THE FRANCHISOR MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE THAT HAS JURISDICTION.

Signature of Employee/Trainee	ACCEPTED:
Type or Print Employee/Trainee Name	The Company
Dated:	By:
	Its:
	Dated:

EXHIBIT D

LIST OF SAVVY SLIDERS® AREA REPRESENTATIVES

Savvy Holdings Texas LLC Thomas Kherkher Ramiro Trevino 5909 West Loop South Bellaire, Texas 77401-2508 713-252-1420 Signed in 2023

EXHIBIT E

LIST OF FRANCHISEES THAT RECENTLY LEFT THE SYSTEM

Savvy Sliders Franchise, LLC List of Franchisees that Left Exhibit E Area FDD Dated May 8, 2024

LIST OF FRANCHISEES THAT RECENTLY LEFT THE SYSTEM

The following are the names and last known addresses and telephone numbers of every area representative who has had a franchise terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under an Area Representative Agreement during the calendar year 2023 or who have not communicated with us within 10 weeks of our application date (or the date of this Disclosure Document, if this Disclosure Document is not for use in a state requiring registration of franchises).

NONE

EXHIBIT F

FINANCIAL STATEMENTS

Savvy Sliders Franchise, LLC Financial Statements Exhibit F Area FDD Dated May 8, 2024

FINANCIAL STATEMENTS

SOME OF THE FOLLOWING FINANCIAL STATEMENTS MAY BE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT A CERTIFIED PUBLIC ACCOUNTANT HAS NOT AUDITED THE FIGURES ON UNAUDITED FINANCIAL STATEMENTS OR EXPRESSED AN OPINION WITH REGARD TO THE CONTENTS OR FORM OF UNAUDITED FINANCIAL STATEMENTS.

SAVVY SLIDERS FRANCHISE, LLC

AUDITED FINANCIAL STATEMENTS

Years ended December 31, 2022 and 2021

SAVVY SLIDERS FRANCHISE, LLC

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1
Financial Statements	
Balance Sheets	3
Statements of Operations and Member's Equity	4
Statements of Cash Flows	5
Notes to Financial Statements	6
Supplementary Information	
Schedules of General and Administrative Expenses	12



INDEPENDENT AUDITOR'S REPORT

To the Managing Member Savvy Sliders Franchise, LLC

Opinion

We have audited the accompanying financial statements of Savvy Sliders Franchise, LLC, which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of operations and member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Savvy Sliders Franchise, LLC as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Savvy Sliders Franchise, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Savvy Sliders Franchise, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Managing Member Savvy Sliders Franchise, LLC Page Two

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Savvy Sliders Franchise, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Savvy Sliders Franchise, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Information Included in the Company's Franchise Disclosure Document

Management is responsible for the other information included in the Company's Franchise Disclosure Document. The other information comprises information regarding the franchisor, applicable fees, initial investment amounts, obligations, franchise agreements, restrictions, and franchisee information and statistics among other items, but it does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance on it.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

UHY LLP

Farmington Hills, Michigan April 26, 2023

SAVVY SLIDERS FRANCHISE, LLC BALANCE SHEETS

	December 31,		
ASSETS	2022	2021	
A33E13			
CURRENT ASSETS	· /	^	
Cash Accounts receivable, trade	\$ 72,475 44,965	\$ 62,906	
Prepaid expenses	-	3,081	
Total current assets	117,440	65,987	
RELATED PARTY RECEIVABLES	466,281	204,858	
OTHER RECEIVABLES	95,000	90,000	
PROPERTY AND EQUIPMENT, NET	610,571		
TOTAL ASSETS	\$ 1,289,292	\$ 360,845	
LIABILITIES AND MEMBER'S EQUITY			
CURRENT LIABILITIES			
Accounts payable	\$ 10,915	\$-	
Accrued expenses	92,424	51,354	
Current portion of long-term debt Deferred revenue	32,236 281,490	- 180,625	
Total current liabilities	417,065	231,979	
RELATED PARTY PAYABLES	521,010	121,493	
LONG-TERM DEBT	133,733	-	
MEMBER'S EQUITY	217,484	7,373	
TOTAL LIABILITIES AND			
MEMBER'S EQUITY	\$ 1,289,292	\$ 360,845	

SAVVY SLIDERS FRANCHISE, LLC STATEMENTS OF OPERATIONS AND MEMBER'S EQUITY (DEFICIT)

	Years ended December 31,					
	202	2	2021			
	Percent of			Percent of		
		Total		Total		
	Amount	Revenues	Amount	Revenues		
REVENUES						
Initial franchise fees	\$ 102,885	7.1 %	+,	45.7 %		
Royalty commissions	1,074,115	74.9	464,334	54.3		
Other revenue	257,899	18.0		-		
Total revenues	1,434,899	100.0	854,584	100.0		
General and administrative						
expenses	1,851,514	129.2	672,999	78.7		
Net income (loss)	(416,615)	-29.2 %	181,585	21.3 %		
Member's equity (deficit), beginning	7,373		(24,212)			
Member contributions	641,026		-			
Member distributions	(14,300)		(150,000)			
Member's equity, ending	<u>\$ 217,484</u>		\$ 7,373			

SAVVY SLIDERS FRANCHISE, LLC STATEMENTS OF CASH FLOWS

	Years ended December 31,			
		2022		2021
OPERATING ACTIVITIES				
Net income (loss)	\$	(416,615)	\$	181,585
Adjustments to reconcile net income (loss) to net				
cash flows from operating activities: Depreciation and amortization		60 663		
Changes in:		69,663		-
Prepaid expenses		3,081		(3,081)
Accounts receivable		(44,965)		-
Accounts receivable, other		(5,000)		-
Related party receivables		(261,423)		(236,665)
Accounts payable		10 ,915		(11,774)
Accrued expenses		41,070		46,354
Deferred revenue		100,865		153,500
Related party payable		399,517		(73,787)
Net cash provided by operating activities		(102,892)		56,132
INVESTING ACTIVITY				
Expenditures for property and equipment		(680,234)		
FINANCING ACTIVITY				
Proceeds from long-term debt		176,335		-
Payments of long-term debt		(10,366)		-
Member contributions		641,026		-
Member distributions		(14,300)		-
Net cash provided by financing activities		792,695		-
NET CHANGE IN CASH		9,569		56,132
CASH, Beginning		62,906		6,774
CASH, Ending	\$	72,475	\$	62,906

Non-Cash Transactions

During the year ended December 31, 2021, the Company recorded distributions of \$150,000 through an increase in related party payables.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of certain accounting policies followed in the preparation of these financial statements. The policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of these financial statements.

Company Operations

Savvy Sliders Franchise, LLC (the "Company") is the master franchisor to license Savvy Sliders restaurants. The Company was organized on January 25, 2019.

Basis of Accounting

The financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America.

Use of Estimates

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

Accounts Receivable and Allowance for Doubtful Accounts

The Company carries its accounts receivable at an invoiced amount less an allowance for doubtful accounts. Generally, the Company does not require collateral for its accounts receivable. On a periodic basis, the Company evaluates its accounts receivable and establishes an allowance for doubtful accounts, when deemed necessary, based on the history of past write-offs and collections and current credit conditions. Management estimates that no allowance for doubtful accounts is necessary for the years ended December 31, 2022 and 2021.

Property and Equipment

Management capitalizes expenditures for property and equipment. Expenditures for maintenance and repairs are charged to expense. Property and equipment are carried at cost. Adjustments of the assets and the related accumulated depreciation accounts are made for property and equipment retirements and disposals, with the resulting gain or loss included in the statement of operations.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation

Depreciation of property and equipment is computed using the straight-line and accelerated methods over the estimated useful lives of the assets at acquisition.

Income Taxes

The Company is organized as a limited liability company (LLC), which is generally not a taxpaying entity for federal income tax purposes. Income from the Company is taxed to the member on their individual income tax returns. The member may take capital withdrawals each year to pay their personal income tax liabilities.

ASC guidance regarding accounting for uncertainty in income taxes clarifies the accounting for income taxes by prescribing the minimum recognition threshold an income tax position is required to meet before being recognized in the financial statements and applies to all income tax positions. Each income tax position is assessed using a two-step process. A determination is first made as to whether it is more likely than not that the income tax position will be sustained, based upon technical merits, upon examination by the taxing authorities. If the income tax position is expected to meet the more likely than not criteria, the benefit recorded in the financial statements equals the largest amount that is greater than 50% likely to be realized upon its ultimate settlement. At December 31, 2022 and 2021, there were no uncertain tax positions that require accrual.

Revenue Recognition

The Company's revenues consist of initial franchise fees, royalty commissions, and other revenue.

Royalty commissions are based on a monthly fee paid and are recognized when earned. Other revenues are monthly fees for services provided on behalf of the restaurants, which is recognized as other revenue when earned.

Initial franchise fees are recognized as revenue as the various performance obligations are satisfied. The Company accounts for the franchise agreements as multiple performance obligations, which include: the use of intellectual property; training, management services, point of sale mobilization, and other costs. The use of intellectual property is now recognized over time based on the term of the agreement. The remaining performance obligations continue to be recognized at a point in time when the services are performed. Any amounts not related to performance obligations that are not satisfied are recorded as deferred revenue.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Contract balances consist of the following:

	December 31,				
	2022			2021	
Receivables, beginning of year	\$	-	\$	-	
Receivables, end of year	\$	44,965	\$	-	
Contract liabilities, beginning of year	\$	180,625	\$	27,125	
Contract liabilities, end of year	\$	281,490	\$	180,625	

Disaggregation of Revenue

Disaggregated revenue for the years ended December 31, 2022 and 2021 is as follows:

	Years ended December 31,		
	2022	2021	
Revenues recognized over time: Intial franchise fees	<u>\$ 19,885</u>	<u>\$ 531</u>	
Total revenues recognized over time	19,885	531	
Revenues recognized at a point in time: Intial franchise fees Royalty commissions Other revenue	83,000 1,074,115 257,899	389,719 464,334 	
Total revenues recognized at a point in time	1,415,014	854,053	
Total revenues recognized under Topic 606	\$ 1,434,899	\$ 854,584	

Advertising

Advertising costs are expensed as incurred and totaled \$182,989 and \$52,309 for the years ended December 31, 2022 and 2021, respectively.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

The Company has performed a review of events subsequent to the balance sheet date through April 26, 2023, the date the financial statements were available to be issued.

Recently Adopted Accounting Pronouncement

The Company elected to adopt Accounting Standards Update ("ASU") No. 2018-17, "Targeted Improvements to Related Party Guidance for Variable Interest Entities". This ASU provides private companies with an accounting alternative in applying VIE guidance to entities under common control. As a result, the Company elected not to apply the VIE guidance to all affiliated entities under common control as management believes it meets all the criteria pertinent to the application of this accounting alternative. The Company's carrying amount of assets to these affiliated entities was \$466,281 and \$204,858 for the years ended December 31, 2022 and 2021, respectively. The Company's carrying amount of liabilities to these affiliated entities was \$521,010 and \$121,493, respectively.

In February 2016, the Financial Accounting Standards Board issued accounting standards update ("ASU") 2016-02 "Leases (Topic 842)". Under this guidance, an entity is required to recognize right-of-use assets and lease liabilities on its balance sheet and disclose key information about leasing arrangements.

The Company adopted the new standard effective January 1, 2022, using the modified retrospective approach. This approach allows the Company to initially apply the new accounting standards at the adoption date and recognize a cumulative adjustment to the opening balance of retained earnings in the period of adoption. The prior year comparative information has not been restated and continues to be reported under the accounting standards in effect for that period. The adoption of the new standards had no impact on member's equity (deficit) and currently the Company has no operating leases that are subject to the new standard.

The Company also early adopted ASC 2023-01 "Common Control Lease Arrangements". As a result, the Company is permitted to use any written terms and conditions between the parties, without regard to their legal enforceability, to identify, classify and account for common control leases. In addition, the Company amortizes leasehold improvements related to a common control lease over their useful life to the common control group, regardless of the lease term, as long as they continue to control the use of the underlying leased asset.

NOTE 2 – FRANCHISING

The Company executes franchise agreements that set the terms of its arrangement with each franchisee. The franchise requires the franchisee to pay an initial non-refundable fee and monthly royalty fees. Direct costs of sales and servicing of franchise and license agreements are charged to general and administrative expenses as incurred. The Company has franchises in Michigan.

NOTE 3 – RELATED PARTY TRANSACTIONS

The Company has related party receivables of \$466,281 and \$204,858 and related party payables of \$521,010 and \$121,493 at December 31, 2022 and 2021, respectively, with entities under common ownership. The receivables and payables are primarily the result of cash advances to and from related entities.

The Company paid related parties for various charges in 2021 including \$55,000 for brand set up fees, \$80,000 for management fees and \$19,963 in advertising fees. In 2022, there were no fees charged by related parties for expenses.

Effective in 2022, the Company has a short-term lease of office space from a related party through common ownership. Rent expense charged under short term related party lease for the year ended December 31, 2022, was \$48,000.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	Dec	ember 31,
	2022	2021
Automobiles	\$ 233,05	7 \$ -
Furniture and fixtures	230,72	7 -
Computer and office equipment	216,45	0
Total	680,23	4 -
Less accumulated depreciation		
and amortization	69,66	3
Property and equipment, net	<u>\$ 610,57</u>	<u>1 \$ -</u>

Depreciation and amortization expense was \$69,663 and \$-0- for the years ended December 31, 2022 and 2021, respectively.

NOTE 5 – LONG-TERM DEBT

	December 31,		
	2022	2021	
Note payable to a financial institution in monthly installments of \$3,348, including interest of 5.25% due August 2027. The note is secured by a vehicle with a cost of approximately \$176,000.	165,969	-	
Less current portion	(32,236)		
Long-term portion	\$ 133,733	<u>\$ -</u>	

Aggregate principal payments on long-term debt for the next five years are as follows:

Years ending December 31,	Amount	
2023	\$	32,236
2024		33,950
2025		35,795
2026		37,720
2027		26,268
	\$	165,969

SUPPLEMENTARY INFORMATION

SAVVY SLIDERS FRANCHISE, LLC SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES

	Years ended December 31,			
	202	22	202	21
		Percent of		Percent of
		Total		Total
	Amount	Revenues	Amount	Revenues
Salaries and wages	\$ 1,112,973	77.6 %	\$ 168,849	19.8 %
Payroll taxes	91,476	6.4	14,072	1.6
Professional fees	201,117	14.0	247,333	28.9
Office supplies and expense	36,951	2.6	22,519	2.6
Brand set up fees	-	-	55,000	6.4
Dues and subscriptions	27,505	1.9	-	-
Rent expense	48,000	3.3	4,400	.5
Employee benefits	1,143	.1	2,113	.2
Travel and entertainment	42,216	2.9	3,144	.4
Auto expense	3,294	.2	3,500	.4
Advertising	182,989	12.8	52,309	6.1
Insurance	8,222	.6	431	.1
Donations	2,822	.2	750	.1
Depreciation and amortization	69,663	4.9	-	-
Repairs and maintenance	19,741	1.4	-	-
Management fees	-		80,000	9.4
Training	2,208	.2	18,579	2.2
Licenses and permits	1,194	.1		-
	\$ 1,851,514	129.2 %	\$ 672,999	78.7 %

SAVVY SLIDERS FRANCHISE, LLC

AUDITED FINANCIAL STATEMENTS

Years ended December 31, 2023 and 2022

SAVVY SLIDERS FRANCHISE, LLC

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1
Financial Statements	
Balance Sheets	4
Statements of Operations and Member's Equity	5
Statements of Cash Flows	6
Notes to Financial Statements	7
Supplementary Information	
Schedules of General and Administrative Expenses	14



INDEPENDENT AUDITOR'S REPORT

To the Managing Member Savvy Sliders Franchise, LLC

Opinion

We have audited the accompanying financial statements of Savvy Sliders Franchise, LLC, which comprise the balance sheets as of December 31, 2023 **and 2022**, and the related statements of operations and member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Savvy Sliders Franchise, LLC as of December 31, 2023 **and 2022**, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Savvy Sliders Franchise, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Savvy Sliders Franchise, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Managing Member Savvy Sliders Franchise, LLC Page Two

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Savvy Sliders Franchise, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Savvy Sliders Franchise, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of general and administrative expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information Included in the Company's Franchise Disclosure Document

Management is responsible for the other information included in the Company's Franchise Disclosure Document. The other information comprises information regarding the franchisor, applicable fees, initial investment amounts, obligations, franchise agreements, restrictions, and franchisee information and statistics among other items, but it does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance on it.

To the Managing Member Savvy Sliders Franchise, LLC Page Three

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

UHY LLP

Farmington Hills, Michigan May 8, 2024

SAVVY SLIDERS FRANCHISE, LLC BALANCE SHEETS

	December 31,			
A00FT0	_	2023		2022
ASSETS				
CURRENT ASSETS Cash Accounts receivable, trade Prepaid expenses	\$	55,142 48,152 345	\$	72,475 44,965 -
Total current assets		103,639		117,440
RELATED PARTY RECEIVABLES		190,978		466,281
OTHER RECEIVABLES		63,100		95,000
PROPERTY AND EQUIPMENT, NET		650,523		610,571
INTANGIBLE ASSETS, NET		20,097		
TOTAL ASSETS	\$ 1	,028,337	\$	1,289,292
LIABILITIES AND MEMBER'S EQUITY				
CURRENT LIABILITIES Accounts payable Accrued expenses Current portion of long-term debt Deferred revenue	\$	29,721 106,105 50,388 265,852	\$	10,915 92,424 32,236 281,490
Total current liabilities		452,066		417,065
RELATED PARTY PAYABLES		434,545		521,010
LONG-TERM DEBT		139,732		133,733
MEMBER'S EQUITY		1,994		217,484
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u>\$</u> 1	1,028,337	\$	1,289,292

SAVVY SLIDERS FRANCHISE, LLC STATEMENTS OF OPERATIONS AND MEMBER'S EQUITY (DEFICIT)

	Years ended December 31,			
	2023		2022	
		Percent of Total		Percent of Total
	Amount	Revenues	Amount	Revenues
Revenues				
Initial franchise fees	\$ 165,638	8.1 %	\$ 102,885	7.1 %
Royalty commissions	1,434,947	70.5	1,074,115	74.9
Other revenue	436,136	21.4	257,899	18.0
Total revenues	2,036,721	100.0	1,434,899	100.0
Expenses				
General and administrative				
expenses	2,929,844	143.7	1,848,322	129.0
Interest expense	8,450	0.4	3,192	0.2
Other expense	3,251	0.2		_
Total expenses	2,941,545	144.3	1,851,514	129.2
			1,001,011	120.2
Net loss	(904,824)	(44.3) %	(416,615)	(29.2) %
Member's equity, beginning	217,484		7,373	
Member contributions	745,534		641,026	
Member distributions	(56,200)		(14,300)	
Member's equity, ending	<u>\$ 1,994</u>		<u>\$ 217,484</u>	

SAVVY SLIDERS FRANCHISE, LLC STATEMENTS OF CASH FLOWS

	Years ended December 31,			
		2023		2022
OPERATING ACTIVITIES Net loss	\$	(904,824)	\$	(416,615)
Adjustments to reconcile net loss to net	φ	(304,024)	ψ	(410,013)
cash flows from operating activities:				
Depreciation and amortization		107,212		69,663
Changes in:		,		,
Prepaid expenses		(345)		3,081
Accounts receivable		(3,187)		(44,965)
Accounts receivable, other		31,900		(5,000)
Accounts payable		18,806		10,915
Accrued expenses		13,681		41,070
Deferred revenue		(15,638)		100,865
Net cash used by operating activities		(752,395)		(240,986)
INVESTING ACTIVITIES				
Expenditures for property and equipment		(52,511)		(680,234)
Expenditures for intangible assets		(20,910)		
Net cash used by operating activities		(73,421)		(680,234)
FINANCING ACTIVITIES				
Proceeds from long-term debt		-		176,335
Payments of long-term debt		(34,871)		(10,366)
Member contributions		745,534		641,026
Member distributions		(56,200)		(14,300)
Related party receivables		275,303		(261,423)
Related party payables		(121,283)		399,517
Net cash provided by financing activities		808,483		930,789
NET CHANGE IN CASH		(17,333)		9,569
CASH, Beginning		72,475		62,906
CASH, Ending	\$	55,142	\$	72,475
SUPPLEMENTAL CASH FLOW INFORMATION				
Cash paid for interest	\$	3,196	\$	

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of certain accounting policies followed in the preparation of these financial statements. The policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of these financial statements.

Company Operations

Savvy Sliders Franchise, LLC (the "Company") is the master franchisor to license Savvy Sliders restaurants. The Company was organized on January 25, 2019.

Basis of Accounting

The financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America.

Use of Estimates

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

Accounts Receivable and Allowance for Credit Losses

The Company carries its accounts receivable at invoiced amount less an allowance for credit losses. Generally, the Company does not require collateral for its accounts receivable. On a periodic basis, the Company evaluates its accounts receivable and establishes an allowance for credit losses when deemed necessary, based on the history of past write-offs and collections, current credit conditions, and reasonable and supportable forecasts of collectability. Management estimates that no allowance for credit losses is necessary for the years ended December 31, 2023 **and 2022**.

Property and Equipment

Management capitalizes expenditures for property and equipment. Expenditures for maintenance and repairs are charged to expense. Property and equipment are carried at cost. Adjustments of the assets and the related accumulated depreciation accounts are made for property and equipment retirements and disposals, with the resulting gain or loss included in the statement of operations.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation

Depreciation of property and equipment is computed using the straight-line and accelerated methods over the estimated useful lives of the assets at acquisition.

Intangible Assets

The intangible asset consists of the Company's unique web address (URL), MORE2LOVE.com. Costs incurred to renew or extend the term of the recognized intangible asset are expensed as incurred. The website address is being amortized on a straight-line basis over the estimated life of 15 years.

Income Taxes

The Company is organized as a limited liability company (LLC), which is generally not a taxpaying entity for federal income tax purposes. Income from the Company is taxed to the member on their individual income tax returns. The member may take capital withdrawals each year to pay their personal income tax liabilities.

ASC guidance regarding accounting for uncertainty in income taxes clarifies the accounting for income taxes by prescribing the minimum recognition threshold an income tax position is required to meet before being recognized in the financial statements and applies to all income tax positions. Each income tax position is assessed using a two-step process. A determination is first made as to whether it is more likely than not that the income tax position will be sustained, based upon technical merits, upon examination by the taxing authorities. If the income tax position is expected to meet the more likely than not criteria, the benefit recorded in the financial statements equals the largest amount that is greater than 50% likely to be realized upon its ultimate settlement. At December 31, 2023 and 2022, there were no uncertain tax positions that require accrual.

Revenue Recognition

The Company's revenues consist of initial franchise fees, royalty commissions, and other revenue.

Royalty commissions are based on a monthly fee paid and are recognized when earned. Other revenues are monthly fees for services provided on behalf of the restaurants, which is recognized as other revenue when earned.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Initial franchise fees are recognized as revenue as the various performance obligations are satisfied. The Company accounts for the franchise agreements as multiple performance obligations, which include: the use of intellectual property; training, management services, point of sale mobilization, and other costs. The use of intellectual property is now recognized over time based on the term of the agreement. The remaining performance obligations continue to be recognized at a point in time when the services are performed. Any amounts not related to performance obligations that are not satisfied are recorded as deferred revenue.

Contract balances consist of the following:

	December 31,			31,
		2023		2022
Receivables, beginning of year	\$	44,965	\$	-
Receivables, end of year	\$	48,152	\$	44,965
Contract liabilities, beginning of year Contract liabilities, end of year	\$ \$	281,490 265,852	\$ \$	180,625 281,490

Disaggregation of Revenue

Disaggregated revenue for the years ended December 31, 2023 and 2022 is as follows:

	Years ended December 31,			
	2023	2022		
Revenues recognized over time: Intial franchise fees	<u>\$ 24,438</u>	\$ 19,885		
Total revenues recognized over time	24,438	19,885		
Revenues recognized at a point in time: Intial franchise fees Royalty commissions Other revenue	141,200 1,434,947 436,136	83,000 1,074,115 257,899		
Total revenues recognized at a point in time	2,012,283	1,415,014		
Total revenues recognized under Topic 606	\$ 2,036,721	\$ 1,434,899		

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising

Advertising costs are expensed as incurred and totaled \$112,755 and \$182,989 for the years ended December 31, 2023 and 2022, respectively.

Subsequent Events

The Company has performed a review of events subsequent to the balance sheet date through May 8, 2024, the date the financial statements were available to be issued.

Recently Adopted Accounting Pronouncement

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments – Credit Losses" (Topic 326). The ASU includes changes to the accounting and measurement of financial assets including the Company's contracts receivable by requiring the Company to recognize an allowance for all expected losses over the life of the financial asset at origination. This is different from the current practice where an allowance is not recognized until the losses are considered probable.

The Company adopted the new standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

NOTE 2 – FRANCHISING

The Company executes franchise agreements that set the terms of its arrangement with each franchisee. The franchise requires the franchisee to pay an initial non-refundable fee and monthly royalty fees. Direct costs of sales and servicing of franchise and license agreements are charged to general and administrative expenses as incurred. The Company has franchises in Michigan, Texas, Florida, and Ohio.

NOTE 3 – RELATED PARTY TRANSACTIONS

The Company has related party receivables of \$190,978 and \$466,281 and related party payables of \$434,545 and \$521,010 at December 31, 2023 and 2022, respectively, with entities under common ownership. The receivables and payables are primarily the result of cash advances to and from related entities.

Effective in 2022, the Company has a short-term lease of office space from a related party through common ownership. Rent expense charged under short term related party lease for the years ended December 31, 2023 and 2022, was \$112,000 and \$48,000, respectively. See Note 7 for non-cash related party transactions.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	December 31,			
		2023		2022
Automobiles Furniture and fixtures Computer and office equipment	\$	439,578 231,448 219,100	\$	233,057 230,727 216,450
Total		890,126		680,234
Less accumulated depreciation and amortization		239,603		69,663
Property and equipment, net	\$	650,523	\$	610,571

Depreciation and amortization expense was \$106,399 and \$69,663 for the years ended December 31, 2023 and 2022, respectively.

NOTE 5 – INTANGIBLE ASSET

The intangible asset consists of the URL (MORE2LOVE.com) and is being amortized on a straight-line basis over fifteen years. Total amortization expense for the year ended December 31, 2023 was \$X.

The intangible asset consisted of the following:

	 December 31,			
	2023	2022		
Domain name Less accumulated amortization	\$ 20,910 (813)	\$	-	
Intangible assets, net	\$ 20,097	\$	_	

Annual amortization expense of the intangible asset for each of the next fourteen years is expected to be \$1,494.

NOTE 6 – LONG-TERM DEBT

Long-term debt consists of the following:

	December 31,	
	2023	2022
Note payable to a financial institution in monthly installments of \$3,348, including interest of 5.25% due August 2027. The note is secured by a vehicle with a cost of approximately \$176,000.	133,733	165,969
Note payable to a financial institution in monthly installments of \$938, including interest of 6.34% due August 2027. The note is secured by a vehicle with a cost of \$76,000. The note was transferred to the Company from a related party in 2023.	37,317	-
Note payable to a financial institution in monthly installments of \$704, including interest of 7.10% due July 2026. The note is secured by a vehicle with a cost of \$76,494. The note was transferred		
to the Company from a related party in 2023.	19,070	-
	190,120	165,969
Less current portion	(50,388)	(32,236)
Long-term portion	\$ 139,732	<u> </u>

Aggregate principal payments on long-term debt for the next five years are as follows:

Years ending December 31,		Amount	
2024	\$	50,388	
2025		52,693	
2026		53,608	
2027		33,431	
	¢	100 120	
	φ	190,120	

NOTE 7 – STATEMENT OF CASH FLOWS

Cash paid for interest expense was \$8,450 and \$3,192 for the years ended December 31, 2023 and 2022, respectively.

The following non-cash transaction took place during the year ended December 31, 2023:

In 2023, a related party transferred vehicles with a net book value of \$93,839 along with the related debt of \$59,022 to the Company. The difference of \$34,817 was recorded as a related party payable.

SUPPLEMENTARY INFORMATION

SAVVY SLIDERS FRANCHISE, LLC SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES

	Years ended December 31,			
	2023		2022	
		Percent of		Percent of
		Total		Total
	Amount	Revenues	Amount	Revenues
Salarias and wages	\$ 1,666,210	81.8 %	\$ 1,112,973	77.6 %
Salaries and wages		6.7	. , ,	6.4
Payroll taxes	137,053	-	91,476	0.4
Personal property tax	8,184	.4	-	-
Professional fees	208,900	10.3	201,117	14.0
Office supplies and expense	73,663	3.6	33,759	2.4
Dues and subscriptions	67,822	3.3	27,505	1.9
Rent expense	112,000	5.5	48,000	3.3
Employee benefits	41,751	2.0	1,143	.1
Travel and entertainment	240,153	11.8	42,216	2.9
Auto expense	17,840	.9	3,294	.2
Advertising	112,755	5.5	182,989	12.8
Insurance	9,545	.5	8,222	.6
Donations	575	-	2,822	.2
Depreciation and amortization	107,212	5.3	69,663	4.9
Repairs and maintenance	23,170	1.1	19,741	1.4
Training	102,048	5.0	2,208	.2
Licenses and permits	963		1,194	.1
	\$ 2,929,844	143.7 %	\$ 1,848,322	129.0 %

EXHIBIT G

STATE SPECIFIC DISCLOSURES AND ADDENDA

Savvy Sliders Franchise, LLC State Specific Disclosures and Addenda Exhibit G Area FDD Dated May 8, 2024

ADDITIONAL STATE-SPECIFIC DISCLOSURES FOR THE MULTI-STATE FRANCHISE DISCLOSURE DOCUMENT OF SAVVY SLIDERS FRANCHISE, LLC

The following are additional disclosures for the Franchise Disclosure Document of Savvy Sliders Franchise, LLC required by various state franchise laws. Each provision of these additional disclosures will not apply unless, with respect to that provision, the jurisdictional requirements of the applicable state franchise registration and disclosure law are met independently without reference to these additional disclosures.

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. IN ADDITION TO THE INFORMATION SET FORTH IN ITEM 3 OF THE DISCLOSURE DOCUMENT, NEITHER THE FRANCHISOR NOR ANY PERSON LISTED IN ITEM 2 OF THE 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 USCA 78(a), ET SEQ., SUSPENDING OR EXPELLING SUCH PERSONS FROM MEMBERSHIP IN SUCH ASSOCIATION OR EXCHANGE.

3. THE FOLLOWING PARAGRAPHS ARE AN ADDITION TO THE DISCLOSURE CONTAINED IN ITEM 17 OF THE DISCLOSURE DOCUMENT.

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

(b) The Franchise Agreement and Area Representative Agreement contain a covenant not to compete that extends beyond termination of the franchise. That provision may not be enforceable under California law.

(c) The Franchise Agreement and Area Representative Agreement provide for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 USCA Sec. 101, et seq.).

(d) The Franchise Agreement and Area Representative Agreement contain a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

(e) The Franchise Agreement and Area Representative Agreement require application of the laws of Michigan. This provision may not be enforceable under California law.

(g) You must sign a general release if you renew or transfer your franchise. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

(h) Section 31125 of the California Corporations Code requires the Franchisor to give the Franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, prior to solicitation of a proposed material modification of an existing franchise.

The URL address for the Savvy Sliders Franchise LLC Website is <u>www.savvy sliders.com</u>. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT <u>www.dfpi.ca.gov</u>.

HAWAII

1. The following is in addition to the disclosure in Item 8 of the Franchise Disclosure Document:

The requirement for you to purchase products from us or some other entity as we designate in writing, may be unlawful under Hawaii Law. If, and to the extent, that requirement is found to be unlawful, that requirement will be void (to the extent unlawful) and you must purchase those products from approved suppliers.

2. The following paragraph is added:

This proposed registration is not effective/exempt from registration in any states at this time. No states have refused, by order or otherwise, to register these franchises. No states have revoked or suspended the right to offer these franchises.

ILLINOIS

1. The following is in addition to the disclosure in Item 17 of the Franchise Disclosure Document:

The Area Representative Agreement, as amended for the State of Illinois, provides that:

(a) If any provisions concerning renewal are inconsistent with Section 20 of the Illinois Franchise Disclosure Action of 1987, then Illinois law will apply.

(b) If any provisions concerning termination are inconsistent with Section 19 of the Illinois Franchise Disclosure Act of 1987, then Illinois law will apply.

(c) Any provision in the Agreement specifying the application of the laws of a state other than Illinois is void with respect to franchises subject to Illinois law.

(d) Any provision of the Agreement specifying a state other than Illinois as the forum for litigation is void with respect to any cause of action that is otherwise enforceable in the State of Illinois.

(e) No condition, stipulation, or provision of the Agreement requiring you to waive compliance with any provision of the Illinois Franchise Disclosure Act will be valid and enforceable.

2. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under 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.

INDIANA

1. REGISTRATION OF THIS FRANCHISE IN THE STATE OF INDIANA DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER.

2. The following is in addition to the disclosure in Item 17 of the Franchise Disclosure Document:

The release that you must sign as a condition to renewal or transfer excepts claims arising under the Indiana Deceptive Franchise Practices Law, Indiana Code 23-2-2.7.

The Area Representative Agreement for use in the State of Indiana specify that the Agreement and the construction of the Agreement will be governed by the laws of the State of Michigan except that the Indiana Franchise Law (Indiana Code 23-2-2.5 and 23-2-2.7) will control where applicable.

MARYLAND

1. The following is in addition to the disclosure in Item 17 of the Franchise Disclosure Document:

ANY RELEASE CONTAINED IN THE FRANCHISE AGREEMENT OR ANY OTHER AGREEMENT REQUIRED AS A CONDITION OF THE SALE, RENEWAL OR

TRANSFER OF THE FRANCHISE WILL NOT APPLY TO ANY LIABILITY UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW.

THE FRANCHISE AGREEMENT SPECIFIES THE APPLICATION OF MICHIGAN LAWS AND MICHIGAN VENUE FOR LITIGATION, HOWEVER, YOU MAY BRING AN ACTION UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW IN ANY COURT OF COMPETENT JURISDICTION IN MARYLAND.

ANY CLAIM ARISING UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW MUST BE BROUGHT WITHIN THREE YEARS AFTER THE GRANT OF THE FRANCHISE.

MINNESOTA

1. The following is in addition to the disclosure in Item 17 of the Franchise Disclosure Document:

Minn. Stat. § 80C.21 and Minnesota Rule Part 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in this disclosure document or agreement can abrogate or reduce any of your rights as provided in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, Savvy Sliders Franchise, LLC will comply with Minn. Stat. § 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement.

Pursuant to Minn. Rule 2860.4400D, other than with respect to the voluntary settlement of disputes between us, no general release of claims requested by us from you or any transferor will include such claims you or a transferor may have under the Minnesota Franchises Law and the Rules and Regulations promulgated by the Commissioner of Commerce.

2. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under 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.

NEW YORK

1. 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, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271.

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

2. <u>Litigation</u>. The following is in addition to the disclosure in Item 3 of the Franchise Disclosure Document:

Except for any actions disclosed in the body of the Disclosure document, neither the franchisor, a predecessor, a parent or affiliate that induces franchise sales by promising to back the franchisor financially or otherwise guarantees the franchisor's performance, an affiliate whose offers franchises under the Franchisor's principal trademarks, nor any person identified in Item 2 of the Franchise Disclosure Document:

A. 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; or any pending action, 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.

B. Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

C. 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. <u>Bankruptcy</u>. The following is in addition to the disclosure in Item 4 of the Franchise Disclosure Document:

Except as disclosed in the body of the Disclosure document, neither Franchisor, and parent, predecessor, affiliate, officer, or general partner of the franchisor, nor any other individual who will have management responsibility relating to the sale or operation of franchises offered in the Franchise Disclosure Document has, during the ten (10) year period immediately before 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 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 during or within one (1) year after the officer or general partner of the Franchisor held this position in the company or partnership.

4. <u>Initial Franchise Fee</u>. The following is in addition to the disclosure in Item 5 of the Franchise Disclosure Document:

The initial franchise fee may, in part, be profit to us, and is, in part, used to pay our following expenses and costs: (a) employee salaries and benefits; (b) sales, administrative and operating expenses; (c) legal and accounting fees; (d) expenses of technical assistance, service and support; (e) protection of our trademarks; (f) other operational expenses incurred by us relating to franchising.

5. <u>Renewal, Termination, Transfer and Dispute Resolution</u>. The following is in addition to the disclosure in Item 17 of the Franchise Disclosure Document:

Conditions for our approval of the transfer--The release you must sign if you transfer your franchise will not apply to any claims you may have arising under Article 33 of the General Business Law of the State of New York.

Assignment of contract by us--No assignment of our rights in the Franchise Agreement will be made by us except to an assignee who, in our good faith and judgment, is willing and able to assume our duties under the Agreement.

Choice of law--The choice of law provision, which requires application of Michigan laws, will not be considered a waiver of your rights under Article 33 of the General Business Law of the State of New York.

Modification of agreements--Revisions to the operations manual will not unreasonable affect your obligations, including economic requirements, under the Franchise Agreement.

NORTH DAKOTA

1. The following is in addition to the disclosure in Item 17 of the Franchise Disclosure Document:

The Agreements as amended for the State of North Dakota do not specify a controlling law for interpretation or construction of the agreements.

The Agreements as amended for the State of North Dakota do not specify the venue for litigation proceedings.

THE SECURITIES COMMISSIONER HAS HELD THE FOLLOWING TO BE UNFAIR, UNJUST OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES (SECTION 51-19-09, N.D.C.C.):

(a) Restrictive Covenants: Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to the statute.

(b) Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.

(c) Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

(d) Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

(e) Applicable Laws: Franchise agreements, which specify that they are to be governed by the laws of a state other than North Dakota.

(f) Waiver of Trial by Jury: Requiring North Dakota franchises to consent to a waiver of a trial by jury.

(g) Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

(h) General Release: Franchise Agreements that require the franchisee to sign a general release on renewal of the franchise agreement.

(i) Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

(j) Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing

party in any enforcement action is entitled to recover all costs and expenses including attorneys' fees.

RHODE ISLAND

1. The following is in addition to the disclosure in Item 17 of the Franchise Disclosure Document:

§ 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."

VIRGINIA

1. The following statements are added to Item 17 of the Franchise Disclosure Document:

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 do 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.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

2. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under 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.

WASHINGTON

1. The following is in addition to the disclosure in Item 17 of the Franchise Disclosure Document:

The State of Washington has a statute, RCW 19.100.180, which may supersede the franchise agreement in your relationship with us, including the areas of termination

and renewal of your franchise. There may also be court decisions that may supersede the franchise agreement in your relationship with us including the areas of termination and renewal of your franchise.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

A release or waiver of rights executed by a franchisee will not include rights under the Washington Franchise Investment Protection Act 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 that unreasonably restrict or limit the statute of limitations period for claims under the Act, 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.

WISCONSIN

1. The following is in addition to the disclosure in Item 17 of the Franchise Disclosure Document:

Chapter 135, Stats., Wisconsin Fair Dealership Law, supersedes any provision of the Franchise Agreement or any other agreement inconsistent with that law.

THE FOLLOWING PAGES IN THIS EXHIBIT ARE STATE SPECIFIC ADDENDA TO THE FRANCHISE AGREEMENT

ADDENDUM TO SAVVY SLIDERS FRANCHISE, LLC <u>AREA REPRESENTATIVE AGREEMENT FOR USE IN THE STATE OF HAWAII</u>

THIS ADDENDUM is made this _____ day of _____, 20___, and modifies an Area Representative Agreement of the same date entered into by Savvy Sliders Franchise, LLC, a Michigan corporation ("Franchisor") and ______ _____("Area Representative").

In recognition of the requirements of the Hawaii Franchise Investment Law, Haw. Rev. Stat. § 482E-1, et seq., the parties agree as follows:

1. <u>Release on Renewal</u>. Section 3.2(f) of the Area Representative Agreement, is amended to read as follows:

(f) Area Representative has signed a general release, in a form specified by Franchisor, of any and all claims against Franchisor, its subsidiaries and affiliates, and their respective officers, directors, agents, members and employees, excluding only such claims as Area Representative may have under the Hawaii Investment Law.

2. <u>Release on Transfer</u>. Section 12.3(f) of the Area Representative Agreement, is amended to read as follows:

(f) Area Representative must sign at the time of sale an agreement terminating this Agreement (unless this Agreement will be assigned to the transferee--see subsection (b) above) and must sign an agreement, in the form specified by Franchisor, releasing Franchisor and its affiliates, owners, officers, directors, employees and agents from any and all claims and causes of action, excluding only such claims as the Area Representative may have under the Hawaii Franchise Investment law;

3. <u>Effectiveness of Amendment</u>. Each provision of this Amendment is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently without reference to this Amendment.

SAVVY SLIDERS FRANCHISE, LLC

AREA REPRESENTATIVE

Its: _____

By:_____ Its:

ADDENDUM TO SAVVY SLIDERS FRANCHISE, LLC <u>AREA REPRESENTATIVE AGREEMENT FOR USE IN THE STATE OF ILLINOIS</u>

THIS ADDENDUM is made this _____ day of _____, 20___, and modifies an Area Representative Agreement of the same date entered into by Savvy Sliders Franchise, LLC, a Michigan corporation ("Franchisor") and ______ ("Area Representative").

In recognition of the requirements of the Illinois Franchise Disclosure Act, Ill. Comp. State. §§ 705/1 to 705/44, the parties agree as follows:

1. <u>Renewal</u>. Section 3.2 of the Area Representative Agreement is amended by adding the following paragraph:

If any of the provisions of this Section 3.2 concerning renewal are inconsistent with Section 20 of the Illinois Franchise Disclosure Act of 1987, then said Illinois law will apply.

2. <u>Termination</u>. Article 13 of the Area Representative Agreement is amended by the addition of the following Section 13.9:

13.9 If any of the provisions of this Article 13 concerning termination are inconsistent with Section 19 of the Illinois Franchise Disclosure Act of 1987, then said Illinois law will apply.

3. <u>Applicable Law</u>. Section 15.3 of the Area Representative Agreement is amended by adding the following:

Any provision of the Area Representative Agreement specifying the application of the laws of a state other than Illinois is void with respect to franchises subject to Illinois law.

4. <u>Venue</u>. Section 15.4 of the Area Representative Agreement is amended by adding the following:

Any provision of the Area Representative Agreement specifying a state other than Illinois as the forum for arbitration or litigation is void with respect to any cause of action that is otherwise enforceable in the State of Illinois.

5. <u>Illinois Franchise Disclosure Act</u>. The Area Representative Agreement is amended by the addition of the following paragraph as Section 18.13:

19.14 No condition, stipulation, or provision of this Agreement requiring Area Representative to waive compliance with any provision of the Illinois Franchise Disclosure Act or Illinois law will be valid or enforceable.

6. No statement, questionnaire, or acknowledgement signed or agreed to by Area Representative 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 Franchisor, franchise seller, or other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. <u>Effectiveness of Amendment</u>. Each provision of this Amendment is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act of 1987 are met independently without reference to this Amendment.

SAVVY SLIDERS FRANCHISE, LLC	
	AREA REPRESENTATIVE
By:	By:
Its:	Its:

ADDENDUM TO SAVVY SLIDERS FRANCHISE, LLC <u>AREA REPRESENTATIVE AGREEMENT FOR USE IN THE STATE OF INDIANA</u>

THIS ADDENDUM is made this _____ day of _____, 20___, and modifies an Area Representative Agreement of the same date entered into by Savvy Sliders Franchise, LLC, a Michigan corporation ("Franchisor") and ______ _____("Area Representative").

In recognition of the requirements of the Indiana Deceptive Franchise Practices Act, Indiana Code 23-2-2.7, the parties agree as follows:

1. <u>Release on Renewal</u>. The following language is added at the end of Section 3.2(f) of the Area Representative Agreement:

"except those claims arising under the Indiana Deceptive Franchise Practices Law, Indiana Code 23-2-2.7."

2. <u>Release on Transfer</u>. The following language is added at the end of Section 12.3(f) of the Area Representative Agreement:

"except those claims arising under the Indiana Deceptive Franchise Practices Law, Indiana Code 23-2-2.7."

3. <u>Applicable Law</u>. Section 15.3 of the Area Representative Agreement is amended by adding the following at the end of that Section:

"Notwithstanding the foregoing, the Indiana Franchise Law (Indiana Code 23-2-2.5 and 23-2-2.7) will control where applicable."

4. <u>Effectiveness of Addendum</u>. Each provision of this Addendum is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Indiana Deceptive Franchise Practices Law are met independently without reference to this Addendum.

SAVVY SLIDERS FRANCHISE, LLC

AREA REPRESENTATIVE

By:	By:
Its:	Its:

ADDENDUM TO SAVVY SLIDERS FRANCHISE, LLC <u>AREA REPRESENTATIVE AGREEMENT FOR USE IN THE STATE OF MARYLAND</u>

THIS ADDENDUM is made this _____ day of _____, 20___, and modifies an Area Representative Agreement of the same date entered into by Savvy Sliders Franchise, LLC, a Michigan corporation ("Franchisor") and ______ _____ ("Area Representative").

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Annotated Code of Maryland, Article-Business Regulation, Title 14, §§ 14-201 to 14-233, the parties agree as follows:

1. <u>Acknowledgements of Area Representative</u>. Article 16 of the Area Representative Agreement is amended by adding the following Section 16.6 at the end of the Article:

16.6 The representations in this Article 16 are not intended to and will not act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. Area Representative acknowledges that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

2. <u>Release on Renewal</u>. Section 3.2(f) of the Area Representative Agreement is amended to read as follows:

(f) Area Representative has signed a general release, in a form specified by Franchisor, of any and all claims against Franchisor, its subsidiaries and affiliates, and their respective officers, directors, agents, members and employees, except claims arising under the Maryland Franchise and Disclosure Law.

3. <u>Release on Transfer</u>. Section 12.3(f) of the Area Representative Agreement is amended to read as follows:

(f) Area Representative must sign at the time of sale an agreement terminating this Agreement (unless this Agreement will be assigned to the transferee--see subsection (b) above) and must sign an agreement, in the form specified by Franchisor, releasing Franchisor and its affiliates, owners, officers, directors, employees and agents from any and all claims and causes of action, except claims arising under the Maryland Franchise Registration and Disclosure Law.

4. <u>Choice of Law; Jurisdiction and Venue</u>. Article 15 of the Area Representative Agreement is amended by adding the following as Section 15.9:

15.10 Notwithstanding anything to the contrary in this Article 15, Area Representative may bring a claim against Franchisor under the Maryland Franchise Registration and Disclosure Law in any Court of competent jurisdiction in the State of Maryland.

5. <u>Limitations of Claims</u>. Section 15.8 of the Area Representative Agreement is amended by adding the following sentence at the end of the Section:

Notwithstanding the foregoing, Area Representative may bring a legal claim against Franchisor under the Maryland Franchise Registration and Disclosure Law within three years after the grant of the franchise.

6. <u>Effectiveness of Amendment</u>. Each provision of this Amendment is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Amendment.

SAVVY SLIDERS FRANCHISE, LLC

AREA REPRESENTATIVE

Its: _____

Its:

ADDENDUM TO THE SAVVY SLIDERS FRANCHISE, LLC AREA REPRESENTATIVE AGREEMENT FOR USE IN THE STATE OF MINNESOTA

THIS ADDENDUM is made this _____ day of _____, 20___, and modifies an Area Representative Agreement of the same date entered into by Savvy Sliders Franchise, LLC, a Michigan corporation ("Franchisor") and ______ ("Area Representative").

In recognition of the requirements of the Minnesota Franchise Act, Minn. Stat., § 80C.01, et seq., and the Rules and Regulations promulgated under the Act by the Commissioner of Commerce, Minnesota Rule § 2860.4400, et seq., the parties agree as follows:

1. <u>Release on Renewal</u>. Section 3.2(f) of the Area Representative Agreement is amended to read as follows:

Area Representative has signed a general release, in a form specified by Franchisor, of any and all claims against Franchisor, its subsidiaries and affiliates, and their respective officers, directors, agents, members and employees, excluding only such claims as Area Representative may have under the Minnesota Franchises Law and the Rules and Regulations promulgated by the Commissioner of Commerce.

2. <u>Release on Transfer</u>. Section 12.3(f) of the Area Representative Agreement is amended to read as follows:

Area Representative must sign at the time of sale an agreement terminating this Agreement (unless this Agreement will be assigned to the transferee--see subsection (b) above) and must sign an agreement, in the form specified by Franchisor, releasing Franchisor and its affiliates, owners, officers, directors, employees and agents from any and all claims and causes of action, excluding only such claims as the transferor may have under the Minnesota Franchises Law and the Rules and Regulations promulgated by the Commissioner of Commerce.

3. <u>Renewal, Transfer and Termination</u>. Article 13 of the Area Representative Agreement is amended by adding the following paragraph:

Minnesota law provides franchisees with certain termination, non-renewal, and transfer rights. Minn. Stat. § 80.C.14, Subd. 3, 4, and 5 require, except in specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the Area Representative Agreement, and that consent to the transfer of the franchise not be unreasonably withheld.

4. <u>Applicable Law; Jurisdiction and Venue</u>. Article 15 of the Area Representative Agreement is amended by adding the following paragraph:

Minn. Stat. § 80.C.21, and Minn. Rule Part 2860.4400J prohibit franchisors from requiring litigation to be conducted outside Minnesota. In addition, nothing in this Agreement can abrogate or reduce any of your rights as provided for in Minnesota

Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

5. <u>Injunctive Relief</u>. Section 15.5 of the Area Representative Agreement is modified to read as follows:

Notwithstanding Section 15.1, Franchisor will have the right to request specific enforcement of the terms of this Agreement from a court or competent jurisdiction, by temporary or permanent injunctions or other equitable relief. Franchisor will have the right, without limitation, to request injunctive relief to prevent Area Representative from engaging in the following acts, which Area Representative acknowledges would cause irreparable harm to Franchisor: (a) using the Franchise Marks during the term of this Agreement in any manner not authorized by this Agreement or infringing on the Franchise Marks after termination of this Agreement; (b) using any of the rights franchised by this Agreement in any manner not authorized by this Agreement; (c) failing to operate in accordance with the standards and procedures specified by Franchisor; (d) engaging in operations in violation of the in-term and post-term restrictions on competition set forth in Article 11; (e) disclosing to any person or using the trade secrets or confidential information of Franchisor in violation of this Agreement; (f) engaging in any transfer without complying with this Agreement; (g) engaging in acts or practices in violation of applicable laws and regulations or that are fraudulent, dishonest or create health or other hazards to the public; or (h) significantly impairing the goodwill associated with Franchisor. Franchisor's rights to request injunctive relief are in addition to all other remedies available to Franchisor under applicable law.

6. <u>Limitation of Claims</u>. Section 15.8 of the Area Representative Agreement is deleted.

7. No statement, questionnaire, or acknowledgement signed or agreed to by Area Representative 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 Franchisor, franchise seller, or other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

8. <u>Effectiveness of Amendment</u>. Each provision of this Amendment is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act, Minn. Stat., §§ 80C.01 through 80C.22, and the Rules and Regulations promulgated under the Act by the Minnesota Commissioner of Commerce, Minn. Rule §§ 2860.0100 through 2860.9930, are met independently without reference to this Addendum.

SAVVY SLIDERS FRANCHISE, LLC

AREA REPRESENTATIVE

By:	By:
Its:	Its:

ADDENDUM TO THE SAVVY SLIDERS FRANCHISE, LLC AREA REPRESENTATIVE AGREEMENT FOR USE IN THE STATE OF NEW YORK

THIS ADDENDUM is made this ____ day of _____, 20___, and modifies an Area Representative Agreement of the same date entered into by Savvy Sliders Franchise, LLC, a Michigan corporation ("Franchisor") and __________ ("Area Representative").

In recognition of the requirements of the New York Franchise Law, Article 33 of the General Business Law of the State of New York, the parties agree as follows:

1. <u>Release on Renewal and Transfer</u>. Sections 3.2(f) and 12.3(f) of the Area Representative Agreement are amended by adding the following proviso at the end of each Section:

Provided, however, that all rights enjoyed by Area Representative and any causes of action arising in Area Representative's favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued under that law will remain in force; it being the intent of this proviso that the non-waiver provisions of GBL 687.4 and 687.5 be satisfied.

2. <u>Applicable Law</u>. Section 15.3 of the Area Representative Agreement is amended by adding the following sentence:

This choice of law provision will not be considered a waiver of a right of Area Representative under the provisions of Article 33 of the General Business Law of the State of New York.

3. <u>Effectiveness of Amendment</u>. This Amendment is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the New York Franchise Law, Article 33 of the General Business Law of the State of New York, are met independently without reference to this Amendment.

SAVVY SLIDERS FRANCHISE, LLC

AREA REPRESENTATIVE

By:	By:
Its:	Its:

ADDENDUM TO SAVVY SLIDERS FRANCHISE, LLC <u>AREA REPRESENTATIVE AGREEMENT FOR USE IN THE STATE OF NORTH</u> <u>DAKOTA</u>

THIS ADDENDUM is made this _____ day of _____, 20___, and modifies an Area Representative Agreement of the same date entered into by Savvy Sliders Franchise, LLC, a Michigan corporation ("Franchisor") and ______ _____ ("Area Representative").

In recognition of the requirements of the North Dakota Franchise Investment Law, Chapter 51-19 of the North Dakota Century Code, the parties agree as follows:

1. <u>Covenants Not to Compete</u>. Article 11 of the Area Representative Agreement is amended by adding the following paragraph:

The covenants not to compete stated in this Article are subject to Section 9-08-06 of the North Dakota Century Code.

2. <u>Liquidated Damages</u>. Section 14.2 of the Area Representative Agreement is amended to read as follows:

In the event of the termination of this Agreement following the Area Representative's default, in addition to any other remedies available, Franchisor will be entitled to seek Franchisor's damages attributable to the loss of bargain resulting from that termination.

3. <u>Applicable Law</u>. Section 15.3 of the Area Representative Agreement is deleted.

4. <u>Venue for Litigation</u>. Section 15.4 of the Area Representative Agreement is deleted.

5. <u>Limitation of Adjudicative Proceedings</u>. Section 15.7 of the Area Representative Agreement is deleted.

6. THE SECURITIES COMMISSIONER HAS HELD THE FOLLOWING TO BE UNFAIR, UNJUST OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES (SECTION 51-19-09, N.D.C.C.):

(a) Restrictive Covenants: Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to the statute.

(b) Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.

(c) Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

(d) Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

(e) Applicable Laws: Franchise agreements, which specify that they are to be governed by the laws of a state other than North Dakota.

(f) Waiver of Trial by Jury: Requiring North Dakota franchises to consent to a waiver of a trial by jury.

(g) Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

(h) General Release: Franchise agreements that require the franchisee to sign a general release on renewal of the franchise agreement.

(i) Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

(j) Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorneys' fees.

7. <u>Effectiveness of Amendment</u>. Each provision of this Amendment is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code §§ 51-19-17, are met independently without reference to this Amendment.

SAVVY SLIDERS FRANCHISE, LLC

AREA REPRESENTATIVE

By:_____

____ By:_____

Its: _____

Its:

ADDENDUM TO SAVVY SLIDERS FRANCHISE, LLC AREA REPRESENTATIVE AGREEMENT FOR USE IN THE STATE OF RHODE **ISLAND**

THIS ADDENDUM is made this _____ day of _____, 20___, and modifies an Area Representative Agreement of the same date entered into by Savvy Sliders Franchise, LLC, a Michigan corporation ("Franchisor") and ("Area Representative").

In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, the parties agree as follows:

Applicable Law. Article 15 of the Area Representative Agreement is amended by 1. adding the following:

§ 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."

Effectiveness of Amendment. This Amendment is effective only to the extent, 2. with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, are met independently without reference to this Amendment.

SAVVY SLIDERS FRANCHISE, LLC

AREA REPRESENTATIVE

By:_____

Its:

Its:

By:

ADDENDUM TO SAVVY SLIDERS FRANCHISE, LLC AREA REPRESENTATIVE AGREEMENT FOR USE IN THE STATE OF WASHINGTON

In recognition of the requirements of the Washington Franchise Investment Protection Act, the parties agree as follows:

1. <u>Washington Law</u>. The Area Representative Agreement is amended by adding the following paragraphs:

The State of Washington has a statute, RCW 19.100.180, which may supersede the Area Representative Agreement in Area Representative's relationship with Franchisor, including the areas of termination and renewal of Area Representative's franchise. There may also be court decisions that may supersede the Area Representative Agreement in Area Representative's relationship with Franchisor including the areas of termination and renewal of Area Representative's franchise.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

A release or waiver of rights executed by Area Representative will not include rights under the Washington Franchise Investment Protection Act 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 that unreasonably restrict or limit the statute of limitations period for claims under the Act, 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 Area Representative's reasonable estimated or actual costs in effecting a transfer.

2. <u>Effectiveness of Amendment</u>. Each provision of this Amendment is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act are met independently without reference to this Amendment.

SAVVY SLIDERS FRANCHISE, LLC

AREA REPRESENTATIVE

By:	By:
Its:	Its:

ADDENDUM TO THE SAVVY SLIDERS FRANCHISE, LLC <u>AREA REPRESENTATIVE AGREEMENT FOR USE IN THE STATE OF WISCONSIN</u>

THIS ADDENDUM is made this _____ day of _____, 20___, and modifies an Area Representative Agreement of the same date entered into by Savvy Sliders Franchise, LLC, a Michigan corporation ("Franchisor") and _________ ______("Area Representative").

In recognition of the requirements of the Wisconsin Fair Dealership Law, Ch. 135, Stats., the parties agree as follows:

1. <u>Applicable Law</u>. Section 15.3 of the Area Representative Agreement is amended by adding the following sentence:

Chapter 135, Stats., Wisconsin Fair Dealership Law, supersedes any provision of the Area Representative Agreement or any other agreement inconsistent with that law.

2. <u>Effectiveness of Amendment</u>. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Wisconsin Fair Dealership Law are met independently without reference to this Amendment.

SAVVY SLIDERS FRANCHISE, LLC

AREA REPRESENTATIVE

By:_____

Its:_____

By:_____

Its:_____

EXHIBIT H

STATE EFFECTIVE DATES AND RECEIPTS

Savvy Sliders Franchise LLC State Effective Dates and Receipts Exhibit H Area FDD Dated May 8, 2024

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This 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:

<u>State</u>	Effective Date or Status
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	July 19, 2023
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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 other seller-assisted marketing plans.

RECEIPT

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Savvy Sliders 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, the franchisor or an affiliate in connection with the proposed franchise sale.

Iowa, New York, and Rhode Island require that Savvy Sliders gives you this disclosure document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement or pay any consideration that relates to the franchise relationship.

Michigan and Oregon require that Savvy Sliders gives you this disclosure document at least 10 business days before you sign a binding agreement or pay any consideration, whichever occurs first.

If Savvy Sliders 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 applicable state agency.

The name, principal business address and telephone number of each franchise seller offering the franchise [you should write-in the names of any employees, agents or brokers of the franchisor if you have had significant contact with the person and the person is not otherwise listed]:

Happy Asker 30955 Northwestern Highway, Suite 300	
Farmington Hills, MI 48334 Phone: (248) 538-0000	

Issuance Date: May 8, 2024. I received a Franchise Disclosure Document dated May 8, 2024, which included the following Exhibits:

	Notice under Michigan Franchise Law	Е	List of Franchisees that Recently Left
Α	List of State Administrators and Agents for Service	F	Financial Statements
	of Process		
В	Area Representative Agreement	G	State Specific Disclosures and Addenda
С	Confidentiality/Non-Competition Agreement	Н	State Effective Dates and Receipts (2 Copies)
D	List of Area Representatives		

Please complete any applicable franchise seller information above and then sign and date this Receipt and mail it, fax it, or email it to Happy Asker at: 30955 Northwestern Highway, Suite 300, Farmington Hills, Michigan 48334; fax number (248) 538-0011; email: <u>franchising@savysliders.com</u>. Or you may return your receipt to the email address of the person who furnished you with the Franchise Disclosure Document.

Dated:

[sign]

[print name (and title if applicable)]

[print name of entity if applicable]

RECEIPT

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Savvy Sliders 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, the franchisor or an affiliate in connection with the proposed franchise sale.

Iowa, New York, and Rhode Island require that Savvy Sliders gives you this disclosure document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement or pay any consideration that relates to the franchise relationship.

Michigan and Oregon require that Savvy Sliders gives you this disclosure document at least 10 business days before you sign a binding agreement or pay any consideration, whichever occurs first.

If Savvy Sliders 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 applicable state agency.

The name, principal business address and telephone number of each franchise seller offering the franchise [you should write-in the names of any employees, agents or brokers of the franchisor if you have had significant contact with the person and the person is not otherwise listed]:

Happy Asker 30955 Northwestern Highway, Suite 300	
Farmington Hills, MI 48334 Phone: (248) 538-0000	

Issuance Date: May 8, 2024. I received a Franchise Disclosure Document dated May 8, 2024, which included the following Exhibits:

	Notice under Michigan Franchise Law	Е	List of Franchisees that Recently Left
А	List of State Administrators and Agents for Service	F	Financial Statements
	of Process		
В	Area Representative Agreement	G	State Specific Disclosures and Addenda
С	Confidentiality/Non-Competition Agreement	Н	State Effective Dates and Receipts (2 Copies)
D	List of Area Representatives		

Please complete any applicable franchise seller information above and then sign and date this Receipt and mail it, fax it, or email it to Happy Asker at: 30955 Northwestern Highway, Suite 300, Farmington Hills, Michigan 48334; fax number (248) 538-0011; email: <u>franchising@savysliders.com</u>. Or you may return your receipt to the email address of the person who furnished you with the Franchise Disclosure Document.

Dated:

[sign]

[print name (and title if applicable)]

[print name of entity if applicable]