

FRANCHISE DISCLOSURE DOCUMENT

Green Mill Restaurants, LLC
A Minnesota limited liability company
1342 Grand Avenue
St. Paul, MN 55105
(651) 203-3100
WWW.GREENMILL.COM



Franchisees will own and operate either a full service restaurant featuring pizza under the "GREEN MILL®" trade name and service marks or a limited service offering under the "GREEN MILL ON THE GO™" trade name and marks that will complement an existing restaurant.

The total investment necessary to begin operation of a GREEN MILL restaurant franchise is \$1,669,000 to \$2,493,000. This includes \$85,000 to \$91,000 that you must pay to the franchisor or an affiliate. Your initial investment will be higher if you construct your restaurant as a free standing location. The total investment necessary to begin operation of a GREEN MILL ON THE GO franchise is \$147,000 to \$495,000. This includes \$25,000 to \$40,000 that you must pay to the franchisor or an affiliate.

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.**

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

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: October 14, 2021

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

- 1. Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Minnesota. 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 Minnesota than in your own state.
- 2. Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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.

TABLE OF CONTENTS

1.	THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES	1
2.	BUSINESS EXPERIENCE	3
3.	LITIGATION	4
4.	BANKRUPTCY.....	4
5.	INITIAL FEES.....	4
6.	OTHER FEES	6
7.	ESTIMATED INITIAL INVESTMENT	9
8.	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	14
9.	FRANCHISEE'S OBLIGATIONS.....	18
10.	FINANCING	19
11.	FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	20
12.	TERRITORY	31
13.	TRADEMARKS	32
14.	PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION.....	34
15.	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....	35
16.	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....	36
17.	RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION	36
18.	PUBLIC FIGURES	40
19.	FINANCIAL PERFORMANCE REPRESENTATIONS.....	40
20.	OUTLETS AND FRANCHISEE INFORMATION	41
21.	FINANCIAL STATEMENTS	44
22.	CONTRACTS.....	44
23.	RECEIPTS	44

EXHIBITS

Exhibit A	List of State Administrators and Agents for Service of Process
Exhibit B	Franchise Agreement
Exhibit C	Financial Statements
Exhibit D	List of Franchised Locations
Exhibit E	State Addenda to Disclosure Document
Exhibit F	Tables of Contents to Operating Manuals
Exhibit G	Form of General Release Agreement
Exhibit H	Third Party Supplier Agreements
Exhibit I	State Effective Dates
Exhibit J	Receipts

ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To make it easier to read this Disclosure Document, the words "Franchisor," "we," "our," and "us" mean Green Mill Restaurants, LLC. "You", "your" or "yours" means the person or entity which buys the GREEN MILL restaurant franchise. If the buyer of the franchise is a corporation, general partnership, limited partnership, limited liability partnership, limited liability company, joint venture or other entity, the term "you," "your" and "yours" also includes the individual owners of those entities.

We are a Minnesota limited liability company that was formed on September 2, 2010. Effective May 31, 2010, two of our officers acquired the stock of our immediate predecessor, Green Mill Restaurants, Inc. ("GMR Predecessor"), a Minnesota corporation. GMR Predecessor was incorporated on April 19, 1991, under the name Mill Franchising Incorporated, but changed its name to Green Mill Restaurants, Inc. on October 21, 1998. On November 20, 2010, through a series of mergers (the "Mergers"), we acquired all of the assets, liabilities and interests, including the GREEN MILL franchise system, from GMR Predecessor. We maintain our principal business office at 1342 Grand Avenue, St. Paul, Minnesota 55105. Our telephone number is (651) 203-3100. We do business under the names " GREEN MILL," "GREEN MILL RESTAURANTS," and "Green Mill Restaurants, LLC." Except for GMR Predecessor, we have no other predecessors.

GMR Predecessor offered franchises to operate full-service restaurants featuring pizza under the " GREEN MILL" trade name and service marks from 1991 until 2010.

The names and addresses of our agents for service of process are listed on Exhibit A.

A franchise entitles you to operate one GREEN MILL full service restaurant at a specific location to be agreed upon by you and us or a GREEN MILL ON THE GO limited franchise that you will operate as a complementary component to an existing restaurant under the terms of the Franchise Agreement ("Franchise Agreement," which includes a GREEN MILL ON THE GO Amendment for that limited franchise). A copy of the Franchise Agreement is included as Exhibit B. You must offer our standard menu featuring pizza with a variety of toppings and other menu items, although the GREEN MILL ON THE GO menu is limited to pizza, calzones, garlic cheese bread and our award-winning wings. For the GREEN MILL full service restaurant, you must obtain a liquor license and offer and serve a variety of alcoholic beverages. The principal customers for the food products and beverages offered and sold in GREEN MILL or GREEN MILL ON THE GO restaurants will be families and young adults. Unless expressly stated otherwise in this Disclosure Document (for example the estimated initial investment disclosed in Item 7), the references to a GREEN MILL Restaurant or franchise include both the GREEN MILL full service restaurant and franchise and the GREEN MILL ON THE GO franchise operated as part of an existing restaurant.

We have not operated any GREEN MILL Restaurants. We have offered GREEN MILL RESTAURANT franchises since 2010, although we began the limited service GREEN MILL ON THE GO restaurant offering in July 2021. We have not offered franchises in other lines of business.

Hightop Brands, LLC ("HB"), is a Minnesota limited liability company formed as Hightop Hospitality, LLC on January 19, 2018. On April 27, 2018, it changed its name to Hightop Brands, LLC and is our parent entity ("Parent"). We have entered into an Amended and Restated Service Mark License Agreement ("License Agreement"), as more fully described in Item 13, with Hightop Foods, LLC, which was formed on June 13, 2017 as Hightop Brands, and then changed its name to Hightop Foods, LLC ("HF") on April 27, 2018. HF is a wholly owned subsidiary of HB Subject to the rights retained and/or previously granted by The Green Mill Inn, Inc., ("GMI"), to operate certain existing GREEN MILL restaurants described below, we have the exclusive right under the License Agreement to offer and sell franchises to operate restaurants featuring pizza under the "GREEN MILL" trade name and service marks in the States of Minnesota, Nebraska, North Dakota, South Dakota, Wisconsin, Kansas, Iowa and Illinois. The License Agreement also permits us to obtain similar rights in other states on a state-by-state basis. HB's and HF's principal business address is 1342 Grand Avenue, St. Paul, MN 55105, and the telephone number is (651) 203-3100. Neither HB nor HF has offered or sold franchises in any line of business.

We have two affiliates that either provide services to our franchisees or offer franchises. GMR, Inc. ("GMR") is a Minnesota corporation formed in November 2010 whose principal address is the same as ours. GMR provides management and administrative services to us. It has not operated GREEN MILL Restaurants and it has not offered franchises in any line of business.

Another affiliate of ours is Crooked Pint, LLC ("Crooked Pint") which is a Minnesota limited liability company whose principal place of business is the same as ours. Crooked Pint is the owner of the CROOKED PINT ALE HOUSE marks and restaurant concept. It has not operated or offered franchises for GREEN MILL restaurants. It has offered franchises for CROOKED PINT restaurants since April 2011.

We do not currently, but may in the future, own and operate GREEN MILL Restaurants of the type being franchised. Certain of our officers and affiliated entities operate GREEN MILL Restaurants, noted in Item 20.

Your GREEN MILL Restaurant will compete with numerous national and local restaurants and other businesses which also sell pizza and other food products and/or alcoholic beverages to the general public for immediate consumption, including many competing franchise concepts. The market for restaurant services is highly developed in many locations and the restaurant industry is very competitive. Your ability to compete in your market will depend upon certain factors, including the location of your GREEN MILL Restaurant, the location of competing restaurants, your financial and managerial capabilities, general economic conditions and other factors.

The sales of your GREEN MILL Restaurant are not expected to be seasonal.

Laws exist in every state that govern the food service industry (including health, sanitation and safety regulations regarding food storage, preparation and safety) and the sale of liquor. You must comply with these laws and other laws that apply to businesses generally. In addition to laws and regulations that apply to businesses generally, your Restaurant will be subject to various federal, state and local government regulations, including those relating to site location and building construction, such as the Americans with Disabilities Act; storage, preparation and sale of food products, including meat products, and sale of alcoholic beverages; and health, sanitation and safety regulations relating to food service, as well as any state or local executive orders that may limit in-restaurant seating and related matters during the COVID-19 pandemic. It is your sole responsibility to obtain and keep in force all necessary licenses and permits required by public authorities, including an alcoholic beverage vendor's license and to comply with all PCI (Payment Card Industry) Data Security standards. You should consult with your attorney concerning all laws and regulations that may affect your Restaurant operations.

ITEM 2

BUSINESS EXPERIENCE

Director, Chairman of the Board, Member and Chief Executive Officer – Paul Dzubnar

Mr. Dzubnar has been a member, and also has served as our Director, Chairman of the Board and Chief Executive Officer, since June 2010. Mr. Dzubnar was the President and Chief Operating Officer for GMR Predecessor from September 2007 to June 2010, and was a shareholder of GMR Predecessor from October 2003 through May 2010. Mr. Dzubnar also has owned interests in various GREEN MILL Restaurants located in Minnesota and North Dakota.

Member, President and Chief Financial Officer – Mary Jule Erickson

Ms. Erickson has been a member, and also has served as our President and Chief Financial Officer, since June 2010. Ms. Erickson previously was a shareholder and the Chief Financial Officer of GMR Predecessor from June 1993 through May 2010. Ms. Erickson also served as the Secretary of GMR Predecessor from September 2007 until June 2010, and has been an owner and has served as the Controller for Green Mill Inn, LLC since July 2007.

Member, Director and Secretary – Michael Drummer

Mr. Drummer has been a member, and also has served as our Director and Secretary, since June 2010. Mr. Drummer's principal occupation is land development and construction, and also owns tree farms and a landscape business. Mr. Drummer also has held an interest in the entities that own the GREEN MILL Restaurants in St. Cloud (August 2010-present) and St. Paul (June 2010-present).

Member and Chief Operating Officer – Timothy Kreiser

Effective January 1, 2018, Mr. Kreiser became our Chief Operating Officer in addition to being a member. Mr. Kreiser had served as our Vice President of Operations from June 2013 until December 2017. Mr. Kreiser served as Director of Operations for us from June 2010 until promoted to Vice President of Operations in 2013.

Member and Chief Marketing Officer – John Hinz

Mr. Hinz has been a member and Chief Marketing Officer since July 2012. He has also served as a member and Chief Marketing Officer of Crooked Pint since July 2021.

Director of Training – Ashley MacDonald

Ms. MacDonald has served as our Director of Training since August 2016. From June 2010 through July 2016, she served as General Manager and Regional Manager for GMR, and she also served as Corporate Trainer of GMR Predecessor from May 2008 through May 2010.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

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

ITEM 5

INITIAL FEES

Initial Franchise Fee

You must pay us an initial franchise fee of \$45,000 when you sign the Franchise Agreement for a GREEN MILL full service Restaurant and \$15,000 when you sign the Franchise Agreement for a GREEN MILL ON THE GO franchise. If your GREEN MILL Restaurant or GREEN MILL ON THE GO franchise is not operational within nine months from the date you sign the Franchise Agreement because of any cause or event reasonably within your control, we have the right to terminate the Franchise Agreement. Upon such a termination, we will refund to you that portion of the initial franchise fee, if any, which exceeds the costs and expenses incurred by us in approving you as a franchisee and in performing our duties and obligations under the Franchise Agreement.

The initial franchise fee is not refundable in whole or in part under any other circumstances.

Except as noted below, the initial franchise fee is contemplated to be uniform as to all persons currently acquiring a franchise from us. We may, in our sole business judgment, agree to reduce the initial franchise fee in certain situations, including situations where a prospective franchisee and its affiliates agree to develop a GREEN MILL Restaurant in a new market or to develop an agreed upon number of GREEN MILL Restaurants within an agreed upon period of time, situations where a prospective franchisee and/or its affiliates own a number of GREEN MILL Restaurants and/or in situations where we believe an incentive is needed to induce the franchisee to develop a GREEN MILL Restaurant. We reserve the right in our business judgment to charge less than \$45,000 as our initial franchise fee for a GREEN MILL Restaurant franchise in the situations described above and in other circumstances where we deem a reduction to be appropriate in our sole business judgment. However, we do not always negotiate the initial franchise fee, even in the situations described above, and we may freely choose not to reduce your initial franchise fee or to negotiate with you, even in the situations described above. We have previously entered into area franchise development agreements pursuant to which the franchisee has agreed to construct, own and operate more than one GREEN MILL Restaurant. In exchange for the agreement to construct multiple restaurants and the payment of an initial territory fee by such franchisees to us, we have charged less than \$45,000 as the initial franchise fee. In 2020 we did not collect any initial franchise fees.

Grand Opening Allowance

At least 30 days before the opening of your GREEN MILL Restaurant, you must pay us a Grand Opening Allowance in the amount of \$25,000 (this amount is reduced to \$5,000-15,000 for a GREEN MILL ON THE GO franchise). We will use this Grand Opening Allowance for purposes of providing and conducting an advertising, public relations and promotional program in connection with the grand opening of your GREEN MILL Restaurant or GREEN MILL ON THE GO franchise. We will determine in our sole business judgment when, where and how to spend the funds on your behalf. Within 30 days after the grand opening of your restaurant, we will provide you with an accounting as to the expenditure of the funds and refund to you any portion of the Grand Opening Allowance that was not expended by us on your behalf.

Opening Team Expenses

You will reimburse us (or our affiliates) for the travel expenses and the prorated salaries and benefits for their employee-trainers (the "Opening Team Expenses") who, as part of the Initial Training Program, will assist you with training your own employees on site at your Restaurant for the two week period before your grand opening and the two week period after the opening. These expenses are nonrefundable and will total between \$15,000-\$20,000 for a GREEN MILL full service Restaurant and \$5,000 - \$10,000 for a GREEN MILL ON THE GO franchise. Upon completion of our assistance, we

will send you an invoice for the actual amount of Opening Team Expenses due from you to us or our affiliate (as applicable). You must pay this invoice within 30 days.

ITEM 6

OTHER FEES

Type of Fee ¹	Amount	Due Date	Remarks
Continuing Royalty Fee ^{2 3}	4% of your Gross Sales (for GREEN MILL ON THE GO franchise, 4% of gross sales for GREEN MILL ON THE GO menu items)	Payable monthly on or before the 15 th day of the next month via EFT withdrawal	Gross Sales includes the total revenues and receipts from the sale of all products, services and merchandise sold in your Restaurant, including any vending or similar activities in your Restaurant or on its premises as well as all use or license fees. Gross Sales does not include sales tax.
Local Advertising Expenditure ⁴	1/2% of your Gross Sales (for GREEN MILL ON THE GO franchise, 1/2% of Gross Sales for GREEN MILL ON THE GO menu items)	Monthly	Each month, you must spend this amount for approved local advertising, marketing and promotion. If you spend less than this amount in any month, you must deposit the difference with us and we have the right to form local, regional and/or national advertising cooperatives and to require you to join and participate in the cooperative(s) which encompasses your designated territory. Payments to any such cooperative will be credited against your required local advertising, marketing and promotion expenditures.
Advertising Fee ⁴	1 1/2% of your Gross Sales (for GREEN MILL ON THE GO franchise, 1 1/2% of Gross Sales for GREEN MILL ON THE GO menu items)	Payable monthly on or before the 15 th day of the next month via EFT withdrawal	See Item 11 of this Disclosure Document.
Interest	The lesser of 18% per annum or the maximum rate permitted by law	Unspecified	You must pay interest on any delinquent sums owed to us.
Transfer Fee	20% of our then-current Initial Franchise Fee	Prior to approval of transfer by us	You must pay a transfer fee to us if you transfer your Franchise Agreement, the assets associated with your GREEN MILL Restaurant or your stock or other outstanding ownership interests.

Type of Fee¹	Amount	Due Date	Remarks
Audit Fees	Cost of Audit	Unspecified	Payable only if an audit shows you have understated your Gross Sales by more than 3% for any period.
Quality Control Inspections	\$1200 annually	First (1 st) month of each year	We have retained Service Management Group, LLC to provide us with quantitative surveys collecting structured and unstructured customer feedback about single location-level experiences.
Additional Training	Our then-standard rate for training (currently \$1,000 for your on-site general manager and \$750 each for your kitchen manager, assistant kitchen manager, dining room manager, and bookkeeper)	Upon demand	Any new on-site general manager, kitchen manager, assistant kitchen manager, dining room manager, and delivery manager must successfully complete our management training program.
Indemnification	Varies	Upon demand.	You must indemnify us against certain losses and expenses.
Advisory Services	Varies	As incurred.	We will provide advisory services upon request. You must pay us at our current rates for these services, if these services are requested by you.
Periodic Refurbishing	Varies	As arranged.	You must, at your expense, periodically (not more than every 7 years) refurbish and upgrade your GREEN MILL Restaurant.
Tax Reimbursement ⁵	Varies	Within ten days of receiving invoice	See Note 5.
Technology Fee (Infinity Service provided by Ingage I.T.)	3.99% of Gross Sales run through credit card processing system (processing revenue), with a monthly minimum of \$3,400. In addition, there is a \$229.99 monthly KDS connection fee	As of the date of the Disclosure Document, paid by electronic funds transfer by the 10 th day of each month for the previous month or accounting period to INGAGE I.T.(3)	Includes Credit Card Processing Fees as well as Point of Sale equipment and maintenance, gift card processing, MSP, online ordering, wi-fi, KDS, and loyalty programs.(6) The Infinity Service program and Ingage I.T. is optional for the GREEN MILL ON THE GO franchise.

¹Unless otherwise noted, all fees are payable to us, and are nonrefundable. Fees are generally uniformly imposed as to all persons currently acquiring a franchise.

²You must fax or electronically transmit to us by 11:00 a.m. on Monday a report of your Gross Sales and labor expenses for the preceding week. These reports of Gross Sales must be in such form as we may require and include comparative information for the corresponding week during the previous year. In addition, you must provide us with unaudited, monthly financial statements within 15 days of the end of each calendar month or period and annual financial statements prepared on a “compilation” basis by your independent public accountant within 90 days after the end of each calendar year.

³These fees are payable by electronic funds transfer (EFT) each month from your designated account, and you must execute all forms necessary to permit EFT withdrawals from your account.

⁴As of the date of this Disclosure Document you are required to spend a minimum of (i) ½% of Gross Sales on approved local advertising expenditures and (ii) the 1 ½% of Gross Sales for the Advertising Fee, which is paid directly to us for deposit in an Advertising Fund. The expenses for local advertising must be paid by you directly to the vendors. We have the right to increase the total combined amount up to a maximum of 3 ½% of Gross Sales and allocate the additional amount between the Advertising Fund and local expenditures as we deem appropriate.

⁵You will pay all state and local taxes, including, without limitation, taxes denominated as income or franchise taxes, that may be imposed on us as a result of our receipt or accrual of the Initial Franchise Fee, the Royalty Fee, the Advertising Fee, and other fees that are referenced in the Franchise Agreement, whether assessed against you through withholding or other means or whether paid by us directly. In either case, you will pay to us (and to the appropriate governmental authority) such additional amounts as are necessary to provide us, after taking such taxes into account (including any additional taxes imposed on such amounts) with the same amounts that we would have received or accrued had such withholding or other payment, whether by your or by us, not been required.

⁶You are required to use ITmation Corporation (dba “Ingage I.T.”) as the exclusive provider for the following services at your GREEN MILL Restaurant: credit card processing, gift card processing, managed service provider (“MSP”) services, online ordering, wi-fi, KDS, and loyalty programs (collectively referred to as “Infinity Service”). Ingage I.T. and the Infinity Service is optional for the GREEN MILL ON THE GO franchise, with the fees to be determined for a GREEN MILL ON THE GO franchise depending on the specific circumstances at the restaurant. A copy of the form Ingage I.T. Service Agreement is included as part of Exhibit H. In order to qualify for the Infinity Service, you agree to implement a “cash discount” method of payment for customers and related requirements. The Technology Fee of 3.99% of Gross Sales run through your Restaurant’s credit card processing system (processing revenue), with any minimum due within 10 days of notice. The Technology Fee is paid directly to Ingage I.T. In the event the Service Agreement is terminated for any reason other than a material breach

by Ingage I.T., you agree to pay an early termination fee equal to: (i) if termination occurs during the initial term of the Service Agreement, the cost of the Property (as defined in Addendum A to your Service Agreement) times a fraction the numerator which shall equal the number of whole or partial calendar months left in the initial term and the denominator which shall equal the number of months in the initial term plus an amount equal to a percentage multiplied by the average credit and debit card sales for each month in the initial term remaining in the Service Agreement, and (ii) if termination occurs after the initial term, the cost of any new Property installed within the last 12 months under the Service Agreement plus an amount equal to a percentage multiplied by the average credit and debit card sales for each month of the renewal term remaining in the Service Agreement. In addition to Ingage I.T, you are required to use our designated supplier Restaurant 365 for our approved accounting and inventory management software at a current monthly cost of \$260. All technology related fees are subject to change from time to time. A copy of the form Restaurant 365 Agreement also is included as part of Exhibit H.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

The following is an estimate of the total costs to construct and open a typical GREEN MILL full service Restaurant in a leased strip shopping center location:

Type of Expenditure ¹	Amount	Method of Payment	When Due	To Whom Payment Is to be Made
Initial Franchise Fee	\$45,000	Lump Sum	Due in full upon execution of the Franchise Agreement	Us
Training-Related Expenses ²	\$90,000 to \$115,000	As Arranged	During training	Us or our affiliates, Hotels and Restaurants
Rent Security Deposit and First Month's Rent ³	\$0 to \$17,000	As Incurred	As negotiated with Landlord	Landlord
Leasehold Improvements ⁴	\$900,000 to \$1,200,000	As negotiated with Contractors, Architects and Engineers	Before Opening	Contractors, Architects and Engineers
Equipment and Trade Fixtures ⁵	\$450,000 to \$850,000	As Arranged	As negotiated with Suppliers	Suppliers

Type of Expenditure¹	Amount	Method of Payment	When Due	To Whom Payment Is to be Made
Signage	\$35,000 to \$50,000	As Arranged	As negotiated with Contractor	Contractor
Opening Inventory ⁶ and Smallwares	\$50,000 to \$70,000	As Arranged	As negotiated with Suppliers	Suppliers
Insurance ⁷	\$10,000 to \$20,000	Typically due in lump sum.	As negotiated with the Insurance Company	Insurance Company
Initial Advertising and Promotional Costs ⁸	\$25,000	Lump Sum	Due in full 30 days prior to opening	Us
Miscellaneous Start-Up costs	\$10,000 to \$16,000	As Arranged	As negotiated with Vendors or Suppliers	Vendors, Suppliers, or us
Liquor License ⁹	\$4,000 to \$10,000	As Incurred	Before Opening	Licensing Authority
Additional Funds - 3 months ¹⁰	\$50,000 to \$75,000	As Arranged	As negotiated with Vendors, Suppliers and Employees	Vendors, Suppliers and Employees
TOTAL	\$1,669,000 - \$2,493,000			

The following is an estimate of the total costs to construct and open a typical GREEN MILL ON THE GO franchise as part of an existing restaurant:

Type of Expenditure¹	Amount	Method of Payment	When Due	To Whom Payment Is to be Made
Initial Franchise Fee	\$15,000	Lump Sum	Due in full upon execution of the Franchise Agreement	Us
Training-Related Expenses ²	\$5,000 to \$25,000	As Arranged	During training	Us or our affiliates, Hotels and Restaurants
Leasehold Improvements ⁴	\$50,000 to \$125,000	As negotiated with Contractors, Architects and Engineers	Before Opening	Contractors, Architects and Engineers

Type of Expenditure ¹	Amount	Method of Payment	When Due	To Whom Payment Is to be Made
Equipment and Trade Fixtures ⁵	\$50,000 to \$300,000	As Arranged	As negotiated with Suppliers	Suppliers
Signage	\$5,000 to \$20,000	As Arranged	As negotiated with Contractor	Contractor
Opening Inventory ⁶ and Smallwares	\$5,000 to \$20,000	As Arranged	As negotiated with Suppliers	Suppliers
Insurance ⁷	\$2,000 to \$10,000	Typically due in lump sum.	As negotiated with the Insurance Company	Insurance Company
Initial Advertising and Promotional Costs ⁸	\$5,000 to \$10,000	Lump Sum	Due in full 30 days prior to opening	Us
Miscellaneous Start-Up costs	\$5,000 to \$10,000	As Arranged	As negotiated with Vendors or Suppliers	Vendors, Suppliers, or us
Liquor License ⁹	\$0 to \$10,000	As Incurred	Before Opening	Licensing Authority
Additional Funds - 3 months ¹⁰	\$5,000 to \$35,000	As Arranged	As negotiated with Vendors, Suppliers and Employees	Vendors, Suppliers and Employees
TOTAL	\$147,000 - \$495,000			

¹Except for rental security deposits, utility deposits and the Initial Franchise Fee in the circumstances described in Items 5 and 11 of this Disclosure Document, generally none of these expenditures by you are refundable under any circumstances. Also, we do not offer direct or indirect financing to our franchisees for any of these expenditures.

²See Items 6 and 11 of this Disclosure Document. We do not charge you a fee to attend our initial training program, although you will bear all costs for you and your required employees to attend such training. Of the total amount for “Training-Related Expenses” referenced in the above chart, you can expect that approximately \$15,000 to \$20,000 (\$5,000 to \$10,000 for the GREEN MILL ON THE GO franchise) will be payable to us or our affiliate for Opening Team Expenses, as noted in Items 5 and 11.

³You will need 5,500 to 8,500 square feet for your GREEN MILL Restaurant (your GREEN MILL ON THE GO franchise will be located at your existing restaurant). Typically, GREEN MILL Restaurants are located in strip centers, are physically connected to hotels, or are in a freestanding building on a pad site in a mall or other retail area. The rental and

related charges will vary substantially depending upon the location, but the fixed rent will generally range from \$10,000 to \$17,000 per month. You may also be required under the terms of your lease to pay your landlord common area maintenance fees, property taxes and percentage rent based upon the sales from your GREEN MILL Restaurant. The rental security deposit may under certain circumstances, be refundable in whole or in part under the terms of your lease.

⁴Depending upon your arrangement with your landlord, if any, you may be required to pay for remodeling, decorating and leasehold improvements costing from \$900,000 to \$1,200,000 (\$50,000 to \$125,000 for the GREEN MILL ON THE GO franchise). The landlord may contribute to some of these costs or make financing available to you.

⁵You must purchase or lease the equipment and trade fixtures necessary to operate your GREEN MILL Restaurant. It is estimated that the purchase price of the equipment and trade fixtures will range from \$450,000 to \$850,000 (\$50,000 to \$250,000 for the GREEN MILL ON THE GO franchise), depending upon whether the equipment is new or used, transportation costs and other factors. For your GREEN MILL Restaurant, the equipment includes the hardware and software for the POS System and related components for the Infinity Service described in Items 6, 8 and 11 and the Ingage I.T. Service Agreement, including Addendum A. The estimated value of the Infinity Service hardware and software for the opening of the Restaurant is approximately \$38,400 to \$43,400. There is no charge for these initial Infinity Service items other than the 3.99% Technology Fee for the Infinity Service, plus an on-boarding fee paid directly to Ingage I.T. in an amount between \$2,500 to \$5,000, which is included in the estimate included in Item 7.

⁶Opening Inventory includes items such as food, beverage and paper product inventory, dishes, glassware, silverware and smallwares.

⁷You must purchase and pay for comprehensive general liability insurance, motor vehicle liability insurance (including liability insurance for your delivery drivers), products liability insurance, personal property insurance, worker's compensation insurance, liquor liability insurance and such other insurance as we may reasonably require and/or as may be required by applicable law. If you fail to maintain the required insurance, we may, but are not required to, obtain any or all of the insurance that you must obtain and maintain. You must reimburse us for all costs and expenses that we incur upon demand.

⁸At least 30 days before your GREEN MILL Restaurant opens for business, you must pay us a Grand Opening Allowance in the amount of \$25,000 (\$5,000 to \$15,000 for the GREEN MILL ON THE GO franchise). We will use the Grand Opening Allowance solely for the purpose of conducting an advertising and promotional program for the grand opening of your GREEN MILL Restaurant. We will return to you any portion of the Grand Opening Allowance not used on your behalf within 30 days after your grand opening.

⁹In some municipalities, you may be required to purchase a previously issued liquor license from its current owner. Depending upon supply and demand, you may be required to pay substantially more than the amount indicated.

¹⁰This estimates the funds you will need during the initial 3-month phase of your GREEN MILL Restaurant or for the GREEN MILL ON THE GO franchise. In addition to having a reserve for unforeseen contingencies, it is estimated that you will expend this for initial wages and fringe benefits, insurance premiums and other operating costs. Your working capital requirements may increase or decrease, depending upon the location and size of your GREEN MILL Restaurant, number of employees, labor rates, minimum wage laws, costs of goods and supplies, various utility deposits, other economic factors and whether you will own or lease the furniture, fixtures, equipment and signs. No assurance can be given that \$50,000 to \$75,000 will be sufficient or that substantial additional working capital will not be required for a GREEN MILL full service Restaurant.

In the event you construct a free standing building for your GREEN MILL full service Restaurant or otherwise purchase a building for your GREEN MILL full service Restaurant, you should anticipate that your initial investment will be substantially higher.

We have prepared these estimates based upon our, GMR Predecessor's and our affiliates' respective experiences (more than 30 years), including information that we have collected from our franchisees. Except as expressly indicated otherwise, these estimates cover your initial cash investment up to the opening of your GREEN MILL Restaurant. They do not provide for your cash needs to cover any financing incurred by you or your other expenses. Similarly, the above estimates do not include the cost of acquiring the land or preparing the site for your GREEN MILL full service Restaurant. You should not plan to draw income from the operation during the start-up and development stage of your business, the actual duration of which will vary materially from GREEN MILL Restaurant to GREEN MILL Restaurant and cannot be predicted by us for your GREEN MILL Restaurant (and which may extend for longer than the 3-month "initial phase" described in Note 10). You must have additional sums available, whether in cash or through a bank line of credit, or have other assets, which you may liquidate or against which you may borrow, to cover any other expenses and operating losses that you may sustain, whether during your start-up and development stage, or beyond. The amount of necessary reserves will vary greatly from franchisee to franchisee and will depend upon many factors, including the rate of growth and success of your business, which in turn will depend upon certain factors, including the demographics and economic conditions in the area in which your GREEN MILL Restaurant is located, the presence of other bars and restaurants in the vicinity of your proposed GREEN MILL Restaurant, your ability to operate efficiently and in conformance with our recommended method of doing business, and competition. Because the exact amount of reserves will vary from operation to operation and cannot be meaningfully estimated by us, we urge you to retain the services of an experienced accountant or financial advisor to develop a business plan and financial projections for your particular operation.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

In order to insure a uniform image and uniform quality of products and services throughout the GREEN MILL system, you must maintain and comply with our quality standards. Although you are not required to purchase or lease real estate from us or our affiliates, we must approve the location of your GREEN MILL Restaurant. We also have the right, but not the obligation, to review and to approve or disapprove any lease for the restaurant premises. You must insure that certain terms are added to the lease for the restaurant premises. You must construct and equip your restaurant in accordance with our then-current approved design, specifications and standards. At your request, we will assist you in procuring the necessary equipment and trade fixtures. The plan of construction, architect and construction contractor you use must be pre-approved in writing by us. In addition, it is your responsibility to insure that your building plans comply with the Americans With Disabilities Act and all other federal, state and local laws. You also must use equipment (including hardware and software for a restaurant point-of-sale, a KDS (Kitchen Display System) system, our restaurant accounting and inventory software (currently Restaurant 365), signage, fixtures, furnishings, products, ingredients, supplies and advertising materials that meet our specifications and standards.

We provide you with a list of approved manufacturers, suppliers and distributors ("Approved Suppliers List") and approved inventory products, fixtures, furniture, equipment, signs, stationary, paper products, supplies and other items or services necessary to operate the restaurant ("Approved Supplies List"). The Approved Supplies List may specify the specific manufacturer of a specific product or piece of equipment. As further detailed below, from time to time we, an affiliate, or a third party vendor or supplier may be the only approved supplier for certain products or services. For example, as of the date of this Disclosure Document, (1) Coca-Cola North America is the sole supplier for soft drink syrup, (2) US Foodservice is the sole source of supply for spice blends, coffee, salad dressings, certain breads, dough blends, cheese, and tomato sauce and sauce blends, and other products and services, (3) EcoLab is the sole supplier of certain cleaning products, supplies and equipment leases, (4) Restaurant 365 is the sole provider of our accounting and inventory software; (5) Don Farleo Advertising & Design is the sole supplier of certain advertising, marketing, web design, and promotional items; (6) SMG is the sole supplier of our customer survey program to measure, among other things, guest satisfaction and loyalty and to evaluate restaurant operations and standards, and (7) INGAGE I.T. is the sole supplier of our Point of Sale hardware and software, Gift Card and credit card processing, KDS system, loyalty program (a copy of the current INGAGE I.T. agreements are included as Exhibit H) (optional for the GREEN MILL ON THE GO franchise). You will pay the then-current price in effect for all purchases you make from us or an affiliate. These lists also may include other specific products without reference to a particular manufacturer, or they may set forth the specifications and/or standards for other approved products. We may revise the Approved Suppliers List and Approved Supplies List. We give you the approved lists as we deem advisable.

One of our officers owns stock in a publicly-traded company which is our designated supplier of soft drinks.

Except for products and services available only from a single source, you may request that we consider approval of different or additional manufacturers, suppliers or products related to the restaurant. As to such products and services, you must notify us in writing if you want to offer for sale at the restaurant any brand of product, or to use in the operation of the restaurant, any brand of food ingredient or other material, item or supply that is not then approved by us, or to purchase any such product from a supplier that is not then designated by us as an approved supplier. If requested by us, you must submit samples and other information as we require for testing or to otherwise determine whether the product, material or supply, or the proposed supplier, meets our specifications and quality standards. We generally will notify you of supplier approval or disapproval within 30 days of our receipt of all information and samples we request. We do not charge you a fee for inspection, but you must pay all costs of the inspection and evaluation and the actual cost of the test. The supplier also may be required to sign a supplier agreement. We may re-inspect the facilities and products of an approved supplier or item and revoke our approval of any supplier or item that fails to continue to meet any of our criteria. We will send written notice of any revocation of an approved supplier or item. We are not required to make our criteria for approving vendors and suppliers available to our franchisees.

We may supply you with uniforms, promotional materials, menus, pizza boxes and other materials utilizing our registered logo at our cost plus a markup for handling. Although you currently are not required to purchase such goods from us, the goods purchased must comply precisely with our specifications and may, as a practical matter, be unavailable from other sources. We reserve the right to derive income from your purchase of such goods or services. As of the date of this Disclosure Document, neither we nor any of our affiliates are approved suppliers of any other goods, fixtures or services other than any promotional material and services we elect to provide pursuant to the Franchise Agreement.

You must purchase and maintain in full force and effect, at your sole expense and from a company we accept, insurance that insures both you and us, our affiliates and any other persons we designate by name. The insurance policy or policies shall be written in accordance with the standards and specifications (including minimum coverage amounts) set forth in writing by us from time to time, and, at a minimum, shall include the following (except as different coverages and policy limits may be specified for all franchisees from time to time in writing): (i) property insurance on the Restaurant, restaurant improvements and all fixtures, equipment, supplies and other property used in the operation of the Restaurant (including, but not limited to, fire, extended coverage, vandalism and malicious mischief); (ii) business interruption insurance that covers your loss of income and our Royalty Fees; (iii) comprehensive general liability insurance with a minimum limit of \$1,000,000 (including, but not limited to, coverage for personal injury, products and contractual liability); (iv) umbrella insurance with a minimum limit of \$3,000,000 that is required to sit over automobile liability, employers liability, liquor liability, and general liability; (v) \$1,000,000 liquor liability insurance, as applicable; (vi)

automobile liability insurance on all owned, hired, rented and non-owned vehicles; (vii) workers' compensation and employer's liability insurance covering all of your employees; and (viii) such other insurance as we may from time to time reasonably require, under one or more policies of insurance containing coverage, from time to time prescribed by us. All liability policies and workers compensation policies must include a waiver of subrogation. All policies must be issued by an insurance carrier rated "A" or better by Alfred M. Best & Company, Inc. In addition, the required liability insurance must (i) name Green Mill Restaurants, LLC and affiliates (collectively, "Franchisor Entities") as additional insureds; (ii) provide severability of interests and/or separation of insureds coverage; and (iii) be primary and non-contributory with any insurance policy carried by the Franchisor Entities. The policies shall provide that we must receive at least thirty (30) days' prior written notice of termination, expiration, cancellation, modification or reduction in coverage of any such policy.

You must deliver to us at commencement and thereafter annually and at our request a proper certificate evidencing the existence of such insurance coverage and your compliance with the provisions of this subparagraph. The insurance certificate must show compliance with all required insurance specifications. We also may request copies of all policies. We may from time to time modify the required minimum limits and require additional insurance coverage, by providing written notice to you, as conditions require, to reflect changes in relevant circumstances, industry standards, experiences in the GREEN MILL system, standards of liability and higher damage awards. If you do not procure and maintain the insurance coverage required by this Agreement, we have the right, but not the obligation, to procure insurance coverage and to charge the costs to you, together with a reasonable fee for the expenses we incur in doing so. You must pay these amounts to us immediately upon written notice. Your obligation to obtain and maintain the insurance described herein shall not be limited in any way by reason of any insurance we procure and maintain.

Although not required, we recommend that you consider the following insurance coverage typically found in restaurant operations: Employment Practices Liability; Food Contamination-Loss of Income; Food Contamination-Trade Name Restoration; Employee Benefit Liability; Employee Dishonesty; Flood; Earthquake; Back-up of Sewer & Drain; Money & Securities; Interior & Exterior Glass; Machinery & Equipment Breakdown; Utility Interruption-Loss of Income; and Cyber Liability.

Although we require certain insurance coverage and have recommended other coverages, we do not guarantee that the required or recommended insurance will be adequate to fully protect your assets. You should therefore consult with an insurance professional to determine what coverage, in addition to the minimum required coverage, may be needed for you and your Restaurant.

As disclosed in this Item 8, we have several designated third-party sources from which you must purchase goods and services. Neither we nor our franchisees have established any purchasing or distribution cooperatives. However, although we do not do so for the benefit of any individual franchisee, we have negotiated contracts with the

vendors or suppliers of certain products and services in an effort to achieve the best price and terms for you and our other GREEN MILL Restaurant franchisees.

We do not provide material benefits to you (including renewal rights or the right to open additional GREEN MILL Restaurants) based on your purchase of particular goods and services or on your purchases from the suppliers we designate or approve. However, purchases of unapproved goods or services or from suppliers who have not been approved by us in violation of the Franchise Agreement will entitle us, among other things, to terminate your Franchise Agreement.

We have the right to receive payments, rebates and other forms of consideration from suppliers based upon your (and other franchisees') purchases of goods, products and services as described in this Item 8, as well as in connection with any future purchases of any goods, products and services. Most of these payments are calculated as an amount based on products sold to you and our affiliate-owned restaurants. We will retain and use such payments as we deem appropriate or as required by the vendor or by manufacturers.

Our revenues from all required purchases and leases of products and services to franchisees for the year ended December 31, 2020 totaled \$766,458 or 31.12% of our total revenue of \$2,462,630, as noted in the financial statements included as an Exhibit to this Disclosure Document.

In addition to the rebates, discounts and allowances described above in this Item 8, it is possible that we may derive rebates or other income from your purchase of goods or services from other vendors, suppliers and/or food processors. In addition, it is possible that the current discounts, rebates and/or allowances may be terminated and/or amended from time to time.

We receive revenue from providing additional training or training to new on-site general managers, kitchen managers, assistant kitchen managers, and dining room managers of our franchisees. We also receive revenue from providing additional copies of ongoing training materials to our franchisees. Although the initial set of training materials is provided to our franchisees at no cost, we charge our franchisees for providing additional copies at our cost plus a mark up to cover our expenses associated with the same. In the fiscal year ended December 31, 2020, we did not receive any revenue from providing such training and training materials.

We estimate that approximately 65% to 85% of your expenditures for leases and purchases in establishing your Restaurant and approximately 80% on an ongoing basis will be for goods and services which are subject to sourcing restrictions (that is, for which suppliers must be approved by us, or which must meet our standards or specifications).

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

	Obligation	Section in Franchise Agreement (FA) and Ingage I.T's Infinity Services Agreement ("ISA")	Disclosure Document Item
a.	Site selection and acquisition/lease	FA: Paragraphs 1 and 22	Items 11 and 12
b.	Pre-opening purchase/leases	FA: Paragraphs 1, 10, 31, 32, 33,34 and 35	Item 8
c.	Site development and other pre-opening requirements	FA: Paragraphs 1, 29, 30, 33, and 34 ISA: Sections II and III	Items 6, 7, 11 and 12
d.	Initial and ongoing training	FA: Paragraphs 6 and 7 ISA: Section VI	Items 6, 7 and 11
e.	Opening	FA: Paragraph 1, 8 and 34	Item 11
f.	Fees	FA: Paragraphs 1, 2, 3, 5, 7, 8, 17, 28, 37, and 38 ISA: Addendum A	Items 5, 6 and 11
g.	Compliance with standards and policies/operating manual	FA: Paragraphs 7, 10, 32, 33 and 34	Item 11
h.	Trademarks and proprietary information	FA: Paragraphs 12, 13 and 16	Items 13 and 14
i.	Restriction on products/services offered	FA: Paragraphs 1, 10 and 32	Items 8 and 16
j.	Warranty and customer service requirements	FA: Paragraph 10	Item 11
k.	Territorial development and sales quotas	None	Not applicable.
l.	Ongoing product/service purchases	FA: Paragraph 10 ISA: Sections II and III	Items 8 and 16

	Obligation	Section in Franchise Agreement (FA) and Ingage I.T's Infinity Services Agreement ("ISA")	Disclosure Document Item
m.	Maintenance, appearance, and remodeling requirements	FA: Paragraphs 1, 5, 10, 23, 32 and 33	Items 6 and 11
n.	Insurance	FA: Paragraph 21	Items 6 and 7
o.	Advertising	FA: Paragraph 7, 8, 12 and 29	Items 6, 7 and 11
p.	Indemnification	FA: Paragraph 21 ISA: Section 13.4	Item 6
q.	Owner's participation/management/staffing	FA: Paragraph 6	Items 6, 7, 11 and 15
r.	Records and reports	FA: Paragraphs 9 and 30	Item 6
s.	Inspections and audits	FA: Paragraphs 1, 9 and 10	Items 6 and 11
t.	Transfer	FA: Paragraphs 1, 17, 18 and 19 ISA: Section 15.8	Item 17
u.	Renewal	FA: Paragraphs 1 and 5	Item 17
v.	Post-termination obligations	FA: Paragraph 13 and 16	Item 17
w.	Non-competition covenants	FA: Paragraph 16	Item 17
x.	Dispute resolution	FA: Paragraph 24 ISA: Section 15.6	Item 17
y.	Other	Not applicable.	Not applicable.

ITEM 10

FINANCING

We do not offer direct or indirect financing to our franchisees. We do not guaranty your note, lease, or obligation. If you are a corporation, limited liability company, limited partnership or other entity, we may require your shareholders, members, limited partners or other owners to guarantee all of your obligations to us.

ITEM 11

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

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

Pre-Opening Obligations

Before you open your GREEN MILL Restaurant, we will perform the following obligations:

(1) The Franchise Agreement grants you the right to operate a single GREEN MILL Restaurant at a specific site to be identified in the Franchise Agreement. The selection of this site is your responsibility. However, all sites must be approved by us. Generally, you will select your site and such site will be approved by us before you sign your Franchise Agreement. Our approval of a proposed GREEN MILL Restaurant site will be based on a variety of factors, including the visibility and size of the strip shopping center and the location of the proposed space within the center (or layout of the parcel, if a free-standing site), the proximity of the site to population centers, the traffic counts, availability of parking and the history of operations of other GREEN MILL Restaurants in the area. Although not obligated to do so by the Franchise Agreement, we may provide you with suggestions for sites in the area of your interest. You are exclusively responsible for your own decision in selecting the location of your GREEN MILL Restaurant, even if we at any time provide advice or assistance to you regarding the selection and even though we must approve the location. We do not generally own your GREEN MILL Restaurant or the site for your restaurant and lease it to you. Also, we do not generally assist you in negotiating the purchase or lease of the site for your GREEN MILL Restaurant. However, the lease for your restaurant must in all respects be satisfactory in form and substance to us and we have the right, but not the obligation, to approve your lease before it is signed by you. When you propose a GREEN MILL Restaurant site, one of our representatives may, but is not required to, inspect the site and advise you on the basis of our experience as to traffic patterns, competitive climate and other general matters. We encourage you and have the right to require that you obtain, at your expense, an economic feasibility study for your proposed site from a mutually agreed-upon expert. (See Paragraph 1 of the Franchise Agreement.)

(2) We will designate your designated territory before you sign your Franchise Agreement. (Franchise Agreement – Paragraph 22)

(3) The architect and construction company you will use in the design and construction of your GREEN MILL Restaurant must be approved by us. (Franchise Agreement – Paragraphs 32, 33 and 34)

(4) We will provide you with a copy of our approved standard plans and specifications consisting of conceptual drawings, including floor plans and general

details for the development of working drawings for your GREEN MILL Restaurant. (Franchise Agreement - Paragraph 32)

(5) We will review and approve the detailed plans and specifications for your GREEN MILL Restaurant which will be prepared at your expense by an architect of your choice. However, we are not required to assist you in conforming the site for your GREEN MILL Restaurant to local ordinances and building codes or in obtaining any required permits. In addition, we do not provide you with assistance in constructing, remodeling or decorating the site for your GREEN MILL Restaurant. (Franchise Agreement - Paragraph 32)

(6) We will provide you with a written schedule of all signs, furniture, fixtures, supplies and equipment required for the operation of your GREEN MILL Restaurant. We will also provide you with the names of the approved vendors and suppliers of such furniture, fixtures, supplies and equipment. (Franchise Agreement - Paragraphs 7, 10 and 31)

(7) Before opening, we must inspect your GREEN MILL Restaurant, complete our pre-opening inspection checklist and determine that your GREEN MILL Restaurant is in suitable condition to open. You must open your restaurant within 15 days of such determination. (Franchise Agreement - Paragraph 34)

(8) We will train you or your initial on-site general manager in the operation of a GREEN MILL Restaurant. (Franchise Agreement - Paragraph 6)

(9) We will train your initial kitchen manager and general manager in our management training program at no charge to you. (Franchise Agreement - Paragraph 6)

(10) As part of the Training Program (described below), we will help you arrange for an Opening Team, at your expense, to assist with training your employees on-site at the franchised restaurant for the one week period before the opening of your restaurant and one week period after. (Franchise Agreement – Paragraph 6.)

(11) We have the right require your on-site general manager and kitchen manager to successfully complete our management training program. (Franchise Agreement - Paragraph 6)

(12) We will provide you with:

(a) Assistance in opening your GREEN MILL Restaurant and training your initial employees, as further described below; and

(e) Confidential operating manuals containing specifications, standards, operating procedures, rules, recipes, and other matters, as well as updates to such manuals as further describe below.

(Franchise Agreement - Paragraph 7)

(13) We will provide you with the names of the vendors or suppliers of syrup for soft drinks, spice blends, dough blends, cheese, tomato sauce and sauce blends, paper products, and other required products and services. (Franchise Agreement - Paragraph 10)

(14) At least 30 days prior to the opening of your GREEN MILL Restaurant, you must pay us the \$25,000 Grand Opening Allowance (\$5,000 to \$15,000 for the GREEN MILL ON THE GO franchise). We will use the Grand Opening Allowance to conduct an advertising, public relations and promotional program on your behalf in connection with the grand opening of your restaurant. (Franchise Agreement – Paragraph 8)

(15) Although not obligated to by the Franchise Agreement, we may provide the following supervision, assistance and/or services to you prior to the opening of your GREEN MILL full service Restaurant:

(a) We may also provide other advisory services to you before the grand opening of your GREEN MILL Restaurant if the need arises.

(b) We have the right, but not the obligation, under paragraph 1 of the Franchise Agreement, to approve the lease for the premises to be occupied by your GREEN MILL Restaurant.

(c) We may suggest potential sites for your GREEN MILL Restaurant.

Obligations After Opening

Our obligations to be met during the operation of your GREEN MILL Restaurant are as follows:

We will:

(a) advise you regarding proper maintenance and marketing methods relating to your GREEN MILL Restaurant;

(b) provide you with artwork or representative copies of advertising materials and any changes to them (at a reasonable charge); and

(c) provide you with updates to the confidential operating manual. (Franchise Agreement - paragraph 7).

Advertising

As of the date of this Disclosure Document you are required to spend a combined total of 2% of Gross Sales for the Advertising Fee paid to us and for the required local advertising expenditures. You will contribute 1 1/2% to the Advertising Fund and spend at least 1/2% on approved local advertising. We have the right to increase the total combined amount up to a maximum of 3 1/2% of Gross Sales and allocate the additional amount between the Advertising Fund and local expenditures as

we deem appropriate. For the GREEN MILL ON THE GO franchise, Gross Sales is only for the GREEN MILL ON THE GO menu items.

We reserve the right to require you to provide substantiation of your Local Advertising Expenditures. If you fail to spend at least the required amount for approved Local Advertising Expenditure, then you must deposit with us the difference between what you should have spent and what you actually spent during such month for local media advertising, marketing or promotion, and we will spend such deposit in such manner as we deem to be in the best interests of your GREEN MILL Restaurant.

All Advertising Fees will be placed in an Advertising Fund that we own and manage. The Advertising Fund is not a trust or escrow account, and we have no fiduciary obligation to franchisees with respect to the Advertising Fund. We have the right to determine the expenditures of the amounts collected and the methods of marketing, advertising, media employed and contents, terms and conditions of marketing campaigns and promotional programs. We are not required to spend a prorated amount on each Restaurant or in each advertising market. We have the right to make disbursements from the Advertising Fund for expenses incurred in connection with the cost of formulating, developing and implementing marketing, advertising and promotional campaigns. The disbursements may include payments to us for the expense of administering the Advertising Fund, including accounting expenses and salaries and benefits paid to employees engaged in the advertising functions. If requested, we will provide you with an annual unaudited statement of the financial condition of the Advertising Fund.

Generally, we accumulate Advertising Fees paid by our franchisees during any period in a separate advertising fund account and utilize these fees to pay the advertising, marketing and promotional expenses which it incurs during that period. If all of the Advertising Fees paid into the advertising fund during any year are not used in that year, such fees will be accumulated and held in such non-interest-bearing account until they are used. We are not required to currently spend all Advertising Fees which we receive. Rather, we may set aside such reserve or reserves for such advertising, marketing and/or promotional programs as we determine. We are not required to give our franchisees a periodic accounting of how the Advertising Fees are spent.

The expenditure of the Advertising Fees are intended to maximize general public recognition and patronage of GREEN MILL Restaurants in the manner we determine to be most effective. We have no obligation to develop, implement or administer an advertising program or programs which ensures that expenditures which are proportionate or equivalent to your contributions are made for your market area, or that your GREEN MILL Restaurant will benefit directly or prorata from such advertising program(s). Also, we do not have any obligation to spend any amount on advertising in the area or territory where your GREEN MILL Restaurant is located. (Franchise Agreement - Paragraph 8)

The monies in the Advertising Fund are currently being used by us for local and regional advertising in our market areas. These funds are used principally for radio,

point-of-sale, direct mail, social media, and print advertising. The copy for these advertisements are generated both internally by us and by outside regional advertising agencies. In general, franchisees located outside of the areas for which advertising cooperatives have been formed will benefit from the creative and production aspects of this advertising. Actual media placement costs are borne by the franchisees, except where a cooperative exists. From time to time, we may, but are not obligated to, use monies in the Advertising Fund to assist our franchisees by paying a portion of the media placement cost. Such discretionary spending will be allocated based on the percentage of Advertising Fees collected from each franchisee. No part of the Advertising Fees are used by us for solicitation for the sale of franchises. During our fiscal year ending December 31, 2020, we spent 11% of the monies in the Advertising Fund on the production and printing of advertisements and other promotional materials, 10% for media placement, 2% for the expenses of the GREEN MILL® pizza truck, 9% for agency creative and retainer fees, 11% on the GreenMill.com website, 20% on on-line and social media, 21% for administration and 16% for other expenses (principally internet, club card expenses and catering).

All advertising, marketing and promotion conducted by you must be completely factual and conform to the highest standards of ethical advertising and to policies prescribed by us. This includes all advertising and promotion done on social media platforms. You must submit copies of all advertisements and promotional materials to us for our approval before their use or publication. You may use any advertising and promotional materials submitted to us unless we notify you of our disapproval within ten days of its receipt of such materials. You may not use any advertisements or promotional materials unless they have been approved by us. Any coupon published or distributed by you must bear a code number provided by us or our advertising agency.

You may not operate or maintain a home page or other presence on the Internet or similar medium without our approval. If we approve a home page or other such presence, including a home page or presence which includes any of our service marks, we may require you to include a hypertext or other direct link to a home page or other presence on the Internet maintained by us. In addition, your online presence related to your GREEN MILL Restaurant, including with respect to all current and future forms of social media networks and platforms, must at all times comply with our written specifications, restrictions and policies, as modified from time to time in the manuals.

We reserve the right to organize one or more local or regional advertising cooperatives for the purpose of developing and implementing advertising and promotional programs for the GREEN MILL Restaurants owned by us and our franchisees. We have the right to determine the composition of all geographic territories and market areas for any such cooperatives. If we form cooperatives, we can require you to join and participate in such cooperative(s) which encompass the designated territory for your GREEN MILL Restaurant. We can require these cooperatives to change, dissolve and merge. If we or our affiliates own any GREEN MILL Restaurants in an area covered by a cooperative, we will contribute on the same basis as other cooperative members.

At least 30 days prior to the grand opening of your GREEN MILL Restaurant, you must pay a Grand Opening Allowance to us in the amount of \$25,000 (\$5,000 to \$15,000 for the GREEN MILL ON THE GO franchise). We will use the Grand Opening Allowance for the purpose of conducting an advertising, public relations and promotional program in connection with the grand opening of your restaurant. We will spend this Grand Opening Allowance in such manner as we deem to be in the best interest of your GREEN MILL Restaurant. Within 30 days after the opening of your GREEN MILL Restaurant, we will provide you with an accounting of the use of the allowance and will refund any portion of the allowance which has not been spent. Pending the expenditure or return of the Grand Opening Allowance, it will be held in a separate non-interest bearing account. (See Paragraph 8 of Franchise Agreement).

You must participate in all gift certificate and gift card programs sponsored at any time by us. In addition, you are required to participate at your expense in all programs sponsored at any time by us to promote and reward the frequent and regular customers of GREEN MILL Restaurants.

Under the current gift card program sponsored by us, you must purchase magnetically-encoded gift cards from INGAGE I.T. or our then-approved supplier (optional for GREEN MILL ON THE GO franchise).

You must furnish a marketing plan to us for the first six months of operation of your GREEN MILL Restaurant in the form required by us prior to the completion of the training of your on-site general manager. In addition, you must submit an annual marketing plan to us on or before November 30 for the ensuing calendar year. Such annual marketing plan must be in such form as we may periodically require.

We also have a franchise advisory council (the "FAC"), which currently is comprised of 8 representatives (4 corporate, 4 franchisees). Each franchisee representative is selected based on majority vote of restaurants, and all representatives serve terms ranging from 1-2 years. The FAC operates in an advisory capacity with respect to matters related to the GREEN MILL franchise system. While the FAC may offer recommendations, insight or advice on any given issue, we are not bound by such recommendations, insight or advice.

Information Systems

You must record all sales on information systems that we have approved and report your Gross Sales daily via our intranet. You must enroll in the INGAGE INFINITY SERVICE PROGRAM (optional for the GREEN MILL ON THE GO franchise). Under this program INGAGE I.T. will be your exclusive technology provider for POS, Merchant Services, Gift Processing, MSP, Online Ordering, Wi-Fi, KDS, Loyalty and all other connected services related to or in conjunction with those services ("Infinity Service"). Under Infinity Service, INGAGE I.T. agrees to supply the required hardware and software to operate the Infinity Service Program. At no cost to you, and concurrent with the commencement of your Term, INGAGE I.T. will provide training necessary for selected personnel to operate the Infinity Service during the Term as well as standard

Remote & On-Site Support. The current form of INGAGE I.T. Agreement is included as part of Exhibit I. Initial cost of equipment for an average sized GREEN MILL Restaurant totals approximately \$38,400 to \$43,400 and is covered by the Technology Fee of 3.99% assessed on all credit card sales. It includes maintenance, hardware, updating, and upgrading for all services other than KDS QSR Automations Monthly Subscription Fee. Fees charged by INGAGE IT include a one-time Onboarding Fee, which for an average sized GREEN MILL Restaurant will total between \$2,500 to \$5,000, a Travel Fee of \$2,100 and an ongoing monthly KDS QSR Subscription Fee of \$299.99 as of the date of this Disclosure Document.

You must also purchase, at your expense, such other computer or information processing equipment as may be required by us for use in your GREEN MILL Restaurant Restaurant, which as of the date of this Disclosure Document includes Restaurant 365 (our approved accounting and inventory management software) at a current monthly cost of \$260. We require the 4-4-5 Period Accounting method in conjunction with Restaurant 365. There are no contractual limitations in the Franchise Agreement on the frequency and cost of the upgrading or updating of the computer hardware or software which we may require you to make.

We may access the information system and retrieve, analyze, download and use all software, data and files stored or used on the information system. We may access the information system through our intranet, in your Restaurant, or from other locations. You must store all data and information that we designate and report data and information in the manner we specify, including through our intranet or other online communications. You also must maintain a phone line and a separate modem dedicated for the sole use of allowing our information system to interface and communicate with your information system and you may need to purchase software designated by us for this to occur. You also must have your restaurant connected to the internet using a connection method we approve, currently DSL or Cable modem. You must have a permanent internet email account. You understand that the data storage, phone line, modem, communication software, internet access, internet email account and all additional hardware and software needed to implement and maintain these services is at your cost.

You must grant our agents and us access to all the records and information on your computerized point of sale system by direct access, by Internet dial in access, by providing disk copies, or by such other means as we may require. Although there are not any contractual limitations on our right to access any information on your computerized point of sale system, we are currently using that access largely to track sales of individual menu items, coupon redemption, and other information. (See Paragraph 31 of Franchise Agreement.)

You must obtain and maintain such security system equipment and services as we may require for the protection of your GREEN MILL Restaurants and your employees and customers. (See Paragraph 31 of Franchise Agreement.)

Operating Manual

We will loan you a copy of our confidential operating manuals which contain mandatory and suggested specifications, standards and procedures. The operating manuals are confidential and remain our property. We may periodically amend and supplement our operating manuals. The subjects listed in the Tables of Contents of our operating manuals and the number of pages devoted to each subject, in each case as of December 31, 2020, are set forth in Exhibit F hereto. As of that date, our operating manuals for a GREEN MILL restaurant collectively contained 803 pages. The operating manuals for the GREEN MILL ON THE GO franchise will be just those sections that deal with the GREEN MILL ON THE GO menu items, including product preparation.

Time of Opening

We estimate that it will take between four and twelve months from the signing of your Franchise Agreement to the opening of your GREEN MILL Restaurant (two to three months for the GREEN MILL ON THE GO franchise). Factors affecting this length of time usually include the time necessary to (1) obtain suitable financing; (2) obtain necessary licenses and permits (including building permits and your liquor license); (3) obtain delivery and installation of required signs, fixtures and equipment; (4) construct necessary leasehold improvements and (5) recruit and train managers and other personnel.

Training

GREEN MILL Full Service Restaurant Training Program

Subject	Hours of Classroom Training	Hours of On-the-job Training	Location
Green Mill Objectives	2 Hours		Mpls./St. Paul, Minnesota area
Front of House Operations	15-20 Hours	160-280 Hours	Mpls./St. Paul, Minnesota area
Back of House Operations	10-15 Hours	40-120 Hours	Mpls./St. Paul, Minnesota area
Human Resources	4-6 Hours		Mpls./St. Paul, Minnesota area
Accounting	8-25 Hours		Mpls./St. Paul, Minnesota area
Marketing	2-4 Hours		Mpls./St. Paul, Minnesota area
Building Maintenance and Procedures	1-3 Hours		Mpls./St. Paul, Minnesota area
TOTAL HOURS	Up to 75	Up to 400	

GREEN MILL ON THE GO Franchise Training Program

Subject	Hours of Classroom Training	Hours of On-the-job Training	Location
Green Mill Objectives	2 Hours		Mpls./St. Paul, Minnesota area
Front of House Operations	5-10 Hours	80-120 Hours	Mpls./St. Paul, Minnesota area
Back of House Operations	5-10 Hours	20-60 Hours	Mpls./St. Paul, Minnesota area
Accounting	4-8 Hours		Mpls./St. Paul, Minnesota area
Marketing	2-4 Hours		Mpls./St. Paul, Minnesota area
TOTAL HOURS	Up to 34	Up to 180	

Our pre-opening management training consists of preliminary training at our offices in St. Paul, Minnesota, and on-the-job training at an affiliated GREEN MILL Restaurant selected by us. We offer training periodically as the need requires. Such training is conducted approximately one to three months prior to the opening of your GREEN MILL Restaurant and it normally lasts two to six weeks depending on the management position.

Under the Franchise Agreement, you, or your on-site general manager if you are not a natural person, as well as your kitchen manager, assistant kitchen manager, and dining room manager must successfully complete such training prior to the opening of your GREEN MILL Restaurant. The Franchise Agreement provides that you or your on-site general manager and such other managers and assistant managers periodically required by us must also attend such additional regional sales, training, or orientation seminars as we may reasonably request. You will be responsible for travel, lodging, meals, and other expenses which you incur in attending or having your managers and assistant managers attend all such sales, training, and orientation programs. Neither you nor your managers or assistant managers will be paid by or receive any other compensation from us for attending such programs. Any training we provide to any of your employees will be limited to training or guidance regarding the delivery of approved products and services to customers in a manner that reflects the customer service standards of the System. You are, and will remain, the sole employer of your employees at all times, including during all training programs, and you are solely responsible for all employment decisions and actions related to your employees. You are solely responsible for ensuring that your employees receive adequate training.

Although there is no tuition or other costs payable to us for training you or your initial on-site general manager, kitchen manager, assistant kitchen manager, and dining room manager, you must (1) reimburse us (or our affiliate, as applicable) for Opening Team Expenses described in Items 5 and below in this Item 11, and (2) pay our then-prescribed rates for the training of additional managers (should you wish to train more

managers than required). The total fee payable to us for the training of a manager or assistant manager depends upon a variety of factors, including the prior experience of the person being trained. Currently, we are charging a flat fee of \$1,000 for training each additional on-site general manager and \$750 for training each additional kitchen manager, assistant kitchen manager, or dining room manager. These charges are subject to periodic change by us. (See Paragraph 6 of the Franchise Agreement.)

The GREEN MILL Restaurant training program is currently administered by Paul Dzubnar, Mary Jule Erickson, Tim Kreiser and Ashley MacDonald. As noted in Item 2, Mr. Dzubnar has been our CEO since June 2010. He has approximately 18 years of experience in the restaurant industry. Ms. Erickson has served as our President and CFO since June 2010, and has over 38 years experience in the restaurant industry. Tim Kreiser has served as our Chief Operating Officer since January 2018 and has over 14 years of experience in the restaurant industry. Ashley MacDonald has over 12 years experience in the restaurant industry and has served as our Director of Training since August 2016. The training program generally covers all major facets of the management and operation of a GREEN MILL Restaurant. Managers are first given a presentation on our objectives through our on-line training program – Green Mill Academy. Managers are then given detailed, in-the-field personal instruction in food preparation, inventory and handling, restaurant sanitation, equipment maintenance and inventory, personnel training, hygiene, record-keeping and cash control, purchasing, and other restaurant functions. Managers are also required to complete approximately six to eight weeks of on-the-job training at an affiliated GREEN MILL full service Restaurant in the Minneapolis-St. Paul, Minnesota area (two to four weeks for the GREEN MILL ON THE GO franchise).

The instructional materials for our training programs consists of our policies and procedures manual, our operation manuals, our human resources manual, and our new store opening manual.

You must employ your kitchen manager, assistant kitchen manager, and dining room manager, two to eight weeks prior to opening your GREEN MILL Restaurant. We will assist you with the training of such managers and assistant managers. You are responsible for the travel, lodging, meals and other expenses incurred in connection with such training. You may not open your restaurant until all such managers and assistant managers have successfully completed any training programs offered by us for such managers and assistant managers.

Under our current training programs, the duration of the required training for your managers and assistant managers is as follows:

<u>Position</u>	<u>Duration</u>
On Site General Manager	10 – 12 weeks (2-3 weeks for GREEN MILL ON THE GO General

	Manager)
Kitchen Manager	6 – 8 weeks (2-3 weeks for GREEN MILL ON THE GO General Manager)
Assistant Kitchen Manager	2 – 3 weeks (not needed for GREEN MILL ON THE GO Franchise)
Dining Room Manager	2 – 3 weeks (not needed for GREEN MILL ON THE GO Franchise)

The failure of your managers to successfully complete the training programs offered by us will delay the opening of your Restaurant.

In addition to the training provided by us, you are required to hire four to six additional trainers who are employed by us or other GREEN MILL franchisees and who have been certified by us to assist in the training of your management and other employees (the “Opening Team”) during the two-week period before and two week period after the opening of your GREEN MILL full service Restaurant (one week period before and one week period after the opening of your GREEN MILL ON THE GO Franchise). In addition to reimbursing the employer of the Opening Team in an amount equal to the fully burdened labor rate of such trainers, you are required to reimburse the Opening Team members for their actual employment related travel, lodging and meal expenses incurred in connection with the training of your employee (the “Opening Team Expenses”).

We require you to have on duty at all times while your GREEN MILL Restaurant is open for business, at least one employee who has been Serv-Safe® certified as to the food safety aspects of handling food.

Although not required by the Franchise Agreement, we will also assist you in providing on-the-job training of your employees on your GREEN MILL Restaurant premises at the time of the Restaurant opening. We will provide one person who will assist you in training your GREEN MILL Restaurant personnel in the preparation of the restaurant for opening and one person who will assist in methods of preparation and serving menu items. Such management training assistance may take from five to fifteen days. Such training requires approximately forty hours of each employee's time. Although not required to do so by the Franchise Agreement, our management personnel may also assist you in training additional personnel, or in providing refresher courses to existing personnel at the time of periodic visits. Such refresher courses will not be mandatory and will be at no cost to you other than costs associated with the attending employees.

You must comply with the applicable provisions of the wage and hour laws applicable to your employees while they are being trained by us, including those provisions requiring the payment of overtime wages.

ITEM 12

TERRITORY

You will not receive an exclusive territory. You may face competition from other franchisees, from restaurants that we or our affiliates own, or from other channels of distribution such as retail sales of product or competitive brands that we control. You do, however, receive a protected area which is usually delineated by boundary streets or highways, as described further below (the "Designated Territory"). Before your execution of your Franchise Agreement, a map of the Designated Territory will be attached as an exhibit to your Franchise Agreement. While the Franchise Agreement remains in effect, we will not establish either a company-owned or franchised GREEN MILL Restaurant or GREEN MILL ON THE GO franchise within your Designated Territory or modify your Designated Territory without your written permission, although the consumer service area, trade area or designated territory of another GREEN MILL Restaurant or GREEN MILL ON THE GO franchise may overlap with your Designated Territory.

The criteria used for determining the boundaries of the Designated Territory may include any or all of the following: the population base; density of population; growth trends of population; apparent degree of affluence of population; the density of residential and business entities; restaurant co-tenants, traffic generators, and driving times; proximity to lodging facilities; and major topographical features which clearly define contiguous areas, like rivers, mountains, major freeways, and underdeveloped land areas. As a result of these considerations, a Designated Territory will have a general trade area with a population base of, or anticipated population growth to, approximately 15,000 to 40,000.

You may only operate your GREEN MILL Restaurant from the specific location within your Designated Territory approved by us and specified in your Franchise Agreement. You may not relocate your GREEN MILL Restaurant either within or outside of your Designated Territory or establish more than one GREEN MILL Restaurant either within and/or outside of your territory without our prior consent.

We and our affiliates have the right to operate and the right to franchise others to operate GREEN MILL Restaurants, as well as restaurants under different marks, which sell competing products and/or services anywhere outside of your Designated Territory, all without compensation to you or any franchisee. We also expressly reserve the right to operate and franchise others to operate other restaurant concepts under different marks in your Designated Territory even if they sell similar and competing menu items.

Special Sites are excluded from the Designated Territory and we and our affiliates have the right to develop, license or franchise the following Special Site

locations: (1) military bases, (2) public transportation facilities, including airports and other transportation terminals, (3) sports facilities, including race tracks, (4) student unions or other similar buildings on college or university campuses, (5) amusement and theme parks, and (6) community and special events.

Our affiliate HF has the sole and exclusive right to offer for sale and sell food products bearing one or more of the GREEN MILL® trademarks or service marks at grocery stores, supermarkets, and other similar locations both within and outside of your Designated Territory. All rights to offer for sale and sell products and services associated with the GREEN MILL trademarks and franchise system on the Internet, via online stores and catalogs and through other electronic means, including to customers located within your Designated Territory, are exclusively reserved to us.

We are not required to pay you if we or our affiliate exercises any of the rights specified above inside your Designated Territory.

The Franchise Agreement provides that without our prior written consent, you may not sell pizzas or related food products for delivery to locations outside of your Designated Territory. Similarly, our other franchisees and we are prohibited from selling pizzas and related food products for delivery to locations inside of your Designated Territory.

You are not prohibited or otherwise restricted under the Franchise Agreement from advertising your GREEN MILL Restaurant outside of your Designated Territory. Similarly, our other franchisees and we are not prohibited or otherwise restricted from advertising their GREEN MILL Restaurants within your Designated Territory.

The continuation of your Designated Territory under the Franchise Agreement is not dependent upon achievement of any certain sales volume or market participation. However, should you breach any of the material terms of the Franchise Agreement, the agreement may be terminated or other sanctions may be imposed against you.

Except for the restaurants operated by certain of our officers, and the Crooked Pint Ale House concept and its related marks (Sweet Pea's and Harriet's), neither we nor our affiliates currently operate or franchise the operation of any restaurant or business similar to or competitive with GREEN MILL Restaurants under a different trade name or trademark, but we reserve the right to do so both within the Designated Territory or otherwise.

ITEM 13

TRADEMARKS

We have entered into an Amended and Restated Service Mark License Agreement (the "License Agreement") with our affiliate HF, dated June 20, 2017. We have been granted the exclusive right in the License Agreement to grant franchises to use the GREEN MILL trade name and service marks in connection with the operation of

GREEN MILL Restaurants in the States of Minnesota, Nebraska, North Dakota, South Dakota, Wisconsin, Kansas, Iowa and Illinois.

Under the Franchise Agreement, you will be granted the right and license to use the "GREEN MILL" service mark and related design. The "GREEN MILL" service mark was registered with the United States Patent and Trademark Office on May 19, 1987, and has been assigned Registration Number 1,440,264. The registration for such service mark is found on the Principal Register and has gained "incontestable" status due to the filing of an affidavit under Section 15 of the Trademark Act. An application for renewal and statement of continuous use of this mark was filed on January 26, 2017, in order to maintain the registration of such service mark.

The "GREEN MILL" and related new design service mark was registered with the United States Patent and Trademark Office on September 22, 1992, and has been assigned Registration Number 1,719,145. The registration for this service mark is found on the Principal Register and has gained "incontestable" status due to a filing of a declaration under Section 15 of the Trademark Act.

The words "GREEN MILL RESTAURANT AND BAR EST. 1935" and related design was registered on the Principal Register of the United States Patent and Trademark Office on May 15, 2001, and has been assigned Registration Number 2,451,087. The registration for this service mark is found on the Principal Register and has gained "incontestable" status due to a filing of a declaration under Section 15 of the Trademark Act.

For the GREEN MILL ON THE GO franchise, we filed the GREEN MILL ON THE GO design mark on March 1, 2021, with Application Number 90553486. We do not have a federal registration for the GREEN MILL ON THE GO trademark. Therefore, this trademark does not have many legal benefits and rights as a federally registered trademark.

You must use the service marks in full compliance with the Franchise Agreement and any rules periodically adopted by us. You may not use the service marks as part of any corporate or partnership name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed by us to you).

There are no presently effective determinations of the United States Patent and Trademark Office, Trademark Trial and Appeal Board or the trademark administrator in any state or court, no pending interference, opposition or cancellation proceeding, no pending material litigation involving the trademarks which have limited or restricted the use of our trademarks, trade names, service marks or commercial symbols in any state. Similarly, except for the License Agreement, there are no agreements currently in effect which significantly limit our rights to use or license the service marks in any manner material to the franchise.

Under the Franchise Agreement, you must give us prompt written notice of any infringement of or claims or complaints made against you with respect to the "GREEN

MILL" service marks and related design and to cooperate with us and HF in any court or other proceedings involving such service marks or designs.

We are not obligated by the Franchise Agreement to protect your right to use the GREEN MILL service marks and related design and/or to defend or indemnify you against, or to reimburse you for, any damages for which you may be held liable in any proceeding arising out of your use of the service marks or for any costs you incurred in defense of any such claim. We and HF have the right to control and conduct any litigation or other proceedings relating to the GREEN MILL trade name and service marks.

In the event a third party claims that its rights to the GREEN MILL name or service marks are superior to ours, and if we determine that such claim is meritorious, then the Franchise Agreement gives us the right to require you, at your expense, to immediately cease using the GREEN MILL trade name, service marks and related design or to use such substitutions, alternatives or modifications as we may require. The Franchise Agreement does not require us to compensate you in any manner for any costs or expenses which you may incur in complying with this obligation.

We have the right to terminate the Franchise Agreement if you commit any act or omission which damages the goodwill associated with such service marks.

There are no infringing uses of or superior prior rights to the service marks actually known to us or HF which could materially affect your use of the service marks or other related rights in any state.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We do not own any rights in or to any patents, patent applications, or copyrights which are material to the franchise. However, we and/or HF own certain proprietary rights in the operating manuals, including the specifications, standards, process, procedures, methods, systems, recipes, and other items described in the Operating Manuals, to be provided to you by us upon execution of the Franchise Agreement. You must agree and acknowledge in the Franchise Agreement that all such information is confidential and proprietary information of ours and/or HF, and you must agree not to disclose any of such information to any person, except for such disclosure to your employees as may be necessary in the course of their employment. Pursuant to the Franchise Agreement, you must require your on-site managers, as a condition to their employment, to sign a non-disclosure and non-competition agreement with us in such form as we may reasonably require.

There are no currently effective determinations of the Copyright Office (Library of Congress), United States Patent and Trademark Office, Board of Patent Appeals and Interferences, or any court, or any pending infringement, opposition or cancellation proceeding or any pending material litigation involving any patents or copyrights. There are currently no agreements in effect that significantly limit our rights to use or license the use of any patents or copyrights in any manner material to the franchise. There are

no infringing uses actually known to us that could materially affect your use of the patents or copyrights.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of any patents or copyrights, or to participate in your defense or indemnify you. We reserve the right to control any litigation related to any patents and copyrights and we have the sole right to decide to pursue or settle any infringement actions related to the patents or copyrights. You must notify us promptly of any infringement or unauthorized use of the patents or copyrights of which you become aware.

You must keep confidential during and after the term of the Franchise Agreement all proprietary information, including the manuals. Upon termination of your Franchise Agreement, you must return to us all proprietary information, including but not limited to the manuals and all other copyright material. You must notify us immediately if you learn about an unauthorized use of proprietary information. We are not obligated to take any action and we have the sole right to decide the appropriate response to any unauthorized use of proprietary information. You must comply with all changes to the manuals at your cost.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Under the Franchise Agreement, you must personally serve as the on-site general manager of your GREEN MILL Restaurant or, if an entity buys the GREEN MILL Restaurant franchise, an owner of the entity must serve as the on-site general manager of your GREEN MILL Restaurant unless this requirement is waived by us in our sole business judgment. Although your on-site general manager must be one of your owners if you are an entity, there is no minimum amount of equity interest that such on-site general manager must have. The person who serves as the on-site general manager for your GREEN MILL Restaurant, and any successor on-site general managers, must attend and successfully complete our training program. All on-site general managers must be approved by us.

Except as noted above with respect to the on-site general manager, restaurant managers do not need to have an ownership interest in franchisees which use corporations, partnerships or other entities to own and operate their GREEN MILL Restaurants. Pursuant to the Franchise Agreement, you must require your on-site general managers, as a condition to their employment, to sign a non-disclosure and non-competition agreement with us in such form as we may reasonably require. All owners of the franchise (including all owners of the franchisee entity, if applicable) must execute the form of personal guarantee attached to the Franchise Agreement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

The Franchise Agreement prohibits you from selling any food or beverage products other than those on our standard menu without first obtaining our written approval, which approval may be withheld in our business judgment. We require a minimum three week notice to approve or deny any proposed new product. We reserve the right in the Franchise Agreement to periodically add or delete food and/or beverage products from our standard menu and in all instances, you must offer our full standard menu of food and beverage products, unless an exception is granted in writing by us. There are not any limits on our right to make changes in the food and/or beverage products contained in our standard menu. Your menu may also be limited by the terms of your lease for your franchised location. You are not limited as to the customers you may serve at your GREEN MILL Restaurant. However, you may not sell food or beverage products for home delivery outside of your Designated Territory (for the GREEN MILL ON THE GO franchise, this limitation on home delivery applies to GREEN MILL ON THE GO menu items.

Except as expressly authorized by us in our confidential operating manuals or otherwise in writing, you may not offer or sell any food items in a “buffet” manner of service.

You may not permit any video or electronic games, dart games, pool or billiard tables or other tavern-type games to be used or located on the premises of your GREEN MILL Restaurant without our prior written approval. In addition, you may not offer for sale at or near your GREEN MILL Restaurant any pull tabs, card games, lottery tickets or other tickets, pools, chances or raffles without our prior written approval. You may not permit any other forms of entertainment such as, but not limited to, live music, Karaoke or disc jockeys without our prior written consent.

ITEM 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

	Provision	Section in Franchise or other Agreement	Summary
a.	Length of the Franchise term	Paragraph 4	The initial term is for 20 years from the date of your Franchise Agreement.

	Provision	Section in Franchise or other Agreement	Summary
b.	Renewal or Extension of the Term	Paragraph 5	You may renew the license granted under your Franchise Agreement for one additional 10 year term, provided you meet certain terms and conditions.
c.	Requirements for Franchisee to Renew or Extend	Paragraph 5	You must (1) give us notice of your intent to renew your Franchise Agreement at least 6 months and not more than 12 months prior to the end of the initial term; (2) not be in default or violation of the Franchise Agreement or with any agreement with a creditor of or supplier to your restaurant and have substantially complied with the Franchise Agreement terms throughout the initial term; (3) have timely met your monetary obligations to us throughout the initial term; (4) be able to maintain possession of your restaurant site or secure and develop a suitable alternative site approved by us; (5) sign our then current Franchise Agreement which may then contain materially different terms and conditions than your original Franchise Agreement; (6) sign a release of claims. At our determination, you may be required to refurbish your restaurant within 12 months. If you seek to renew your franchise at the expiration of the initial term or any renewal term, you may be asked to sign a new Franchise Agreement that contains terms and conditions materially different from those in your previous Franchise Agreement, such as different fees and termination rights.
d.	Termination by Franchisee	Paragraph 14	You may terminate the Franchise Agreement if we violate any material term of condition of the Franchise Agreement, and fail to correct the alleged violation within 60 days of receiving your written notice of violation. Your termination will be effective 10 days after you notify us of your intention to terminate because of our failure to timely cure the alleged violation.
e.	Termination by Franchisor Without Cause	None	Not applicable.
f.	Termination by Franchisor With Cause	Paragraphs 1 and 15	We may terminate the Franchise Agreement if you cause or permit certain events to occur.
g.	"Cause" Defined - Curable Defaults	Paragraph 15	Curable defaults include: (1) violation by you of any provision of the Franchise Agreement or any specification, standard, or operating procedure prescribed by us; (2) your permitting or suffering the termination, cancellation or expiration of the lease for your restaurant site, or your failure to maintain possession of the site; (3) you fail to obtain a liquor license within 6 months of entering into the Franchise Agreement, or fail to maintain the license; (4) you fail to maintain the insurance coverages required under paragraph 21; (5) an audit by us discloses an understatement of royalties and/or advertising fees and you fail to pay these amounts plus interest after being notified by us to do so; (6) you fail to pay any amounts due to us or to any creditor or supplier of the restaurant; (7) you fail to comply with any applicable state or federal law, or pay any local, state or federal taxes when due; (8) you or any of your affiliates default in payment or performance of any of your or their respective obligations to us under any agreement, or we terminate any such agreement; or (10) you fail to spend the amounts for approved local media advertising, marketing and promotions at the time required by paragraph 8 of the Franchise Agreement. We will give you written notice and 30 days to cure any of these defaults.

	Provision	Section in Franchise or other Agreement	Summary
h.	"Cause" Defined - Non-Curable Defaults	Paragraphs 1 and 15	Non-curable defaults include if (1) you fail to open and commence operations of your GREEN MILL Restaurant within nine months after signing the Franchise Agreement, unless such failure resulted from causes outside of your control; (2) you voluntarily abandon the franchise relationship or your restaurant, or fail to continuously and actively operate the restaurant; (3) there is a conviction or entry of a plea of guilty or no contest by you or any of your principals to a charge of violating any law relating to your GREEN MILL Restaurant or to a felony charge (regardless of the nature of the charges); (4) you voluntarily file, or have involuntarily filed against you a bankruptcy petition or any pleading seeking reorganization, liquidation, or other settlement with your creditors and this is not dismissed within 30 days, or you admit or fail to contest any such pleading, or a receiver or other custodian is appointed for all or a substantial part of your assets; (5) there is an assignment of your assets for the benefit of your creditors, or in a similar manner you dispose of all or substantially all of your assets in the restaurant, or you admit an inability to pay the obligations of your restaurant business as they come due; (6) you commit any act which, in our reasonable judgment, impairs the good will associated with the GREEN MILL names and/or logos or impairs or tends to impair the reputation of you or any of your owners; (7) you make a material misrepresentation in your franchise application; (8) if your GREEN MILL Restaurant is located in or immediately adjacent to a hotel or motel which is being operated pursuant to a franchise or license agreement, such franchise or license agreement expires or is terminated; (9) your GREEN MILL Restaurant is ordered closed by any state or local authorities for health or safety reasons; (10) you use the Licensed Property (including confidential information provided by us to you for the purpose of operating the restaurant) in an unauthorized manner; (11) you commit an unauthorized transfer or assignment in violation of the Franchise Agreement; (12) on three or more occasions in any consecutive 12-month period, you fail to submit when due reports or financial statements or fail to make any payments due to us or any supplier of the restaurant whether or not such prior failures are cured after notice; or (13) you intentionally underreport the royalties and/or Advertising Fees payable pursuant to the franchise agreement.
i.	Franchisee's Obligations On Termination/Non-Renewal	Paragraph 13	You must (1) immediately discontinue all use of the GREEN MILL trademarks, trade names and logos; (2) remove from public display any signs, literature, products or accessories bearing the GREEN MILL trademarks, trade names and logos; (3) return within 10 days all bulletins, manuals, and other materials supplied to you by us; (4) immediately cease operating the restaurant using all or any part of our licensed property; (5) immediately pay us all amounts due and owing under the Franchise Agreement, which includes all outstanding balance on gift cards and Be Our Guest cards, unless we otherwise agree; and (6) promptly alter, modify and change both the interior and exterior appearance and trade dress of your restaurant so that it will be easily distinguished from the standard appearance and trade dress of a GREEN MILL Restaurant.
j.	Assignment of Contract by Franchisor	Paragraph 17	There are no restrictions on our right to assign.

	Provision	Section in Franchise or other Agreement	Summary
k.	"Transfer" By Franchisee - Defined	Paragraph 17	Includes transfers of the Franchise Agreement, or the assets or properties associated with your GREEN MILL Restaurant and changes in your ownership.
l.	Franchisor Approval of Transfer by Franchisee ¹	Paragraph 17	We have the right to approve all transfers, but may not unreasonably withhold our approval. Transfers of shares of capital stock, partnership interests or other equity interests to persons who as of the date of the Franchise Agreement hold stock, partnership interests or other equity interests in the franchisee, and which in aggregate do not represent a majority of the voting power represented by such interests, do not require our approval.
m.	Conditions for Franchisor Approval of Transfer	Paragraph 17	The transferee and you must comply with certain conditions imposed by us, including: (1) you must pay all of your monetary obligations to us and you must not otherwise be in default under the Franchise Agreement; (2) the transferee must have been approved by us and shall have demonstrated to us that he/she/it meets our managerial, financial, and business standards for new franchisees, possesses a good business reputation and credit rating, and has the aptitude and ability to operate the restaurant; (3) transferee must sign our then-current form of Franchise Agreement; (4) prior to the transfer the transferee or its on-site general manager must successfully complete any required training; (5) the transferee must pay us a nonrefundable assignment fee equal to 20% of our then-current initial franchise fee plus the cost of any required training; and (6) you must sign a release of claims.
n.	Franchisor's Right of First Refusal to Acquire Franchisee's Business	Paragraph 18	You may not sell, assign or transfer in any way your rights in (1) the Franchise Agreement; (2) the real estate or leasehold interest for your GREEN MILL Restaurant; (3) the fixtures, equipment or other assets of the restaurant; (4) or any stock, partnership interest or other equity interest in a franchisee which is a corporation, partnership or other entity, without first giving us the right of first refusal to purchase such property or interest on comparable terms and conditions offered to the proposed buyer. We will have 30 days from receiving all the material terms of the transaction in which to decide.
o.	Franchisor's Option to Purchase Franchisee's Business	Paragraph 18	See Item 17 (n) above.
p.	Death or Disability of Franchisee	Paragraph 19	Subject to compliance with the conditions set forth in Item 17(m) above, your Franchise Agreement may be transferred or bequeathed by you to any immediate family member upon your death or permanent disability. If you were the on-site general manager for the restaurant or if your heirs adopt new management, the new management must complete our training program, and pay the required fees.

	Provision	Section in Franchise or other Agreement	Summary
q.	Non-Competition Covenants During the Term of the Franchise	Paragraph 16	Neither you nor any personal guarantors of your obligations under the Franchise Agreement may directly or indirectly own, operate, engage in, have any interest in, or assist any person or entity engaged in any other restaurant business which offers products or services that are similar to or competitive with the pizza and related food products contained on our then-current standard menu. You must require your on-site general managers, as a condition of their employment, to sign a non-competition agreement in a form reasonably required by us to protect our licensed property.
r.	Non-Competition Covenants After the Franchise is Terminated or Expires	Paragraph 16	Neither you nor any personal guarantors of your obligations under the Franchise Agreement may, for a period of 1 year after the expiration or termination of the Franchise Agreement, directly or indirectly own, operate, engage in, have any interest in, or assist any person or entity engaged in any restaurant business which (1) offers products or services that are similar to or competitive with the pizza and related food products contained on our then-current standard menu, and (2) is located within the same metropolitan statistical area as was your GREEN MILL Restaurant. Your on-site managers will be bound by the agreements described in Item 17 (q) above.
s.	Modification of the Agreement	Paragraphs 7, 10 and 27	The Franchise Agreement may only be modified by written agreement signed by you and us. However, we may unilaterally amend operating procedures and practices, our artwork, promotional and advertising materials, and other written materials.
t.	Integration/Merger Clause	Paragraph 27	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises made outside the Disclosure Document and Franchise Agreement may not be enforceable.
u.	Dispute Resolution by Arbitration or Mediation	None.	Not applicable.
v.	Choice of Forum	Paragraph 24	Disputes must be commenced and maintained in the applicable state or federal court in Minnesota, subject to applicable state law.
w.	Choice of Law	Paragraph 24	The laws of the state in which your GREEN MILL Restaurant is located apply, subject to applicable state law.

ITEM 18

PUBLIC FIGURES

We do not use any public figures 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 a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations, either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting our CEO, Paul Dzubnar, at 1342 Grand Avenue, St. Paul, Minnesota, 55105 (651) 203-3100, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No.1

**Systemwide Outlet Summary
For years 2018 to 2020¹**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2018	24	24	0
	2019	24	23	-1
	2020	23	19	-4
Company-Owned	2018	0	0	0
	2019	0	0	0
	2020	0	0	0
Total Outlets	2018	24	24	0
	2019	24	23	-1
	2020	23	19	-4

¹As of December 31, 2018, 2019 and 2020. The GREEN MILL Restaurants owned by certain of our officers are operated pursuant to franchise agreements with us, and as such, are included in Table 3 and the corresponding list of franchised locations in Exhibit C.

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor)
For Years 2018 to 2020¹

State ²	Year	Number of Transfers
Minnesota	2018	0
	2019	1
	2020	1
Wisconsin	2018	0
	2019	1
	2020	0
Total	2018	0
	2019	2
	2020	1

¹As of December 31, 2018, 2019 and 2020. States not listed had no activity to report.

Table No. 3
Status of Franchised Outlets
For Years 2018 to 2020¹

State ²	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of Year
Kansas	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
Minnesota	2018	19	0	0	0	0	0	19
	2019	19	0	0	0	0	0	19
	2020	19	0	2	1	0	0	16
Wisconsin	2018	3	0	0	0	0	0	3
	2019	3	0	0	1	0	0	2
	2020	2	0	0	1	0	0	1
Total	2018	24	0	0	0	0	0	24
	2019	24	0	0	1	0	0	23
	2020	23	0	2	2	0	0	19

¹As of December 31, 2018, 2019 and 2020. States not listed had no activity to report.

Table No. 4
Status of Company-Owned Outlets
For Years 2018 to 2020¹

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Total	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0

¹As of December 31, 2018, 2019 and 2020. The GREEN MILL Restaurants owned by certain of our officers are operated pursuant to franchise agreements with us, and as such, are included in Table 3 and the corresponding list of franchised locations in Exhibit C.

Table No. 5
Projected Openings as of December 31, 2020

State ¹	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
All States Total	0	3	0

Included in this Disclosure Document as Exhibit D is a list of all operational GREEN MILL franchised locations as of December 31, 2020 (these locations are all full service Restaurants; as of December 31, 2020, we have zero GREEN MILL ON THE GO franchise locations. Also included in Exhibit D is a list of the name, city and state, and business telephone number (or, if unknown, the last known home telephone number) of every franchisee that had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the past three fiscal years, some franchisees have signed confidentiality clauses with us. In some instances, current and former franchisees signed provisions restricting their ability to speak openly about their experiences 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.

Except for the advertising council and the FAC referenced in Item 11, we have not created, sponsored or endorsed any trademark-specific franchisee organizations associated with the GREEN MILL franchise system. The contact information for the advertising council and the FAC is the same as our contact information. In addition, no independent franchisee organization has asked us to be included in our Disclosure Document.

ITEM 21

FINANCIAL STATEMENTS

Our fiscal year ends on December 31. Attached as Exhibit C are (i) the combined audited financial statements for us and GMR, Inc. for the years ended December 31, 2020, 2019 and 2018, and (ii) an unaudited balance sheet and income statement as of July 31, 2021. Also attached to Exhibit C is a guarantee of performance of GMR, Inc.

ITEM 22

CONTRACTS

Attached as Exhibit B is a copy of our Franchise Agreement. You should review this agreement carefully since it is the binding document which controls your business relationship with us. While it is important and helpful to crosscheck the information in the Franchise Agreement with the various Items in this Disclosure Document, that is no substitute for a careful review of the Franchise Agreement by you and an attorney, accountant or other competent business advisor. We encourage you to retain the services of an attorney, accountant, architect and/or other professional advisor in connection with the acquisition of a GREEN MILL Restaurant franchise and the construction of your restaurant.

Exhibit G is a copy of our current form of General Release Agreement.

Exhibit H is a copy of our Third Party Supplier Agreements (INGAGE I.T. and Restaurant 365).

The Franchise Agreement, General Release Agreement and Third Party Supplier Agreements are samples only and are not for signing.

ITEM 23

RECEIPTS

Attached to this Disclosure Document as Exhibit J is a detachable acknowledgement of receipt.

EXHIBIT A

**List of State Administrators and
Agents for Service of Process**

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101 (651) 296-4026	Minnesota Commissioner of Commerce 85 7 th Place East, Suite 500 St. Paul, MN 55101
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capital Fifth Floor, Bismarck, North Dakota 58505 Telephone: (701) 328-4712	North Dakota Securities Department 600 East Boulevard Avenue State Capital Fifth Floor, Bismarck, North Dakota 58505 Telephone: (701) 328-4712
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501	Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501
WISCONSIN	Commission of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705 608-266-0448	Wisconsin Commissioner of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705 608-266-0448

EXHIBIT B

Franchise Agreement

GREEN MILL RESTAURANTS, LLC

FRANCHISE AGREEMENT

TABLE OF CONTENTS

Section	Page
1. Grant of Franchise; Franchised Location	4
2. Initial Franchise Fee	6
3. Royalties	7
4. Term.....	7
5. Renewal of Franchise	7
6. Training	8
7. Other Services.....	9
8. Advertising and Promotion.....	10
9. Accounting Reports and Inspection.....	12
10. Quality Control	13
11. Compliance with Law; Payment of Liabilities	16
12. Ownership and Use of Licensed Property	16
13. Rights on Termination	18
14. Termination by Franchisee	18
15. Termination by Franchisor.....	18
16. Secrecy and Covenants Not to Compete.....	20
17. Assignment	21
18. Right of First Refusal and First Option.....	22
19. Death or Incapacity of Franchisee	23
20. Failure to Enforce	23
21. Indemnification and Insurance.....	23
22. Designated Territory	24
23. Refurbishing the Franchised Business.....	25
24. Governing Law; Venue for Disputes	26
25. Notices	27
26. Receipt of Offering Materials	28
27. Entire Agreement.....	28
28. Attorneys' Fees	28
29. Marketing.....	28
30. Operating Budget.....	28
31. Computerized Point of Sale and Other Systems	29
32. Compliance with Plans and Specifications	29
33. Construction Work.....	30
34. Pre-Opening Inspection	31
35. Reimbursement of Franchisor for Taxes.....	31
36. Gaming Machines; Tickets, Entertainment.....	32
37. Electronic Funds Transfer.....	32
38. Personal Guarantors	32
39. Interpretation of Rights and Obligations.....	32
40. Jury Waiver.....	33
41. Waiver of Punitive Damages	33
42. Relationship of the Parties	33

43. Adaptations and Variances 33
44. Notice of Potential Profit 34
45. Effective Date 34

Attachments:

Personal Guarantee

Exhibit A: Description of Designated Territory

Exhibit B: Electronic Funds Transfer Authorization

Exhibit C: Acknowledgement Addendum

Green Mill On The Go Amendment

State Addenda

GREEN MILL® FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT is made and entered into as of the ____ day of _____, 20__ (“Effective Date”), by and between Green Mill Restaurants, LLC, a Minnesota limited liability company, whose principal place of business is at 1342 Grand Avenue, St. Paul, Minnesota 55105 (“Franchisor”), and _____ (“Franchisee”).

WHEREAS, Hightop Foods, LLC, a Minnesota company (“Licensor”), has developed and/or owns certain recipes, operating and training manuals, operating procedures, processes, methods, systems, decor, menus and know-how for use in connection with the operation of restaurants featuring pizza under the trade name “GREEN MILL®” (the “Operating System”);

WHEREAS, the Licensor has registered (1) the “GREEN MILL” service mark with the United States Patent and Trademark Office as a service mark for use in connection with restaurant services, (2) the “GREEN MILL” service mark and related design with the United States Patent and Trademark Office as a service mark for use in connection with restaurant services featuring eat-in dining, carry out and home delivery, and (3) the “GREEN MILL” service mark and related design with the Minnesota Secretary of State as a service mark for use in connection with restaurant services (collectively, the “Service Marks” or “Marks”);

WHEREAS, the Licensor has granted the Franchisor a license which permits the Franchisor to grant franchises to use the Operating System and Service Marks (collectively the “Licensed Property”) in connection with the operation of restaurants featuring pizza;

WHEREAS, the Franchisee has had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Agreement and has had sufficient time and opportunity to evaluate and investigate the business concept and the procedures and financial requirements associated with the operation of a business using the Licensed Property as well as the competitive market in which it will operate; and

WHEREAS, the Franchisor desires to grant to the Franchisee and the Franchisee desires to obtain from the Franchisor the right to use the Licensed Property in connection with the operation of a restaurant featuring pizza at the location described in Paragraph 1 of this Agreement on the terms and subject to the conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and of the mutual covenants herein contained, the parties agree as follows:

1. Grant of Franchise; Franchised Location. Subject to the terms and conditions of this Agreement, Franchisor hereby grants to Franchisee a non-exclusive and terminable right and license to use the Licensed Property in the operation of a restaurant featuring pizza and other required menu items at the following location:

("Franchised Location"). Franchisee hereby undertakes the obligation to use the Licensed Property in the operation of its restaurant featuring pizza and other required menu items at the Franchised Location ("Franchised Business") in strict compliance with the terms and conditions of this Agreement. The rights and privileges granted to Franchisee under this Agreement are applicable only to the Franchised Location, are personal in nature, and may not be used elsewhere or at any other location by Franchisee. Franchisee shall not have the right to subfranchise or sublicense any of its rights under this Agreement. Franchisee shall not use the Franchised Location for any purposes other than the operation of the Franchised Business. Franchisor's grant of the license to Franchisee includes the right and license to use: (a) the Licensed Property in connection with the operation of the Franchised Business at the Franchised Location as Franchisor may prescribe and authorize from time to time; (b) Franchisor's recipes and methods of preparation of food products; (c) Franchisor's merchandising and business techniques and programs; and (d) Franchisor's business concept of featuring pizza and other standard menu items under the Service Marks.

Franchisee must develop and open the Franchised Business for business by the Required Open Date. Franchisee is exclusively responsible for its own decision in selecting the Franchised Location, even if Franchisor at any time provides advice or assistance to Franchisee regarding the selection thereof and even though Franchisor must approve such Franchised Location. Franchisor shall have no liability of any kind to Franchisee (whether for negligence or otherwise) if the Franchised Location is for any reason disadvantageous to Franchisee. Franchisor's approval of a Franchised Location shall not be deemed to be a representation or promise that Franchisee will be successful at such Franchised Location. No restaurant owned or operated by Franchisee shall be located on any site other than the Franchised Location without the prior written approval of Franchisor and without the entry by the parties into a separate Franchise Agreement for such restaurant in the form then used by Franchisor; provided, however, that nothing herein contained shall require Franchisor to enter into any such additional agreements.

The Franchisee will not purchase, lease or otherwise acquire the Franchised Location until the Franchised Location has been approved by the Franchisor. The Franchisor will have the right to require the Franchisee to obtain, at the Franchisee's expense, an economic feasibility study for the Franchised Location.

Any lease entered into by Franchisee for the Franchised Location shall include provisions substantially as follows:

a. "Notwithstanding anything contained in this lease to the contrary, Lessor agrees that without its consent, this lease and the right, title and interest of the Lessee thereunder, may be assigned by the Lessee to Green Mill Restaurants, LLC, or its designee."

b. "Lessee hereby agrees that Lessor may, upon the written request of Green Mill Restaurants, LLC, disclose to Green Mill Restaurants, LLC all reports, information or data in Lessor's possession respecting sales made in, upon or from the leased premises."

c. “Lessor shall give written notice to Green Mill Restaurants, LLC (concurrently with the giving of such notice to Lessee) of any default by Lessee under this lease, and Green Mill Restaurants, LLC shall have the right, in its sole business judgment, to cure any such default. Such notice shall be sent to Green Mill Restaurants, LLC, 1342 Grand Avenue, St. Paul, Minnesota 55105, or such other address as Green Mill Restaurants, LLC may, from time to time, specify in writing to Lessor.”

Such lease shall in all respects be satisfactory in form and substance to the Franchisor and the Franchisor has the right, but not the obligation, to approve such lease, a true and correct copy of which shall be delivered to the Franchisor at least fifteen (15) days before its execution by Franchisee.

In the event Franchisor cures any default by Franchisee under its lease for the Franchised Location, the total amount of all costs, expenses and payments incurred by Franchisor in effecting such a cure shall be immediately due and owing by Franchisee to Franchisor. At the request of Franchisor, Franchisee shall execute and deliver to Franchisor a promissory note in such form as Franchisor may reasonably require providing for the payment by Franchisee of an amount equal to all costs, expenses and payments incurred by Franchisor in curing a default by Franchisee together with interest at the lesser of the maximum rate permitted by law or 18% per annum. Notwithstanding any provision of this Agreement to the contrary, Franchisor shall be under no obligation to cure any default by Franchisee under the terms of its lease.

In the event that the Franchised Business is not operational within nine (9) months from the date of this Agreement (the “Required Opening Date”), other than by reason of an event of “Force Majeure” (as hereinafter defined), Franchisor shall have the right to terminate this Agreement and any other agreement between Franchisor and Franchisee relating to the Franchised Business. In the event the Franchisor terminates this Agreement as a result of the Franchised Business not being operational by the Required Opening Date, Franchisor shall be entitled to retain that portion of the initial franchise fee paid by Franchisee pursuant to paragraph 2 hereof, which is equal to the costs and expenses incurred by Franchisor in approving Franchisee as a franchisee and in performing its duties and obligations under and pursuant to this Agreement. The balance of such initial franchise fee in such circumstances shall be refunded to Franchisee.

As used herein, the term “Force Majeure” means acts of God, strikes, lockouts, or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or of any State or any of their departments, agencies, or officials or of any civil or military authority; insurrections or riots; landslides, earthquakes, fires, storms, droughts, floods, or explosions; the failure to receive materials necessary to the operation of the Franchised Business provided that such materials were timely ordered; and/or any other cause or event not reasonably within the control of the Franchisee.

2. Initial Franchise Fee. Franchisee shall pay to Franchisor an initial franchise fee of Forty-Five Thousand Dollars (\$45,000), which is payable in full upon execution of this Agreement. Except as provided in paragraph 1 hereof in reference to the termination of this Agreement as a result of the Franchised Business not being operational within nine (9) months of the date of this Agreement, the initial franchise fee is not refundable under any circumstances.

Any deposit or application fee paid by Franchisee to Franchisor in order to obtain the franchise granted hereby shall be credited against the initial franchise fee, it being understood that Franchisor shall have no obligations and Franchisee shall have no rights under this Agreement, until such initial franchise fee is paid in full.

3. Royalties. Franchisee shall pay Franchisor an ongoing royalty fee equal to four percent (4%) of the Net Sales (as hereinafter defined) of the Franchised Business each accounting period during the Initial Term of this Agreement. The ongoing royalty payable under this paragraph for a particular accounting period shall be payable within fifteen (15) days after the close of such period. Any unpaid royalties shall bear interest at the lesser of the maximum rate permitted by law or 18% per annum. As used in this Agreement, the term "Net Sales" shall mean and include the total actual gross charges by Franchisee for all products sold and services provided to customers of the Franchised Business, for cash or credit, whether such sales are made at or from the premises of the Franchised Business or any other location, less: (a) sales, use, service or excise taxes collected from customers and paid to the appropriate taxing authority and (b) customer refunds and adjustments.

4. Term. This Agreement and the license granted hereby shall have an initial term of twenty (20) years commencing on the date first above written (the "Initial Term").

5. Renewal of Franchise. Franchisee may, at its option, renew the license granted hereby for one additional ten (10) year term upon the expiration of the Initial Term, provided that:

a. Franchisee and its affiliates is/are not then in default under or in violation of any provision of this Agreement or any other agreement between Franchisee or any of its affiliates and Franchisor or its subsidiaries or affiliates, or pursuant to any agreement with any other creditor or supplier of the Franchised Business, and has substantially complied with all the terms and conditions of this Agreement and such other agreements during the terms hereof and thereof;

b. Franchisee and its affiliates have satisfied all monetary obligations owed by Franchisee or any of its affiliates to Franchisor and its subsidiaries and affiliates and has timely met these obligations throughout the Initial Term of this Agreement;

c. Franchisee is able to maintain possession of the Franchised Location or to secure and develop a suitable alternative site approved by Franchisor for such renewal term;

d. Franchisee gives Franchisor written notice of its election to renew the license granted hereby not less than six (6) months nor more than twelve (12) months prior to the end of the Initial Term;

e. Franchisee executes Franchisor's then-current form of franchise agreement, the terms of which may differ materially from this Agreement, as further described below;

f. Comply with all refurbishing requirements, if any, Franchisor specifies for the Franchised Business; and

g. You and your personal guarantors execute a general release of claims in a form we prescribe.

If Franchisee fails to satisfy any of the conditions set forth above in this paragraph, Franchisor may, in its sole business judgment, refuse to renew the license granted hereby.

Renewal of the license granted hereby shall be effected by the execution by Franchisor and Franchisee of Franchisor's then-current form of franchise agreement and all other agreements then customarily used by Franchisor in the grant of franchises, which may provide for a higher royalty fee and for greater expenditures for advertising and promotion than are provided for in this Agreement. Franchisee will not be required to pay an additional initial franchise fee or a renewal fee upon renewal. Failure or refusal by Franchisee to execute the necessary agreements within thirty (30) days after their delivery to Franchisee shall be deemed an election by Franchisee not to renew the license granted hereby.

Upon renewal of the license granted hereby, Franchisor may, in its sole business judgment, require Franchisee, at its sole expense, to effect such refurbishing, within twelve (12) months of its receipt of notice from the Franchisor, of the Franchised Business (in addition to regular maintenance and repair) as the Franchisor may require to maintain or improve the appearance and efficient operation of the Franchised Business and/or increase its sales potential or to comply with the Franchisor's then current requirements with respect to design, decor and equipment. Refurbishing may include: (i) replacement of worn out or obsolete equipment, fixtures, furniture and signs; (ii) the substitution or addition of new or improved equipment, fixtures, furniture and signs; (iii) redecorating; (iv) repair of the interior and exterior of the premises and repair and resurfacing of parking facilities; and (v) structural modifications and remodeling of the premises.

6. Training. Prior to the opening of the Franchised Business, Franchisee, or the on-site general manager of the Franchised Business if Franchisee is not a natural person, shall attend Franchisor's training program in Minneapolis-St. Paul, Minnesota (or in such other more convenient location as Franchisor may, in its sole business judgment, establish) for the period of time, not less than ten (10) weeks in duration, such training is then generally required of on-site general managers of Franchisor-owned or other franchised businesses. If Franchisee is a natural person, the Franchisee must serve as the on-site general manager of the Franchised Business unless the Franchisor agrees to waive this requirement in writing in its sole business judgment. If Franchisee is an entity, one of the owners of the Franchisee must serve as the on-site general manager of the Franchised Business unless the Franchisor agrees to waive this requirement in writing in its sole business judgment. Approximately six (6) to eight (8) weeks prior to opening its Franchised Business, Franchisee will hire its kitchen manager, assistant kitchen manager, and dining room manager, and place them in the Franchisor's management training program. Franchisor shall provide such training program for the Franchisee's initial on-site general manager, kitchen manager, assistant kitchen manager, and dining room manager, at no charge to Franchisee. Upon any change in the on-site general manager, kitchen manager, assistant kitchen manager, and dining room manager of the Franchised Business, the succeeding manager or

assistant manager shall attend Franchisor's training program. Franchisee agrees to pay Franchisor a fee, at Franchisor's then-prescribed rates, for the Franchisee's second and all subsequent managers or assistant manager who attend Franchisor's training program. Franchisee shall be responsible for the travel, lodging, meals and other expenses incurred by Franchisee and its managers and assistant managers (including Franchisee's initial managers and assistant managers) in traveling to and attending Franchisor's training programs. Franchisor shall have the right to approve the on-site general managers, and each such manager must successfully complete Franchisor's training program provided for in this paragraph.

Any training Franchisor provides to any of Franchisee's employees will be limited to training or guidance regarding the delivery of approved products and services to customers in a manner that reflects the customer service standards of the System. Franchisee is, and will remain, the sole employer of its employees at all times, including during all training programs, and Franchisee is solely responsible for all employment decisions and actions related to its employees. Franchisee is solely responsible for ensuring that its employees receive adequate training.

Franchisee or the on-site general manager and such other managers and assistant managers of the Franchised Business as may be designated by Franchisor from time to time shall, at Franchisee's expense, attend such additional regional sales, training or orientation seminars as Franchisor may reasonably request.

The Franchisee shall also engage four (4) to six (6) trainers as designated by Franchisor who are employed by us or other Green Mill franchisees (the "Opening Team") to assist the franchisee with the training of its management and other employees during the two (2) week period before and two (2) week period after the grand opening of the Franchised Business. The Franchisee shall be responsible for reimbursing the employer of such Opening Team for all labor costs (including salary, wages, benefits and payroll taxes) incurred by the employer of such Opening Team in making such trainers available to the Franchisee. In addition, Franchisee shall be responsible for the travel, lodging, meals and other expenses incurred by such Opening Team in traveling to and assisting Franchisee with the training.

7. Other Services. Franchisor agrees to provide to Franchisee during the Initial Term of this Agreement: (a) assistance in selecting the equipment, furniture and fixtures for the Franchised Business; (b) a first draft of a proposed layout for the Franchised Business; (c) assistance in opening Franchisee's Franchised Business and training initial personnel; (d) advice regarding proper maintenance and marketing methods relating to the Franchised Business; (e) confidential operating manuals relating to preparation of food items, operations and other matters and any updates to the manual; and (f) advertising and promotional artwork or representative copies of Franchisor's promotional and advertising materials.

Franchisor reserves the right to impose a reasonable charge for providing copies of artwork and promotional and advertising materials. Similarly, Franchisor reserves the right to make changes from time to time to such artwork and promotional and advertising materials.

At Franchisee's request, the Franchisor may assist the Franchisee in identifying prospective manager and assistant manager candidates for the Franchised Business, with the

Franchisee retaining all decision-making and control over whether any such candidates ultimately hired by Franchisee (and, if so, on what terms). The Franchisee shall pay the Franchisor its then standard fee for such referral service within thirty (30) days of receiving the Franchisor's invoice with respect to such services.

All other services that Franchisor may at any time make available to its franchisees shall be made available to Franchisee at the fees published by Franchisor for such services from time to time. Franchisee shall have the right to accept or decline any such other services if Franchisor offers them at any additional cost.

8. Advertising and Promotion. Franchisee agrees to actively promote its Restaurant, to abide by all of Franchisor's advertising requirements and to comply with the following provisions:

a. Advertising Fees and Expenditures. Franchisee must pay at least two percent (2%) of its Net Sales on advertising. Of the two percent (2%), an Advertising Fee of one and one-half percent (1 1/2%) must be paid to Franchisor for deposit in an Advertising Fund. The Advertising Fee is paid on the 15th day of each month. The balance of the two percent (2%) must be spent on approved local advertising.

Franchisor reserves the right to increase the combined total amount of advertising payments (Advertising Fees and required local expenditures) from two percent (2%) of Net Sales to three percent and one-half (3 1/2%) of Net Sales upon sixty (60) days written notice and further reserves the right to allocate the additional one and one-half percent (1 1/2%) between the Advertising Fee and required local advertising expenditures. Any increase will not exceed one-half percent (1/2%) at one time.

b. Advertising Fund. All Advertising Fees will be placed in an Advertising Fund that Franchisor owns and manages. The Advertising Fund is not a trust or escrow account, and Franchisor has no fiduciary obligation to franchisees with respect to the Advertising Fund; provided, however, Franchisor will make a good faith effort to expend such fees in a manner that it determines is in the general best interests of the System. Franchisor has the right to determine the expenditures of the amounts collected and the methods of marketing, advertising, media employed and contents, terms and conditions of marketing campaigns and promotional programs. Because of the methods used, Franchisor is not required to spend a prorated amount on each Restaurant or in each advertising market. Franchisor has the right to make disbursements from the Advertising Fund for expenses incurred in connection with the cost of formulating, developing and implementing marketing, advertising and promotional campaigns. The disbursements may include payments to us for the expense of administering the Advertising Fund, including accounting expenses and salaries and benefits paid to employees engaged in the advertising functions. If requested, Franchisor will provide Franchisee an annual unaudited statement of the financial condition of the Advertising Fund.

c. Required Local Expenditures. Franchisee must use its best efforts to promote and advertise the Restaurant and participate in any local marketing and promotional programs Franchisor establishes from time to time. Upon Franchisor's request, Franchisee must provide Franchisor with itemization and proof of marketing and an accounting of the monies that

Franchisee spent for approved local marketing. If Franchisee fails to make the required expenditures, Franchisor has the right to collect and contribute the deficiency to the Advertising Fund or otherwise use the money to promote Franchisee's Restaurant.

d. Advertising Standards. All advertising and promotion by Franchisee shall be completely factual, dignified and shall conform to the highest standards of ethical advertising and to policies, if any, prescribed from time to time by the Franchisor, including policies contained in the Franchisor's manuals as revised from time to time by the Franchisor. Franchisee shall obtain Franchisor's prior approval for all promotions, special events, sales promotion materials and advertising used by Franchisee (including, without limitation, direct mail, newspaper, radio and television advertising, advertising by third parties at the Restaurant or at any other location if in connection with the Restaurant and online presences, electronic mediums and social networking sites such as LinkedIn®, Twitter®, Facebook®, or YouTube. Any discussions about or promotion of the Restaurant by Franchisee or its employees or agents via the Internet (including social media websites or platforms) are subject to Franchisor's approval). Franchisor shall be deemed to have approved any advertisements and promotional materials submitted to it unless it notifies Franchisee of its disapproval within ten (10) days of its receipt of the same. Franchisee agrees not to use any advertisements or promotional materials unless they have been approved by Franchisor. Any coupon published or otherwise distributed by the Franchisee must bear a code number provided by the Franchisor or its advertising agency.

In the event that Franchisee desires to operate or maintain a home page or other presence on the Internet or on or through any similar medium (collectively, "Electronic Presence"), and Franchisor approves such Electronic Presence, Franchisee acknowledges and agrees that Franchisee shall not be permitted to use any of the Service Marks or any other word, name, symbol or device which is likely to cause confusion with any of the Service Marks, in any such Electronic Presence without Franchisor's prior, express written consent which may be granted or denied in Franchisor's sole business judgment. In addition, Franchisor may require that Franchisee include in any such Electronic Presence a hypertext or other direct link to any Electronic Presence maintained by Franchisor. Franchisee's Electronic Presence, including with respect to current and future forms of social media networks and platforms, must at all times comply with Franchisor's written specifications, restrictions and policies, as modified from time to time, and as set forth in the manuals.

e. Grand Opening Advertising. At least thirty (30) days prior to the opening of the Franchised Business for business, the Franchisee shall pay to the Franchisor the sum of Twenty-Five Thousand and No/100 Dollars (\$25,000.00) (the "Grand Opening Allowance"). The Franchisor shall utilize the Grand Opening Allowance solely for the purpose of providing and conducting an advertising, public relations and promotional program in connection with the grand opening of the Franchised Business. The Franchisor in its sole business judgment, shall determine when, where and how to expend the Grand Opening Allowance on the Franchisee's behalf. Within thirty (30) days after the grand opening of the Franchised Business, the Franchisor shall provide to the Franchisee an accounting as to the expenditure of the Grand Opening Allowance and shall refund to the Franchisee any portion of the Grand Opening Allowance not expended by the Franchisor. It shall be a material default under this Agreement if the Franchisee fails to timely pay the Grand Opening Allowance to the Franchisor.

9. Accounting Reports and Inspection. Franchisor acknowledges and agrees that Franchisee shall have the right to advertise and sell its products at whatever prices Franchisee determines. Franchisee acknowledges and agrees that the successful development of its Franchised Business requires Franchisee to strictly adhere to Franchisor's accounting system, including, without limitation, the maintenance of proper controls for inventory, cost of goods, labor and fixed expenses; and utilization of accounting policies consistent with other Franchisor-owned and franchised GREEN MILL restaurants. Franchisee further acknowledges and agrees that it is in its own best interests to strictly adhere to such policies. In accordance therewith, Franchisee agrees that it shall supply to Franchisor: (a) a weekly report of sales, labor, cost of goods sold and inventory which shall be in such form and contain such information as the Franchisor may require from time to time, including information sufficient to permit Franchisor to calculate Franchisee's Net Sales for the prior week (which report shall be transmitted to the Franchisor electronically or by facsimile transmission by 11:00 a.m. on the following Monday); (b) an unaudited balance sheet at the end of each accounting period and a profit and loss statement for the period then ended within fifteen (15) days of the end of each accounting period, and (c) a balance sheet at December 31 of each year with statements of profit and loss and cash flow for the year then ended within ninety (90) days after each accounting period year end prepared on a "compilation" basis by Franchisee's independent public accountants. Each such report and statement shall be prepared in accordance with generally accepted accounting principles applied on a basis consistent with past practices and shall be provided on forms as may from time to time be prescribed by, or in any other manner from time to time reasonably requested by, Franchisor. Franchisee shall also supply to Franchisor copies of all data and reports furnished to the lessor of the Franchised Location, mall operator or maintenance contractor at the time of transmission to such parties and copies of its state and federal income tax returns at the time of filing. In order to assure accurate and consistent reporting, Franchisee shall maintain its chart of accounts and general ledger, and shall prepare its financial statements, in the manner prescribed from time-to-time by Franchisor. Franchisor is currently using the 4-4-5 accounting period method. Franchisor also requires the use of Restaurant 365, our approved Accounting and Inventory Software system.

Franchisor, its representatives, agents and employees shall be allowed at all times during Franchisee's regular business hours, with or without prior notice to Franchisee, to inspect and audit the books and records of Franchisee and to receive copies of Franchisee's invoices, payments and receipts and other documentation that might be required by a certified public accountant in conducting such an audit. Franchisor shall pay all of the costs and expenses which it incurs in connection with any such audit, except as provided hereinafter. In the event that any audit by Franchisor of Franchisee's books and records discloses an understatement by Franchisee in its sales reports or other documents used to determine the royalties, Advertising Fees and Local Advertising Expenditures, marketing and promotion based upon Franchisee's Net Sales hereunder, Franchisee shall pay Franchisor any royalties and Advertising Fees due as a result of such understatement and shall deposit with the Franchisor the difference between what it actually spent and what it was required to spend for approved Local Advertising Expenditures, in each case, together with interest thereon at the lesser of the maximum rate permitted by law or eighteen percent (18%) per annum from the date such payment(s) should have been made. If any such understatement is determined to be three percent (3%) or more for any period or periods, Franchisee shall, in addition to reimbursing Franchisor for the royalties and/or Advertising Fees due plus interest and depositing with the Franchisor any deficiency in its required Local

Advertising Expenditures, plus interest, reimburse Franchisor for the cost of such audit, including, but not limited to, the fees and expenses of Franchisor's agents, employees and/or independent accountants.

10. Quality Control. In order to protect the goodwill associated with the Licensed Property, Franchisee shall comply with all reasonable standards and specifications of product quality and of restaurant maintenance and appearance established from time to time by Franchisor. In addition, Franchisee shall comply with all reasonable operating procedures and practices established by Franchisor from time-to-time. Franchisee shall permit Franchisor's representatives a free right of inspection and sampling necessary to determine whether Franchisee is in compliance with such standards, specifications, procedures and practices. Samples in reasonable amounts taken by Franchisor for this purpose shall be furnished by Franchisee without cost to Franchisor. Franchisor may charge Franchisee a reasonable fee for its inspection and testing of products, ingredients, materials and suppliers. Without limiting the generality of the foregoing, Franchisee agrees, in particular, to:

a. Purchase soft drink syrup, beer, ale, spice blends, certain breads, dough blends, cheese, tomato sauce and sauce blends, and other products and services as Franchisor may from time to time specify, from such source or sources as may be designated from time to time by Franchisor, with the express understanding that certain products and services may be available from one source only (and that Franchisor or its affiliates may be that source). Franchisee further agrees that Franchisee will pay the then-current price for all products and services purchased from Franchisor or its affiliates;

b. Maintain the Franchised Business and equipment in a neat, clean and sanitary condition;

c. Conform at all times with standards published by Franchisor in its manuals with respect to design and decor of the Franchised Location and employees' apparel, as the same may be amended or supplemented from time to time by Franchisor;

d. Observe and maintain strictly the standards published by Franchisor in its manuals for food products sold at the Franchised Business and conform to the specifications for their preparation, as such standards and specifications may be amended or supplemented from time to time by Franchisor;

e. Use the Franchised Location only for the operation of the Franchised Business and not for any other business or purpose;

f. Refrain from marketing or selling any products or services at or from the Franchised Location without the prior written consent of Franchisor other than those contained in Franchisor's standard menu, as such menu may be amended or supplemented by Franchisor from time to time;

g. Offer and sell all of the menu items, including beer and ale, contained in Franchisor's standard menu, as the same may be amended or supplemented by Franchisor from time to time;

h. Use such foods, ingredients, supplies and materials as meet Franchisor's standards and specifications, as the same may be amended or supplemented by Franchisor from time to time, or as may be otherwise approved by Franchisor in writing;

i. Have at all times in its employ a full-time, on-site general manager (which must be Franchisee if Franchisee is a natural person or must be an owner of Franchisee if Franchisee is an entity, unless this requirement is waived by the Franchisor in writing in its sole business judgment) who has been approved by Franchisor and is knowledgeable in the operation and management of the Franchised Business and who has completed Franchisor's training program;

j. Employ a sufficient number of adequately trained, competent and courteous employees to insure efficient service to Franchisee's customers. No employee of Franchisee will be deemed to be an employee of Franchisor for any purpose whatsoever, and nothing in any aspect of the System or the Marks in any way shifts any employee or employment related responsibility from Franchisee to Franchisor. Franchisee alone is responsible for hiring, firing, training, setting hours for and supervising all employees;

k. Use only such equipment in the preparation and handling of food products sold at or from the Franchised Business as conform to the specifications for equipment published in Franchisor's manuals, as such specifications may be amended or supplemented by Franchisor from time to time or as may be otherwise approved by Franchisor in writing;

l. Take good care of and make all necessary repairs to the Franchised Location and the fixtures and equipment therein and, upon the reasonable request of Franchisor, replace or refurbish such fixtures or equipment;

m. Comply with all reasonable operating standards, procedures and practices adopted by the Franchisor from time-to-time. Any required standards exist to protect Franchisor's interests in the GREEN MILL System and the Marks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to Franchisee. The required standards generally will be set forth in the Manuals or other written materials. The Manuals also will include guidelines or recommendations in addition to required standards. In some instances, the required standards will include recommendations or guidelines to meet the required standards. Franchisee may follow the recommendations or guidelines or some other suitable alternative, provided Franchisee meets and complies with the required standards. In other instances, no suitable alternative may exist. In order to protect Franchisor's interests in the System and Marks, Franchisor reserves the right to determine if Franchisee is meeting a required standard and whether an alternative is suitable to any recommendations or guidelines;

n. Purchase and use in the operation of the Franchised Business a point-of-sale register system which has been approved by Franchisor;

- o. Purchase and use in the operation of the Franchised Business Restaurant 365 accounting and inventory software;
- p. Purchase and use in the operation of the Franchised Business a Kitchen Display System which has been approved by Franchisor;
- q. At all times when the Franchised Business is open for business, the Franchisee shall have at least one employee on duty who has been ServSafe® certified;
- r. Refrain from offering or selling any food items in a “buffet” style of serving except as may be expressly authorized from time to time by the Franchisor in its confidential manuals or otherwise in writing;
- s. Participate in all gift certificate and gift card programs now or at any time hereafter sponsored by Franchisor;
- t. Participate at its expense in all programs now or at any time hereafter sponsored by the Franchisor to promote and reward the frequent and regular customers of GREEN MILL restaurants;
- u. Maintain at its expense such number of telephone lines dedicated for such uses in each case as Franchisor may require from time to time; and
- v. Refrain from installing a popcorn machine and selling or offering complimentary popcorn at the Franchised Business.

TO PROMOTE UNIFORMITY AMONG RESTAURANTS EMPLOYING THE LICENSED PROPERTY AND, THUS, TO ENHANCE THE GOODWILL AND VALUE OF THE LICENSED PROPERTY TO ALL FRANCHISEES, FRANCHISEE SHALL AT ALL TIMES MAKE AVAILABLE AT FRANCHISEE’S FRANCHISED BUSINESS THE FRANCHISOR’S FULL STANDARD MENU OF FOOD AND BEVERAGE PRODUCTS (AS THE SAME MAY BE AMENDED OR SUPPLEMENTED BY FRANCHISOR FROM TIME TO TIME), WITH SUCH REGIONAL OR LOCAL VARIATIONS FOR FRANCHISEE AS MAY BE APPROVED BY FRANCHISOR IN WRITING.

Franchisor reserves the right to add food products to or delete food products from the standard menu at any time and, if such additions or deletions are made by Franchisor, Franchisee shall upon Franchisor’s request modify its menu to conform to all such revisions. Franchisee shall not sell any food products other than those contained on Franchisor’s standard menu without first obtaining the written approval of Franchisor, which approval Franchisor may in its absolute discretion withhold.

Franchisee agrees that all ideas, concepts, techniques and materials relating to a GREEN MILL business, including customer data and food products, whether or not constituting protectable intellectual property, and whether created by or on behalf of Franchisee or its owners, will be promptly disclosed to Franchisor, deemed to be Franchisor’s sole and exclusive property and part of the Operating System, and deemed to be works made for hire for us. Franchisee and each of its owners agree to sign whatever assignment or other documents Franchisor may request

from time to time to evidence Franchisor's ownership or to assist Franchisor in securing intellectual property rights in such ideas, concepts, techniques and materials.

To protect the goodwill associated with the Licensed Property, Franchisor has entered into an agreement with Service Management Group (SMG). SMG will provide Franchisees with quantitative surveys collecting structured and unstructured customer feedback about single location-level experiences. Franchisee shall pay Franchisor a predetermined annual fee for this service.

The Franchisor shall have the right to receive marketing allowances, royalties, commissions, rebates and/or other payments or consideration from approved suppliers and vendors in connection with the sale of goods and services to the Franchisor's franchisees, including the Franchisee.

11. Compliance with Law; Payment of Liabilities. Franchisee shall secure and maintain in force all required licenses, permits and certificates and shall operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations, including without limitation all government regulations relating to occupational hazards and health, consumer protection, unfair and deceptive practices, trade regulation, workmen's compensation, unemployment insurance and withholding and payment of federal and state income taxes and social security taxes and sales, use and property taxes. Franchisee shall adhere to, and cause any service provider of third party-provided payment applications to adhere to cardholder data security standards according to the then current PCI (Payment Card Industry) Data Security Standards. Franchisee shall be responsible for any costs related to compliance with such standards and/or related audits and shall provide Franchisor with evidence of such compliance at Franchisor's request. Franchisee shall also provide prompt notice to Franchisor of any potential or actual data security breach relating to cardholder data. In addition, notwithstanding any provision of this Agreement or any of Franchisor's manuals, plans and/or specification to the contrary, Franchisee shall be solely responsible for ensuring that the Franchised Business and the Franchised Location are designed, constructed, repaired, refurbished, remodeled and operated in full compliance with the Americans with Disabilities Act of 1990, as amended, and the provisions of similar state and local laws and regulations. Franchisee agrees to timely pay all of its debts, liabilities and obligations due and payable to Franchisor, suppliers and creditors.

12. Ownership and Use of Licensed Property. Franchisee hereby acknowledges the validity of the Franchisor's right to grant the license provided for herein. Any and all improvements by Franchisee relating to the Licensed Property shall become the sole and absolute property of Franchisor or its designee who shall have the exclusive right to register and protect all such improvements in its name. Franchisee's right to use and identify with the Licensed Property shall exist concurrently with the Initial Term of this Agreement and only so long as Franchisee is in complete compliance with all of the terms and conditions of this Agreement. During the Initial Term of this Agreement and thereafter, without limitation, Franchisee agrees to refrain from doing any act that directly or indirectly would infringe upon, harm, mislead or contest the rights of Franchisor and/or Licensor in and to the Licensed Property or any part thereof.

Franchisee agrees that its nonexclusive, personal right and license to use the Licensed Property, including the right and license to use the name "GREEN MILL" as the name of the Franchised Business, applies only to the Franchised Location and only so long as Franchisee shall fully perform and comply with all of the conditions, terms and covenants of this Agreement. Franchisee shall not have or acquire any rights in or to any of the Licensed Property other than the limited right of use provided for in this Agreement. Franchisee shall have the right to use the Licensed Property only in the manner prescribed, directed and approved by Franchisor in writing. If, in the judgment of Franchisor, the acts or omissions of Franchisee infringe upon or demean the goodwill, standards or uniformity or quality, or business standing associated with all or any part of the Licensed Property, then Franchisee shall immediately upon written notice from Franchisor, modify its use of the Licensed Property in the manner prescribed by Franchisor in writing.

During the Initial Term of this Agreement, Franchisee will operate its Franchised Business so that it is clearly identified and advertised as a "GREEN MILL" restaurant. However, the style, form, and use of the Service Marks or other Licensed Property in any advertising, written materials or supplies must have the prior written approval of Franchisor. Franchisee will use the Service Marks and the other marks which now or hereafter may form a part of the Licensed Property on all paper supplies, uniforms, furnishings, advertising materials, signs or other articles in the identical combination and manner as may be prescribed by Franchisor from time to time in writing. Franchisee will, at its expense, comply with all notices of registration required by Franchisor and will, at its expense, comply with all trademark, trade name, service mark, copyright or patent notice marking requirements.

Franchisee shall not use the words "GREEN MILL" in its corporate or partnership name. In addition, Franchisee shall not attempt to register or otherwise obtain any interest in any Internet domain name containing any of the Service Marks or any other word, name, symbol or device which is likely to cause confusion with any of the Service Marks. Franchisee shall hold itself out to the public as an independent contractor operating its business pursuant to a license from Franchisor.

If there is a claim by any party that its rights to use all or any part of the Licensed Property are superior to Franchisor's and if Franchisor determines that such claim is legally meritorious, then upon receiving written notice from Franchisor, Franchisee, at its expense, will immediately make such changes and amendments to the Licensed Property or its use thereof as may be reasonably required by Franchisor. Franchisee will not make any changes or amendments whatsoever in or to the use of the Licensed Property unless so directed by Franchisor in writing.

Franchisee will have no obligation to and shall not, without the written consent of Franchisor, defend or enforce the Franchisor's rights in or to any or all of the Licensed Property in any court or other proceedings for or against imitation, infringement, any claim of prior use, or for or against any other allegation. However, Franchisee must give Franchisor prompt and timely written notice of any infringement of or claims or complaints made against Franchisee with respect to the Licensed Property and will, at Franchisor's expense, cooperate in all respects with Franchisor and/or Licensor in any court or other proceedings involving all or any part of the Licensed Property. The cost and expense of all litigation incurred by Franchisor and/or Licensor,

including attorneys' fees, specifically relating to the Licensed Property shall be paid by Franchisor and/or Licensor. Franchisor's and/or Licensor's legal counsel shall have the absolute right to control and conduct any litigation or other proceedings relating to the Licensed Property.

13. Rights on Termination. Upon the expiration of the Initial Term or renewal term or upon termination of this Agreement by either party for any reason, Franchisee shall have no interest in the Licensed Property and shall (a) immediately discontinue all use of the Licensed Property; (b) shall remove from public display any signs, literature, products or accessories bearing any of the Service Marks; (c) shall return, within ten (10) days, all bulletins, manuals, and other materials which were supplied by Franchisor to Franchisee; (d) shall immediately cease operating the Franchised Business using all or any part of the Licensed Property; (e) immediately pay Franchisor all amounts due and owing hereunder, including any balance due on outstanding gift cards and Be Our Guest cards (or anything similar), unless Franchisor and Franchisee agree in writing to other arrangements; (f) promptly alter, modify and change both the exterior and interior appearance and trade dress of the Franchised Business as required by Franchisor so that it will be easily distinguished from the standard appearance and trade dress of a GREEN MILL restaurant.

14. Termination by Franchisee. If Franchisee is in compliance with this Agreement and Franchisor breaches any material term or condition of this Agreement and fails to cure such breach within sixty (60) days after written notice setting forth the nature of such breach is delivered by Franchisee to Franchisor, Franchisee may terminate this Agreement and the license granted hereby effective ten (10) days after delivery by Franchisee to Franchisor of a written notice of such failure to cure. Any termination or attempted termination of this Agreement and the license granted hereby by Franchisee other than as provided above shall be deemed a material breach of the provisions of this Agreement by Franchisee. Franchisee's termination of this Agreement under this Paragraph will not release or modify the post-termination obligations applicable to Franchisee and the Personal Guarantors under Paragraph 16 of this Agreement.

15. Termination by Franchisor. Franchisor may terminate this Agreement and the license granted hereby effective upon delivery of written notice to Franchisee setting forth the reasons for the termination if:

- a. Franchisee fails to open the Franchised Business for business by the Required Open Date set forth in Paragraph 1 above;
- b. Franchisee voluntarily abandons the franchise relationship or the Franchised Business, or fails to continuously and actively operate the Franchised Business;
- c. Franchisee files a voluntary bankruptcy petition or any pleading seeking reorganization, liquidation or other settlement with creditors under any law which is not dismissed within thirty (30) days, or Franchisee admits or fails to contest any such pleading filed against it or Franchisee is adjudicated as bankrupt or insolvent, or a receiver or other custodian is appointed for all or any substantial part of the assets of Franchisee;

d. Franchisee assigns for the benefit of creditors or in a similar manner disposes of all or any substantial part of the assets of the Franchised Business or admits an inability to pay the obligations of the Franchised Business as they become due;

e. Franchisee or any of its owners is convicted or enters a plea of guilty or no contest to any charge of violating any law relating to the Franchised Business or to any felony (regardless of the nature of the charges);

f. Franchisee commits any act which, in the reasonable judgment of Franchisor, impairs the goodwill associated with the Licensed Property or impairs or tends to impair the reputation of Franchisee or any owner;

g. Franchisee or any of its owners make any material misrepresentation on its franchise application.

h. The Franchised Restaurant is ordered closed by any state or local authorities for health or public safety reasons;

i. Franchisee uses the Licensed Property (including confidential information provided by Franchisor to Franchisee for the purpose of operating the Franchised Business) in an unauthorized manner;

j. Franchisee commits an unauthorized transfer or assignment in violation of Paragraph 17 of this Agreement;

k. Franchisee, on three (3) or more occasions within any period of twelve (12) consecutive months, fails to submit when due reports or financial statements or fails to make any payments due to Franchisor or any supplier of the Franchised Business whether or not such failure is corrected after notice thereof; or

l. It reasonably appears to Franchisor that Franchisee has intentionally under reported the royalties and/or Advertising Fees payable by Franchisee pursuant to this Agreement for any period.

In addition to the above rights of termination, Franchisor may terminate this Agreement and the license granted hereby after giving written notice to the Franchisee setting forth the reasons for the termination thirty (30) days in advance of termination if:

a. Franchisee suffers termination or cancellation of or fails to renew or extend the lease or sublease of the Franchised Location or otherwise fails to maintain possession of the Franchised Location unless Franchisee can relocate its Franchised Business within a reasonable time to a new location acceptable to Franchisor in its sole business judgment;

b. Franchisee fails to obtain a liquor license for the Franchised Business within six (6) months of the date of this Agreement or if Franchisee loses its liquor license for any reason;

c. Franchisee violates paragraph 21 of this Agreement by failing to maintain the required insurance coverage and does not correct such failure within thirty (30) days after receiving written notice thereof from Franchisor;

d. Franchisor's audit discloses an understatement of royalties and/or Advertising Fees payable by Franchisee pursuant to this Agreement and Franchisee fails to pay to Franchisor the royalties and/or Advertising Fees and interest due thereon after notice of such understatement;

e. Franchisee fails to pay when due any amounts payable to Franchisor pursuant to the provisions of this Agreement or any other Agreement with Franchisor or payable to any creditor or supplier of the Franchised Business, and Franchisee fails to make such payments after notice of such failure to pay;

f. Franchisee fails to comply with any applicable state or federal law or fails to pay any local, state or federal taxes when due;

g. Franchisee fails to comply with any other provision of this Agreement or any specification, standard or operating procedure prescribed by Franchisor and Franchisee does not correct such failure within thirty (30) days after receiving notice thereof from Franchisor;

h. Franchisee or any of its affiliates default in the payment or performance of any of their respective obligations to Franchisor arising under any other agreement between Franchisee or such affiliate and Franchisor or any such agreement is terminated by Franchisor;

i. Franchisee fails to spend the amounts for approved local advertising, marketing and promotions at the times required by paragraph 8 hereof; or

j. Any franchise agreement or license agreement applicable to any hotel, motel or other lodging property in which Franchised Business is located or which is immediately adjacent to the Franchised Business expires or is terminated.

16. Secrecy and Covenants Not to Compete. Franchisee acknowledges and agrees that Franchisor and/or Licensor is/are the owner(s) of the Licensed Property, including any and all manuals provided and to be provided by Franchisor to Franchisee pursuant to this Agreement and that such Licensed Property shall remain the sole and exclusive property of Franchisor and/or Licensor at all times. Franchisee further acknowledges and agrees that the Licensed Property, including the contents of the manuals, recipes, processes and methods provided or disclosed by Franchisor to Franchisee hereunder contain confidential and proprietary information of Franchisor and/or Licensor. Accordingly, Franchisee agrees that it shall keep the contents of all manuals, all recipes, processes and methods provided or disclosed by Franchisor to Franchisee pursuant to this Agreement secret and shall not divulge, disclose, or reveal such information to any person except for such disclosure to Franchisee's employees as may be reasonably necessary in the course of their employment. In addition, Franchisee shall require its on-site managers, as a condition to their employment, to sign a non-disclosure and non-

competition agreement with Franchisor in such form as Franchisor may reasonably require to protect Franchisor's and/or Licensor's rights in and to the Licensed Property.

Franchisee and the Personal Guarantors under this Agreement hereinafter provided for (the "Personal Guarantors"), will not, during the term of this Agreement, directly or indirectly own, operate, engage in, have any interest in, or assist any person or entity engaged in any other restaurant business which offers products or services that are similar to or competitive with the pizza and/or food products contained on our then-current standard menu.

Neither the Franchisee nor the Personal Guarantors will, for a period of one year after the expiration or termination of this Agreement, directly or indirectly as an individual, owner, sole proprietor, founder, associate, promoter, partner, joint venturer, member, shareholder, officer, director, trustee, manager, employer, employee, licensor, licensee, principal, agent, representative, investor or otherwise, own, operate, engage in, have any interest in or assist any person or entity engaged in any restaurant business which (1) offers products and services that are similar to or competitive with the pizza and related food products contained on our then-current standard menu, and (2) is located within the same metropolitan statistical area as the Franchised Location. Franchisee and the Personal Guarantors hereby expressly agree that the one year period and the geographic area of the foregoing restrictive covenants are reasonable and necessary to protect Franchisor if this Agreement expires or is terminated for any reason. In the event that any of the restrictive covenants contained in this Agreement shall be found by a court of competent jurisdiction to be unreasonable by reason of its extending for too great a period of time or over too great a geographic area or by reason of its being too extensive in any other respect, then such restrictive covenant shall be deemed modified to the minimum extent necessary to make it reasonable and enforceable under the circumstances.

Franchisee and the Personal Guarantors, if any, agree that damages alone cannot adequately compensate Franchisor if there is a violation or threatened violation of any of the restrictive covenants contained in this Agreement and that injunctive relief is essential for the protection of Franchisor. Franchisee and the Personal Guarantors therefore agree that in case of any violation or threatened violation of any of the restrictive covenants contained in this Agreement by her/it/them, Franchisor shall have the right to seek injunctive relief without posting any bond or security whatsoever, in addition to all other remedies that may be available to Franchisor hereunder or at equity or law.

17. Assignment. Franchisor may assign freely this Agreement, including any interest therein, to any third party. The parties further acknowledge that one of the inducements to Franchisor to enter into this Agreement is Franchisor's reliance upon the ability and integrity of Franchisee or its shareholders, partners or other owners. Accordingly, Franchisee agrees that it shall not sell, assign or otherwise transfer, in whole or in part, this Agreement or Franchisee's rights or obligations hereunder or the assets and properties comprising the Franchised Business without first obtaining the written consent of Franchisor for such sale, assignment or other transfer. If Franchisee is a corporation, partnership or other entity, the stockholders, partners or equity owners of Franchisee shall not directly or indirectly sell, assign or otherwise transfer (in a single transaction or in a series of transactions) shares of capital stock, partnership interests or other equity interests in the Franchisee representing a majority of the voting power represented by the issued and outstanding shares of capital stock, partnership interests or other equity

interests in Franchisee to persons or entities other than those holding stock, partnership interests or other equity interests in Franchisee as of the date of this Agreement without Franchisor's prior written consent. Franchisor shall not unreasonably withhold its consent to any such sale, assignment or other transfer, subject to Franchisee's compliance with any or all of the conditions set forth below which Franchisor may, in its sole business judgment, impose. The conditions which Franchisor may impose prior to the time of sale, assignment or other transfer, including any transfer by a trustee in bankruptcy or transfer upon death or disability, are as follows:

a. All of Franchisee's accrued monetary obligations to Franchisor shall have been satisfied, and Franchisee shall not be in default under this Agreement.

b. The purchaser, assignee or transferee shall have been approved by Franchisor and shall have demonstrated to Franchisor's satisfaction that she/he/it meets Franchisor's managerial, financial, and business standards for new franchisees, possesses a good business reputation and credit rating, and has the aptitude and ability to operate the Franchised Business;

c. Prior to the date of transfer, the purchaser, assignee or transferee or his/its on-site general manager shall have successfully completed any training prescribed by Franchisor.

d. The purchaser, assignee or transferee shall have paid to Franchisor a nonrefundable assignment fee equal to twenty percent (20%) of Franchisor's then-current initial franchise fee, plus the cost of any required training of the purchaser, assignee or transferee or his/its on-site general manager, as determined by the Franchisor.

e. The purchaser, assignee or transferee must execute the Franchisor's then-current form of franchise agreement and such other ancillary agreements as Franchisor may require.

f. Franchisee, and each of its owners and Personal Guarantors, must sign a general release of all claims arising out of or relating to this Agreement, the Franchised Business or the parties' business relationship, in the form designated by Franchisor, releasing Franchisor and its affiliates.

18. Right of First Refusal and First Option. Neither Franchisee nor its owners shall sell, assign or otherwise transfer Franchisee's rights in (a) this Agreement; (b) the real estate or leasehold interest applicable to the Franchised Location; (c) the fixtures, equipment or other assets of the Franchised Business; or (d) Franchisee (if Franchisee is a corporation, partnership or other entity) without first giving Franchisor a right of first refusal to purchase such property or rights (or stock, partnership or other equity interest) on comparable terms and conditions offered by Franchisee (or the stockholder, partners or equity owners of the Franchisee) to another or offered by a bona fide buyer and acceptable to Franchisee (or the stockholder, partners or equity owners of the Franchisee). This right of first refusal shall be offered to Franchisor in a written notice containing all material terms and conditions, giving Franchisor thirty (30) days from its receipt of the notice to elect whether or not to accept such offer. If Franchisor does not exercise its rights under this paragraph 18, Franchisee shall remain

subject to the conditions contained in paragraph 17 and shall have sixty (60) days within which to consummate the transaction on the terms and conditions set forth in the notice to Franchisor.

19. Death or Incapacity of Franchisee. If Franchisee dies and his or her personal representative does not desire to sell the Franchised Business and Franchisee's interest herein and if, under controlling local law, the Franchised Business and Franchisee's interest in this Agreement is distributable to heirs or legatees who are members of Franchisee's immediate family and who otherwise would qualify as assignees under paragraph 17 hereof, then an assignment of the Franchised Business and Franchisee's interest in this Agreement by operation of law or a will shall not be deemed in violation of this Agreement, provided such heirs or legatees assume all of the Franchisee's duties and obligations under this Agreement and execute the Franchisor's then-current form of franchise agreement. Similarly, if Franchisee is incapacitated, an assignment of the Franchised Business and Franchisee's interest in this Agreement to a conservator, guardian or other legal representative will not be deemed in violation of this Agreement if such conservator, guardian or other legal representative assumes all of the Franchisee's duties and obligations hereunder and executes the Franchisor's then-current form of franchise agreement. If such a personal representative, heir, legatee, conservator, guardian or other legal representative attempts to sell, assign or otherwise dispose of the Franchised Business or Franchisee's interest herein, such a sale, assignment or disposition will be subject to the restrictions on assignment and the rights of first refusal contained in this Agreement. In the case of either the death or incapacity of Franchisee, if Franchisee acted as the on-site general manager of the Franchised Business or if the heirs, legatees or personal representative of Franchisee adopt new management, the new management will be required to complete Franchisor's management training program and pay any fees imposed by Franchisor for the program.

20. Failure to Enforce. Failure of Franchisor to enforce any of the terms or conditions of this Agreement shall not constitute a waiver of Franchisor's right to subsequently enforce such provisions.

21. Indemnification and Insurance. Franchisee and the Personal Guarantors hereby jointly and severally covenant and agree to pay and perform and indemnify and hold Franchisor, together with its officers, directors, employees, agents, representatives and affiliates and each of their respective heirs, personal representatives, successors and assigns, harmless from, against and in respect of any and all losses, costs, expenses (including without limitation, reasonable attorneys' fees and disbursements of counsel), liabilities, damages, fines, penalties, charges, judgments, settlements, claims, and causes of action that any of them may at any time suffer, sustain, incur or become subject to, arising out of, based upon or resulting from or on account of the design, construction and/or operation of the Franchised Business by or on behalf of Franchisee, and/or the failure of the design, construction and/or operation of the Franchised Business to comply with all applicable laws, regulations and ordinances, including, but not limited to, the Americans With Disabilities Act of 1990 (the "ADA").

Franchisee shall at all times during the term of this Agreement maintain in force and at its sole expense comprehensive general liability insurance with a minimum limit of \$1,000,000 (including but not limited to coverage for personal injury, products and contractual liability), motor vehicle liability insurance (including, but not limited to, hired and non-owned coverage)

property insurance (including, but not limited to, fire, extended coverage, vandalism and malicious mischief), worker's compensation insurance as required by applicable law, umbrella insurance with a minimum limit of \$3,000,000 that is required to sit over automobile liability, employer's liability, liquor liability, and general liability, dram shop insurance as required by applicable law and such other insurance as Franchisor may from time to time reasonably require, under one or more policies of insurance containing coverage, from time to time prescribed by Franchisor. Franchisee's insurance coverage shall also be in compliance at all times with the terms of the Franchisee's lease for its Franchised Location. All such insurance policies shall be issued by an insurance carrier rated A or better by Alfred M. Best & Company, Inc. All comprehensive general liability and motor vehicle liability insurance policies shall name Franchisor as an additional insured and shall provide that Franchisor shall receive thirty (30) days prior written notice of termination, expiration, cancellation, modification or reduction in coverage of any such policy. All liability policies and workers compensation insurance must include a waiver of subrogation. Franchisee shall submit to Franchisor annually a copy of the certificate of or evidence of the renewal or extension of each such insurance policy or any modification to any such insurance policy.

If Franchisee at any time fails or refuses to maintain in effect any insurance coverage required by Franchisor or to furnish satisfactory evidence thereof, Franchisor, at its option and in addition to its other rights and remedies hereunder, may obtain such insurance coverage on behalf of Franchisee, and Franchisee shall promptly execute any applications or other forms or instruments required to obtain any such insurance and pay to Franchisor on demand any costs and premiums incurred by Franchisor in connection therewith. Franchisee's obligation to obtain and maintain the insurance described herein shall not be limited in any way by reason of any insurance maintained by Franchisor.

22. Designated Territory; Reservation of Rights. During the term of this Agreement, Franchisor shall not, so long as Franchisee is in full compliance with the terms and conditions of this Agreement, operate or grant others the right to operate a Green Mill Restaurant at any location within the geographical area outlined on the map attached hereto as Exhibit A (the "Territory"). Franchisee covenants and agrees that, without the prior written consent of Franchisor, it will not directly or indirectly sell pizza or related food products from the Franchised Business for delivery to a location outside of the Territory.

Franchisor retains all rights that are not expressly granted to Franchisee under this Agreement. Further, Franchisor may, among other things, on any terms and conditions Franchisor deems advisable, without compensation to any franchisee, and without granting Franchisee any rights therein:

- a. establish and/or license others to establish franchised or company-owned Restaurants at any location outside the Territory regardless of the proximity of such Restaurants to the Territory;
- b. merge with, acquire or become associated with ("Merger/Acquisition Activity") any businesses or stores of any kind under other systems and/or marks, which businesses and Restaurants may convert to or operate under the Service Marks and may offer or sell menu items, products and services that are the same as or similar to the menu

items offered at or from the Restaurant and which Restaurant may be located anywhere inside or outside of the Territory;

c. operate or license others to operate restaurants using different marks than the Service Marks which may feature similar or competitive menu items anywhere within or outside of the Territory; and

d. offer, sell and distribute for itself and/or license others to offer, sell and distribute through franchised businesses or any other method of distribution, both inside and outside the Territory, menu items the same as or different from the menu items offered under the System and which are offered and distributed under the marks different from the Service Marks through any distribution channels or methods. The distribution channels or methods include, without limitation, grocery stores, club stores, convenience stores, wholesale, business or industry locations (e.g. manufacturing site, office building), military installations, military commissaries or the Internet (or any other existing or future form of electronic commerce).

Franchisee acknowledges and agrees that certain locations within and outside the Territory are by their nature unique and separate in character from sites generally developed as GREEN MILL restaurants. As a result, Franchisee agrees that the following locations (“Special Sites”) are excluded from the Territory and Franchisor has the right to develop, license or franchise such locations: (1) military bases, (2) public transportation facilities, including, without limitation, airports and other transportation terminals, (3) sports facilities, including race tracks, (4) student unions or other similar buildings on college or university campuses, (5) amusement and theme parks, and (6) community and special events.

Without limiting the generality of the foregoing, the Franchisee acknowledges and agrees that the Franchisee shall not have the right to object to the establishment of any Franchisor-owned or other franchised restaurants featuring pizza and/or related food products at any location or locations outside of the Territory. However, if the Franchisee objects to the establishment of any such restaurant outside of the Territory, the Franchisor may require the Franchisee to obtain and submit to the Franchisor at the Franchisee’s expense an economic impact study showing the effect of the proposed new restaurant on the Franchised Business. The Franchisor may, in its sole business judgment, take the results of such economic impact study into account in approving the location of the proposed new restaurant. Any such economic impact study shall be prepared by an expert mutually agreed upon by the Franchisor and the Franchisee.

23. Refurbishing the Franchised Business. Franchisee agrees to effect such refurbishing, within twelve (12) months of its receipt of notice from the Franchisor, of its Franchised Business (in addition to regular maintenance and repair) as the Franchisor from time to time reasonably requires to maintain or improve the appearance and efficient operation of the Franchised Business and/or increase its sales potential or to comply with the Franchisor’s then current requirements with respect to design, decor and equipment. Refurbishing may include: (i) replacement of worn out or obsolete equipment, fixtures, furniture and signs; (ii) the substitution or addition of new or improved equipment, fixtures, furniture and signs; (iii) redecorating; (iv) repair of the interior and exterior of the premises and repair and resurfacing of

parking facilities; and (v) structural modifications and remodeling of the premises. Franchisee will not be required to undertake a major refurbishing or upgrade of the Restaurant more than once every seven (7) years. Any such refurbishing/upgrade will be of Franchisee's sole cost and expenses in accordance with Franchisor's standards, which may be modified by Franchisor at any time. The standards for completing the major upgrade will be the standards then in effect. Franchisee acknowledges that the costs and expenses of such remodeling or upgrading, and for completing the major upgrade, are not capped or limited in any way.

24. Governing Law; Dispute Resolution; Venue for Disputes. Franchisor and Franchisee agree as follows:

(a) Except to the extent governed by federal law or regulation, including but not limited to the United States Trademark Act of 1946, 15 U.S.C. §§ 1050-1126, as amended, this Agreement shall be governed by the laws of the state in which the Franchised Location is located, as defined in paragraph 1 of this Agreement. If all or any portion of this Agreement shall be held to violate any law, regulation, or ordinance of the United States or of any state or municipality applicable to this Agreement, such provision shall be deemed to be of no force and effect, and the balance of this Agreement shall be enforced as if such provision had not been included herein. Franchisee waives, to the fullest extent permitted by law, the rights and protections that might be provided through the laws of any state relating to franchises or business opportunities, other than those of the state in which the Franchised Location is located. Except for mediation and arbitration proceedings under Section 24 (b), Franchisor and Franchisee expressly acknowledge and agree that any litigation between the parties related to this Agreement, the Franchised Business and/or the business relationship between Franchisor and Franchisee (including the Personal Guarantors) shall be commenced and maintained only in the applicable state or federal court in Minnesota.

(b) Mediation; Arbitration.

(i) Except for disputes that involve injunctive relief or specific performance actions covered under Section 24(c), prior to either party filing arbitration, the parties agree to mediate any dispute between Franchisee and Franchisor or any of our or your affiliates, including, without limitation, Franchisee's owners and guarantors, arising under, out of, in connection with or in relation to this Agreement, any lease or sublease for the Franchised Business or Franchised Location, the parties' relationship, or the business generally. Mediation will be conducted in the county in which Franchisor's headquarters are then located (currently, St. Paul, Minnesota), or at such other place as may be mutually agreeable to the parties, by a mediator or mediation program agreed to by the parties. Persons authorized to settle the dispute must attend any mediation session. The parties agree to participate in the mediation proceedings in good faith with the intention of resolving the dispute if at all possible within 30 days of the notice from the party seeking to initiate the mediation procedures. If not resolved within 30 days, or if one party refuses to participate in mediation as outlined herein, the parties are free to pursue arbitration. Mediation is a compromise negotiation for purposes of the federal and state rules of evidence, and the entire process is confidential. The parties agree that each party will pay fifty percent (50%) of the total of mediation fees and all costs associated with mediation.

(ii) Except as provided in subparagraph 12.B., all disputes between Franchisee and Franchisor or any of our or your affiliates, including, without limitation, Franchisee’s owners and guarantors, that are not resolved through mediation as provided above must be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be arbitrated in accordance with the then-current rules and procedures and under the auspices of the American Arbitration Association. The arbitration will be heard by a single arbitrator with at least three years’ experience in franchising or franchise law and must take place in the county in which our headquarters are then located (currently, St. Paul, Minnesota), or at such other place as may be mutually agreeable to the parties. Any arbitration must be resolved on an individual basis and not joined as part of a class action or the claims of other parties. The arbitrator must follow the law and not disregard the terms of this Agreement. The decision of the arbitrator will be final and binding on all parties to the dispute; however, the arbitrators may not, under any circumstances: (i) stay the effectiveness of any pending termination of this Agreement; (ii) assess punitive or exemplary damages; or (iii) make any award that extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that we set. A judgment may be entered upon the arbitration award by any court of competent jurisdiction.

(c) Injunctive Relief. Notwithstanding Section 24(b) above, Franchisee recognizes that the failure on the part of a single franchisee to comply with the terms of its agreement could cause irreparable damage to Franchisor and/or to some or all of our other franchisees. Therefore, it is mutually agreed that in the event of a breach or threatened breach of any of the terms of this Agreement by either party, the non-breaching party shall be relieved of its obligation to mediate and arbitrate under Section 24(b) and will forthwith be entitled to an injunction restraining such breach or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys’ fees and other costs incurred in obtaining said equitable relief, until such time as a final and binding determination is made by the court. The foregoing equitable remedies are in addition to, and not in lieu of, all other remedies or rights that the parties might otherwise have by virtue of any breach of this Agreement by the other party. Finally, Franchisor and its affiliates shall be relieved of the obligation to mediate and arbitrate under Section 24(b) and shall have right to commence a civil action against Franchisee or take other appropriate action for the following reasons: to collect sums of money due to Franchisor; to compel Franchisee’s compliance with trademark standards and requirements to protect the goodwill of the Trademarks; to compel Franchisee to compile and submit required reports to Franchisor; or to permit evaluations or audits authorized by this Agreement.

25. Notices. Any notice required by the terms of this Agreement shall be deemed to have been sufficiently given if sent postage prepaid, registered or certified mail, or by reputable overnight delivery courier, addressed in the following manner:

Franchisor: Green Mill Restaurants, LLC
1342 Grand Avenue
St. Paul, Minnesota 55105
Attn: Mr. Paul Dzubnar

Franchisee: _____

or to such other address as may be provided by either party upon written notice to the other party.

26. Receipt of Offering Materials. Franchisee acknowledges that the grant of the license contained hereby may be governed by various federal or state laws, rules and regulations and acknowledges that (a) Franchisee has received Franchisor's Franchise Disclosure Document ("FDD") required under such laws, rules and regulations, and (b) that Franchisee has had an opportunity to review such FDD and to obtain from Franchisor's representatives any additional information Franchisee deemed necessary in order to evaluate its decision to execute this Agreement. Franchisee further acknowledges that no information received by her/him/it materially differed (except for updated data of information given as of a certain date in the FDD) from the information contained in the FDD and that no representation inconsistent with or in addition to the information contained in the FDD has been made to induce Franchisee to enter into this Agreement.

27. Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, except for any sublease or other ancillary agreement which may be entered into with respect to the Franchised Location (into which all prior negotiations, commitments, representations, and undertakings are merged), and no modification or amendment of this Agreement shall be binding upon the parties unless executed in writing by all the parties hereto. Nothing in this Agreement or in any related agreement is intended to disclaim the representations Franchisor made in the FDD that was furnished to you.

28. Attorneys' Fees. In the event of an actual or threatened breach or violation by Franchisee of any of the terms or conditions of this Agreement, Franchisee agrees to pay all costs, expenses and reasonable attorney's fees incurred by Franchisor in pursuing any of its rights or remedies with respect to such actual or threatened breach or violation, in addition to the actual damages sustained by the Franchisor as a result thereof.

29. Marketing. Prior to the completion of the training of Franchisee's on-site general manager, Franchisee shall furnish Franchisor with a marketing plan for the first six (6) periods of operations of the Franchised Business in the format then approved by Franchisor. On or before November 30 of each year during the Initial Term, the Franchisee shall submit to the Franchisor a marketing plan for the Franchised Business for the ensuing calendar year. Each such marketing plan must be in such form as the Franchisor may reasonably require and shall be revised as reasonably requested by the Franchisor prior to implementation.

30. Operating Budget. Prior to purchasing or signing a lease for the Franchised Location, Franchisee shall furnish Franchisor with a 4-4-5 accounting period operating budget or pro forma financial statement for the Franchised Business in the format then approved by Franchisor. In addition, on or before December 15 of each year during the Initial Term, the Franchisee shall provide the Franchisor with an annual budget for the ensuing calendar year in such form as the Franchisor may reasonably require.

31. Computerized Point of Sale and Other Systems. Franchisee must purchase and use any computer system that Franchisor develops or selects for the Franchised Business, including all future updates, supplements and modifications (the “Computer System”). The Computer System may include all hardware and software used in the operation of the Franchised Business, including electronic point-of-sale cash registers and back office programs used to record, analyze and report sales, labor, inventory and tax information. The computer software package developed for use in the Franchised Business may include proprietary software. Franchisee may be required to license the proprietary software from Franchisor, an affiliate or a third party and Franchisee also may be required to pay a software licensing or user fee in connection with Franchisee’s use of the proprietary software. Franchisor’s approved accounting and inventory software is Restaurant 365. With this system Franchisor is following the 4-4-5 period accounting method. All right, title and interest in the software will remain with the licensor of the software. The computer hardware component of the Computer System must conform to specifications Franchisor develops. Franchisor reserves the right to designate a single source from whom you must purchase the Computer System. Franchisee must enroll in the INGAGE INFINITY SERVICE PROGRAM, the sole technology provider for Franchisee’s POS, Merchant Services, Gift Processing, MSP, Online Ordering, Wi-Fi, KITCHEN DISPLAY SYSTEM (KDS), Loyalty, and all other connected services, all in accordance with the then current INGAGE I.T. Agreement.

Franchisee will at all times permit the Franchisor to access the records and information on the Franchisee’s computerized point of sale system and other computer systems, either by direct access, by telephonic modem access, by providing disk copies or by such other means as may be prescribed from time to time by the Franchisor. Franchisee will, at its sole expense, obtain and maintain at all times during the term of this Agreement, such other computer or information processing equipment as may from time to time be required by the Franchisor for use in the Franchised Business, including, but not limited to, a Kitchen Display System (KDS). All such computer equipment, both hardware and software, must meet then-current standards and specifications established by the Franchisor. Franchisee will, at its sole expense, obtain and maintain at all times during the term of this Agreement, electronic telephone facsimile (“fax”) equipment, electronic mail equipment, and such other telecommunications or information processing equipment as may from time to time be required by the Franchisor for use in the operation of the Franchised Business. All such telecommunications equipment must meet then-current standards and specifications established by the Franchisor. Franchisee will, at its sole expense, obtain and maintain at all times during the term of this Agreement, such security system equipment and services as may from time to time be required by the Franchisor for the protection of the Franchised Business and the Franchisee’s employees and customers. All security system equipment and services must meet then-current standards and specifications established by the Franchisor. Franchisee will, at its sole expense, obtain and maintain at all times during the term of this Agreement, such accounting and inventory software as may from time to time be required by the Franchisor. Our current required accounting and inventory software is Restaurant 365.

32. Compliance with Plans and Specifications. The Franchised Business must be developed, constructed, renovated, furnished and equipped (collectively the “Construction Work”) in strict compliance with: (1) the Franchisor’s then-current approved standard plans and specifications consisting of conceptual drawings, including floor plans and general details for the development of working drawings for the Franchised Business (the “Then-Current Standard Plans”); (2) any minimum design standards and specifications adopted from time to time by the

Franchisor (the “Minimum Design Standards”); (3) the Detailed Plans (as hereinafter defined); and (4) all applicable laws, regulations and ordinances, including, but not limited to, the ADA. The Franchisor will provide to the Franchisee a copy of the Franchisor’s Then-Current Standard Plans and any Minimum Design Standards and the Franchisee will, at its sole cost and expense, diligently cause complete and detailed building plans and specifications for the Construction Work, including, but not limited to, site plans, civil engineering plans, structural, mechanical and electrical plans, and the Franchisee’s proposed furnishings, fixtures, equipment, signs, furniture and building furnished (collectively, the “Detailed Plans”), to be prepared and certified by a licensed architect approved in writing by Franchisor. The Franchisee shall cause its architect to provide the Franchisor with copies of all preliminary and final Detailed Plans for the Franchised Business for review and approval by the Franchisor. Within fifteen (15) days of receipt of such Detailed Plans, the Franchisor will review the same to determine if they are consistent with the Franchisor’s Then-Current Standard Plans and whether they comply with the Franchisor’s Minimum Design Standards, if any, and will provide the Franchisee with written comments and a list of any recommended and/or required changes. In the event the Franchisor requires the Franchisee to make changes to its Detailed Plans, the Franchisee shall prepare or cause to be prepared revised, Detailed Plans to incorporate such required changes. The Franchisee shall submit a copy of such revised Detailed Plans to the Franchisor and the Franchisor will, within fifteen (15) days of receipt thereof, review the same and provide the Franchisee with any further written comments and recommended and/or required changes which it may have. The Franchisee shall not commence the Construction Work until its Detailed Plans have been reviewed and approved by the Franchisor in writing. Franchisee’s architect shall accept this Agreement as Franchisee’s consent, authorization and instruction for such architect to provide copies of the preliminary and final Detailed Plans to the Franchisor and to discuss the same with the Franchisor’s employees or other representatives. All variances from the Then-Current Standard Plans, the Minimum Design Standards, if any, and the Franchisee’s Detailed Plans which have been approved by the Franchisor must have the prior written approval of the Franchisor, which approval shall not be unreasonably withheld. Any such variances approved by Franchisor shall only apply with respect to the Franchised Business at the Franchised Location and in no event may the Franchisee incorporate any such variances into any future franchised business which it may construct pursuant to a separate Franchise Agreement with the Franchisor, unless such variance is again approved by the Franchisor pursuant to such Franchise Agreement. Any unauthorized variance from the Then-Current Standard Plans, the Minimum Design Standards, if any, or the Detailed Plans which have been approved by the Franchisor will be a material breach of this Agreement.

33. Construction Work. Prior to the commencement of the Construction Work, Franchisee shall submit to Franchisor the resume of the general contractor and/or any major subcontractors for the Construction Work and such additional information concerning their experience and financial responsibility as Franchisor shall reasonably request. The Construction Work, including the ordering of furniture, fixtures and/or equipment, shall not commence until Franchisor has approved such contractors in writing. Franchisee will be solely responsible for ascertaining that the Construction Work is in compliance with the Then-Current Standard Plans, any Minimum Design Standards, the Detailed Plans approved in writing by Franchisor, and all applicable laws, regulations and ordinances, including, but not limited to, the ADA. The Franchisee will be solely responsible for complying with all laws and for acquiring, at its expense, all licenses and building permits required in connection with the Construction Work.

The Franchisor may, at its expense, view the Franchised Business during the performance of the Construction Work at such times as it deems necessary for the purpose of determining the progress of the Construction Work and to ascertain whether the interior and exterior of the Franchised Business conform to the Then-Current Standard Plans and any Minimum Design Standards. Neither the Franchisor's approval of the Detailed Plans, nor the Franchisor's viewing of the Franchised Business during the performance of the Construction Work will be for the purpose of determining that the Construction Work is being performed according to the approved Detailed Plans, in a good workmanlike manner or in compliance with any applicable laws, regulations or ordinances, including the ADA. Accordingly, the Franchisor will have no responsibility to the Franchisee or any other person if the Construction Work is not performed by the contractor (1) in compliance with the Detailed Plans which have been approved by the Franchisor, (2) in compliance with applicable laws, regulations or ordinances, including, but not limited to, the ADA, or (3) in a good workmanlike manner. The Franchisee agrees to promptly replace or change at its expense any Construction Work which does not comply with the Then-Current Standard Plans, any Minimum Design Standards, the Detailed Plans approved by Franchisor and/or applicable laws, regulations or ordinances, including, but not limited to, the ADA.

34. Pre-Opening Inspection. Franchisee shall not display any "GREEN MILL" signage at the Franchised Location or open the Franchised Business and commence initial business operations until (i) the Franchisor has inspected the Franchised Business and has given the Franchisee written approval to open for business, (ii) the Franchisor has completed the Franchisor's pre-opening inspection checklist with respect to the Franchised Location, and (iii) the Franchisee's licensed architect who certified the Detailed Plans or general contractor who constructed the Franchised Business certifies to the Franchisor in a form reasonably acceptable to the Franchisor that the Franchised Business complied with the ADA. In the event the Franchisor's inspection or such certification reveals that the Franchised Business is not in compliance with the Then-Current Standard Plans, any Minimum Design Standards, the Detailed Plans approved by the Franchisor, the ADA or is otherwise not ready to open for business, the Franchisee agrees to diligently remedy any such deficiencies communicated by the Franchisor to the Franchisee in writing. Franchisee shall not open the Franchised Business for business until such deficiencies have been remedied to the reasonable satisfaction of Franchisor and Franchisor has given the Franchisee its written approval to open for business. Franchisee agrees to open the Franchised Business for business within fifteen (15) days after the Franchisor provides its authorization, but in no event later than the Required Opening Date.

35. Reimbursement of Franchisor for Taxes. Franchisee will pay all state and local taxes, including, without limitation, taxes denominated as income or franchise taxes, that may be imposed on Franchisor as a result of our receipt or accrual of the Initial Franchise Fee, the Royalty Fee, the Advertising Fee, and other fees that are referenced in Franchisee's agreements with us, whether assessed against Franchisee through withholding or other means or whether paid by Franchisor directly. In either case, Franchisee will pay to Franchisor (and to the appropriate governmental authority) such additional amounts as are necessary to provide Franchisor, after taking such taxes into account (including any additional taxes imposed on such additional amounts), with the same amounts that Franchisor would have received or accrued had such withholding or other payment, whether by Franchisee or by Franchisor, not been required. The Franchisee will be notified in writing when the Franchisor is entitled to reimbursement for

the payment of such taxes and, in that event, the Franchisee will pay the Franchisor the amount specified within ten (10) days of receipt by the Franchisee of written notice from the Franchisor. The provisions of this Paragraph 35 do not apply to any federal or Minnesota income tax Franchisor has to pay.

36. Gaming Machines; Tickets, Entertainment. The Franchisee will not permit any video or electronic games, dart games, pool or billiards tables, or machines (including pinball and slot machines) to be used on the premises of the Franchised Business other than those approved by the Franchisor in writing. The Franchisee will not keep or offer for sale or allow employees to offer for sale at or near the Franchised Business any tickets, subscriptions, pools, chances or raffles, lottery, tickets or pull tabs without the Franchisor's prior written approval. The Franchisee will not permit live music, Karaoke, disc jockeys or any other form of entertainment within its Franchised Business without the prior written consent of the Franchisor.

37. Electronic Funds Transfer. All amounts due and payable to Franchisor hereunder shall be made via electronic funds transfer ("EFT") initiated by Franchisor upon the bank account designated by Franchisee for such transactions. Franchisee shall execute the authorization attached as Exhibit B contemporaneous with the execution of this Agreement. Franchisee shall have sufficient funds in its account for the EFT withdrawal on each payment due date and shall advise Franchisor in advance of any change in its bank, financial institution or account.

38. Personal Guarantors. All persons owning any interest in Franchisee (if Franchisee is an entity), or all individual owners of the Franchised Business, must execute the form of undertaking and guarantee at the end of this Agreement. Any person or entity that at any time after the date of this Agreement meets the ownership requirements set forth in the preceding sentence must execute the form of undertaking and guarantee at the end of this Agreement within 10 days from the date that such person or entity acquires such ownership interest. Before approving and entering into any transaction that would result in the change of ownership in Franchisee, Franchisee must notify such person or entity about the contents of this Paragraph and otherwise comply with the transfer conditions outlined elsewhere in this Agreement.

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

- A. Franchisor's Rights. Whenever this Agreement provides that Franchisor has a certain right, that right is absolute and the parties intend that Franchisor's exercise of that right will not be subject to any limitation or review. Franchisor has the right to operate, administrate, develop, and change the Operating System and Marks in any manner that is not specifically precluded by the provisions of this Agreement.
- B. Franchisor's Reasonable Business Judgment. Whenever Franchisor reserves discretion in a particular area or where Franchisor agrees to exercise its rights reasonably or in good faith, Franchisor will satisfy its obligations whenever it exercises Reasonable Business Judgment in making its decision or exercising

its rights. Franchisor's decisions or actions will be deemed to be the result of Reasonable Business Judgment, even if other reasonable or even arguably preferable alternatives are available, if Franchisor's decision is intended, in whole or significant part, to promote or benefit the GREEN MILL franchise system generally even if the decision or action also promotes Franchisor's financial or other individual interest. Examples of items that will promote or benefit the franchise system include, without limitation, enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization and improving the competitive position of the Operating System.

40. Jury Waiver. All parties hereby waive any and all rights to a trial by jury in connection with the enforcement or interpretation by judicial process of any provision of this Agreement, and in connection with allegations of state or federal statutory violations, fraud, misrepresentation or similar causes of action or any legal action initiated for the recovery of damages for breach of this Agreement.

41. Waiver of Punitive Damages. Franchisee and its affiliates and Franchisor and its affiliates agree to waive, to the fullest extent permitted by law, the right to or claim for punitive or exemplary damages against the other and agree that in the event of any dispute between them, each will be limited to the recovery of actual damages sustained.

42. Relationship of the Parties. Franchisor and Franchisee are independent contractors. Neither party is the agent, legal representatives, partner, subsidiary, joint venture or employee of the other. Neither party may obligate the other or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence. Without limiting the generality of the foregoing, Franchisor shall have no liability in connection with or related to the products and services rendered to you by any third party, even if Franchisor required, approved or consented to the product or serviced or designated or approved supplier.

43. Adaptations and Variances. Complete and detailed uniformity under many varying conditions may not always be possible, practical or in the best interest of the GREEN MILL franchise system. Accordingly, Franchisor has the right to vary the menu items and other standards, specifications and requirements for any franchised restaurant or franchisee based upon the customs or circumstances of a particular franchise or operating agreement, site or location, population density, business potential, trade area population, existing business practice, competitive circumstance or any other condition that Franchisor deems to be of importance to the operation of such restaurant or business, franchisee's business or franchise system generally. Franchisor is not required to grant to you (Franchisee) a like or other variation as a result of any variation from standard menus, specifications or requirements granted to any other franchisee. Franchisee acknowledges that it is aware that Franchisor's other franchisees operate under a number of different forms of agreement that were entered into at different times and that, consequently, the obligations and rights of the parties to other agreements may differ materially in certain instances from Franchisee's rights and obligations under this Agreement.

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

45. Effective Date. The Effective Date of this Agreement is the date referenced in the first paragraph of this Agreement. If no Effective Date is designated in the first paragraph of this Agreement, the Effective Date is the date on which we sign this Agreement.

[Signatures appear on the following page.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day, month and year first above written.

FRANCHISOR:

Green Mill Restaurants, LLC

By: _____

Printed Name: _____

Its: _____

Date Signed: _____, 20____

FRANCHISEE:

By: _____

Printed Name: _____

Its: _____

Date Signed: _____, 20____

PERSONAL GUARANTEE

The undersigned individuals represent and warrant that they are all of the shareholders, partners or equity owners of _____ (the "Franchisee") or otherwise have a direct or indirect beneficial interest in the success of the Franchisee. Accordingly, to induce Green Mill Restaurants, LLC, a Minnesota corporation (the "Franchisor"), to enter into the Franchise Agreement dated _____, 20__, by and between the Franchisor and the Franchisee (the "Franchise Agreement") and grant the license to Franchisee provided for therein, each of the undersigned individuals hereby jointly and severally guarantees the payment and performance of all of the debts, liabilities and obligations of the Franchisee under the Franchise Agreement and each of the undersigned individuals hereby jointly and severally agrees to be bound by all of the provisions of the Franchise Agreement.

Each of the undersigned hereby forever waives:

- A. Acceptance and notice of acceptance by Franchisor of the foregoing undertakings;
- B. Notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; and
- C. Protest and notice of default as to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed.

Each of the undersigned consents and agrees that:

- A. His/her direct and immediate liability under this guaranty shall be joint and several.
- B. He/she shall make or render any payment or performance required under the Franchise Agreement upon demand by Franchisor if Franchisee fails or refuses punctually to do so;
- C. The liability of the undersigned under this guaranty shall not be extinguished, diminished, relieved or otherwise affected by any extension of time, credit, waiver or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person, including without limitation, the acceptance of any partial payment or performance or the compromise or release of any rights, remedies or claims; insolvency, the bankruptcy or reorganization of Franchisee; the invalidity, illegality or unenforceability of all or any part of the Franchise Agreement; or the amendment or extension of the Franchise Agreement with or without notice to the undersigned or any of them; none of which shall in any way modify, amend or release or diminish the liability of the undersigned under this guaranty, which shall be continuing and irrevocable during the term of the Franchise Agreement and any extensions and renewals thereof; and
- D. The undersigned will pay or reimburse the Franchisor for all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by Franchisor in connection

with the protection, defense, or enforcement of this Personal Guarantee in any arbitration, litigation, bankruptcy or insolvency proceedings.

Dated: _____, 20__.

Shareholder/Partner/Equity Owner

Dated: _____, 20__.

Shareholder/Partner/Equity Owner

Dated: _____, 20__.

Shareholder/Partner/Equity Owner

Dated: _____, 20__.

Shareholder/Partner/Equity Owner

Dated: _____, 20__.

Shareholder/Partner/Equity Owner

EXHIBIT A

Description of Designated Territory
(Paragraph 22)

EXHIBIT B

Electronic Transfer of Funds Authorization

Franchisee: _____

Location: _____

Date: _____

NEW	CHANGE

Attention: Bookkeeping Department

The undersigned hereby authorizes Green Mill Restaurants, LLC or any affiliated entity (collectively, "GMR"), to initiate weekly and/or monthly ACH debit and credit entries against the account of the undersigned with you in payment of amounts for Royalty Fees, Advertising Fees or other amounts that become due and payable by the undersigned to GMR. The dollar amount to be debited per payment and credited per payment will vary.

Subject to the provisions of this letter of authorization, you are hereby directed to honor any such ACH debit and credit entry initiated by GMR.

This authorization is binding and will remain in full force and effect until ninety (90) days prior written notice has been given to you by the undersigned. The undersigned is responsible for, and must pay on demand, all costs or charges relating to the handling of ACH debit and credit entries pursuant to this letter of authorization.

Please honor ACH debit and credit entries initiated in accordance with the terms of this letter of authorization, subject to there being sufficient funds in the undersigned's account to cover such ACH debit and credit entries.

*** We also need a VOIDED Check ***

Bank Name

Branch

Street Address

City State Zip Code

Bank Telephone Number

Bank's Account Number

Customer's Account Number

Sincerely yours,

Account Name

Street Address

City State Zip Code

Telephone Number

By _____

Its _____

Date _____

EXHIBIT C
ACKNOWLEDGMENT ADDENDUM TO
GREEN MILL FRANCHISE AGREEMENT

As you know, you and we are entering into a Franchise Agreement for the operation of a GREEN MILL franchise. The purpose of this Acknowledgment 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 business. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations*

1. Did you receive a copy of our Disclosure Document (and all exhibits and attachments) at least 14 calendar days prior to signing the Franchise Agreement? Check one: Yes No. If no, please comment: _____

2. Have you studied and reviewed carefully our Disclosure Document and Franchise Agreement? Check one: Yes No. If no, please comment: _____

3. If the Franchisor made any unilateral changes to the Franchise Agreement, did you receive a copy of the complete revised agreement at least 7 calendar days prior to the date on which the Franchise Agreement was executed? Check one: Yes No. If no, please comment: _____

4. Did you understand all the information contained in both the Disclosure Document and Franchise 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. Did any employee or other person speaking on behalf of Green Mill Restaurants, LLC 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 GREEN MILL location or business, or the likelihood of success at your Franchised Business? Check one: Yes No. If yes, please state in detail the oral, written or visual claim or representation: _____

7. Did any employee or other person speaking on behalf of Green Mill 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 franchise granted is for the right to develop and operate the Restaurant at a single location within the Designated Territory, and that we and our affiliates have the right to distribute products through alternative methods of distribution and to issue franchises or operate competing businesses for or at locations, as we determine, (i) outside of your Designated Area using any trademarks; (ii) inside your Designated Territory using any trademarks other than the GREEN MILL Trademark; and (iii) inside the Designated Territory using the GREEN MILL Trademark, for facilities at Special Sites? Check one: Yes No. If no, please comment: _____

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

10. Do you understand that any training, support, guidance or tools we provide to you as part of the franchise are for the purpose of protecting the GREEN MILL brand and trademarks and to assist you in the operation of your Business and not for the purpose of controlling or in any way intended to exercise or exert control over your decisions or day-to-day operations of your business, including your sole responsibility for the hiring, wages and other compensation (including benefits), training, supervision and termination of your employees and all other employment and employee related matters? Check One: Yes No. If no, please comment: _____

11. Do you understand that the success or failure of your Restaurant will depend in large part upon your skills and experience, your business acumen, your location, the local market for products under the GREEN MILL 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 Business may change? Check one Yes No. If no, please comment: _____

12. Do you understand that you are bound by the non-compete covenants (both in-term and post-term) and that an injunction is an appropriate remedy to protect the interests of the GREEN MILL system if you violate the covenant(s)? Further, do you understand that the term “you” for purposes of the non-compete covenants is defined broadly, such that any actions in

violation of the covenants by those holding any interest in the franchisee entity may result in an injunction, default and termination of the Franchise Agreement? 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.

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

APPROVED ON BEHALF OF
GREEN MILL RESTAURANTS,
LLC

Signed: _____

By: _____

Print Name: _____

Title: _____

Date: _____

Date: _____

GREEN MILL ON THE GO FRANCHISE AMENDMENT TO THE
GREEN MILL® FRANCHISE AGREEMENT

This Amendment is entered into this ____ day of _____, _____ by and between Green Mill Restaurants, LLC (“Franchisor”) and _____ (“Franchisee”). Capitalized terms not defined in this Amendment have the meaning given to them in the Franchise Agreement.

WHEREAS, the parties are parties to that certain Franchise Agreement dated the date hereof (“Franchise Agreement”), and the parties desire to amend the Franchise Agreement to reflect certain changes to the Franchise Agreement to reflect that Franchisor is granting to Franchisee a franchise to operate a “GREEN MILL ON THE GO” business as part of Franchisee’s existing restaurant, and Franchisee accepts this right to operate the franchise, subject to the terms and conditions of the Franchise Agreement as amended by this Amendment.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. **Grant of Franchise.** Section 1 of the Franchise Agreement is hereby amended to reflect that grant of the franchise is for a non-exclusive and terminable right and license to operate the Franchised Business at the Franchised Location defined as follows (including the name _____ of _____ Franchisee’s _____ existing _____ restaurant: _____ (“Existing Restaurant”). Since Franchisee will operate its GREEN MILL ON THE GO Franchised Business as part of its Existing Restaurant, the following sentences in Section 1 are deleted “Franchisee shall not use the Franchised Location for any purposes other than the operation of the Franchised Business,” and the rest of Section 1 beginning with the sentence “No restaurant owned or operated by Franchisee shall be located on any site other than the Franchised Location without the prior written approval of Franchisor and without the entry by the parties into a separate Franchise Agreement for such restaurant in the form then used by Franchisor; provided, however, that nothing herein contained shall require Franchisor to enter into any such addition.”

2. **Fees.** The initial franchise fee for the GREEN MILL ON THE GO Franchised Business is \$15,000. The ongoing royalty menu items fee is 4% of Net Sales on the GREEN MILL ON THE GO menu items set forth in the attached GREEN MILL ON THE GO menu or otherwise authorized by Franchisor in writing. Similarly, the 1 ½% Advertising Fee and ½% local advertising requirement is based on the Net Sales on the GREEN MILL ON THE GO menu items and not Franchisee’s Net Sales for its Existing Restaurant. In addition, the Grand Opening Allowance for the GREEN MILL ON THE GO Franchised Business as set forth in Section 8.e is reduced to \$5,000 to \$15,000 as agreed to by the parties.

3. **Training.** The parties acknowledge and agree that the initial training for Franchisee’s GREEN MILL ON THE GO Franchised Business is shorter than Franchisor’s initial training for its GREEN MILL full service restaurant, as set forth in the Franchise Disclosure Document that Franchisee received in connection with the GREEN MILL ON THE GO Franchised

Business. Franchisee must successfully complete the training for the GREEN MILL ON THE GO Franchised Business prior to beginning operations.

4. **GREEN MILL ON THE GO Menu.** Franchisor's GREEN MILL ON THE GO menu is attached as Schedule A, as amended by Franchisor from time to time to add or delete authorized menu items. For the GREEN MILL ON THE GO Franchised Business, any reference in the Franchise Agreement to Franchisor's standard menu or full menu shall refer to Franchisor's GREEN MILL ON THE GO menu, and any applicable provisions in the Franchise Agreement shall be modified accordingly. For example, Section 10.f shall apply only to Franchisee's GREEN MILL ON THE GO Franchised Business and shall mean that Franchisee shall refrain from marketing or selling any products or services at or from the Franchised Location other than those contained in Franchisor's GREEN MILL ON THE GO menu, as such menu may be amended or supplemented by Franchisor from time to time. These restrictions do not apply to Franchisee's Existing Restaurant, provided that Franchisee is not offering pizza or any similar menu items to Franchisor's GREEN MILL ON THE GO menu as part of its Existing Restaurant.

5. **Ownership and Use of License Property.** References to the Licensed Property in Section 12 and elsewhere in the Franchise Agreement shall mean GREEN MILL ON THE GO and any uses of GREEN MILL that Franchisor authorizes in writing as part of Franchisee's operation of its GREEN MILL ON THE GO Franchised Business.

6. **Computerized Point of Sale and Other Systems.** The Computer System referenced in Section 31 of the Franchise Agreement, including the INGAGE INFINITY SERVICE PROGRAM, is entirely optional to Franchisee. If Franchisee elects to utilize the Computer System and the INGAGE INFINITY SERVICE PROGRAM, then the provisions of Section 31 apply.

7. This Amendment is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Amendment and the Franchise Agreement, the terms and conditions of this Amendment shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date first set forth above.

FRANCHISOR:
GREEN MILL RESTAURANTS, LLC

FRANCHISEE:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

GREEN MILL ON THE GO Menu

(Add GREEN MILL ON THE GO Menu Items)

ADDENDUM TO THE
GREEN MILL® FRANCHISE AGREEMENT
REQUIRED BY THE MINNESOTA FRANCHISE LAW

This Addendum is entered into this ____ day of _____, _____ by and between Green Mill Restaurants, LLC (“Franchisor”) and _____ (“Franchisee”). The parties hereby agree as follows:

WHEREAS, the parties are parties to that certain Franchise Agreement dated the date hereof (“Franchise Agreement”), and the parties desire to amend the Franchise Agreement in accordance with Minnesota Statutes Sec. 80C.1, et seq. (“Minnesota Franchise Law”).

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1.) Section 5 of the Franchise Agreement, under the heading “Renewal of Franchise,” shall be amended by inserting the following language

With respect to franchises governed by Minnesota Franchise Law, Franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 4 which requires that except for certain specified cases, that franchisee be given 180 days’ notice for non renewal of this Franchise Agreement.

2.) Section 12 of the Franchise Agreement, under the heading “Ownership and Use of Licensed Property” shall be supplemented by the addition of the following paragraph:

The Minnesota Department of Commerce requires that Franchisor indemnify franchisees whose franchise is located in Minnesota against liability to third parties resulting from claims by third parties that the Franchisee’s use of Franchisor’s Service Marks infringe upon the trademark rights of the third party. Franchisor does not indemnify against the consequences of a franchisee’s use of Franchisor’s Service Marks but Franchisor shall indemnify Franchisee for claims against Franchisee solely as it relates to Franchisee’s use of the Marks in accordance with the requirements of the Franchise Agreement and Franchisor’s standards. As a further condition to indemnification, the Franchisee must provide notice to Franchisor of any such claim immediately and tender the defense of the claim to Franchisor. If Franchisor accepts tender of defense, Franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

3.) Section 5 of the Franchise Agreement under the heading “Renewal of Franchise” and Section 17 of the Franchise Agreement under the heading “Assignment” each shall be supplemented by the addition of the following language:

Notwithstanding the foregoing, Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 – 80C.22.

4.) Section 15 of the Franchise Agreement, under the heading “Termination by Franchisor,” shall be supplemented by the addition of the following language:

With respect to franchises governed by Minnesota Franchise Law, Franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 3 which requires that except for certain specified cases, a franchisee be given 90 days’ notice of termination (with 60 days to cure). Termination of the Franchise by the Franchisor shall be effective immediately upon receipt by Franchisee of the notice of termination where its grounds for termination or cancellation are: (1) voluntary abandonment of the franchise relationship by the Franchisee; (2) the conviction of the Franchisee of an offense directly related to the business conducted according to the Franchise Agreement; or (3) failure of the Franchisee to cure a default under the Franchise Agreement which materially impairs the goodwill associated with the Franchisor’s trade name, trademark, service mark, logo type or other commercial symbol after the Franchisee has received written notice to cure of at least twenty-four (24) hours in advance thereof.

5.) Section 24 of the Franchise Agreement under the heading “Governing Law; Venue for Disputes” is amended by adding the following at the end of the first paragraph:

According to Minn. Stat. Sec. 80C.21 in Minnesota Rules or 2860.4400J, this Section shall not in any way abrogate or reduce your rights as provided for in Minn. Stat. 1984, Chapter 80C, including the right to submit certain matters to the jurisdiction of the courts of Minnesota. In addition, nothing in this Franchise Agreement shall abrogate or reduce any of Franchisee’s rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedy provided for by the laws of the State of Minnesota.

6.) This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date first set forth above.

FRANCHISOR:
GREEN MILL RESTAURANTS, LLC

FRANCHISEE:

By: _____

By: _____

Its:

Its:

Date: _____

Date: _____

ADDENDUM TO THE
GREEN MILL® FRANCHISE AGREEMENT
REQUIRED BY THE WISCONSIN FAIR DEALERSHIP LAW

This Addendum is entered into this ____ day of _____, _____ by and between Green Mill Restaurants, LLC (“Franchisor”) and _____ (“Franchisee”). The parties hereby agree as follows:

WHEREAS, the parties are parties to that certain Franchise Agreement dated the date hereof (“Franchise Agreement”), and the parties desire to amend the Franchise Agreement in accordance with the Wisconsin Fair Dealership Law.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Section 15 of the Agreement, under the heading “Termination by Franchisor,” shall be supplemented by the addition of the following paragraph:

To the extent any of the provisions regarding notice of termination or change in dealership are in conflict with Section 135.04 of the Wisconsin Fair Dealership Law, the Wisconsin law shall apply.

2. This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date first set forth above.

FRANCHISOR:
GREEN MILL RESTAURANTS, LLC

FRANCHISEE:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

Exhibit C
Financial Statements

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.**

**COMBINED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2020 AND 2019



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

CLAconnect.com

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

INDEPENDENT AUDITORS' REPORT	1
COMBINED FINANCIAL STATEMENTS	
COMBINED BALANCE SHEETS	3
COMBINED STATEMENTS OF OPERATIONS	4
COMBINED STATEMENTS OF OWNERS' EQUITY	5
COMBINED STATEMENTS OF CASH FLOWS	6
NOTES TO COMBINED FINANCIAL STATEMENTS	7
SUPPLEMENTARY INFORMATION	
COMBINED SCHEDULES OF OPERATING EXPENSES	17



INDEPENDENT AUDITORS' REPORT

Board of Governors and Directors
Green Mill Restaurants, LLC
and GMR, Inc.
St. Paul, Minnesota

We have audited the accompanying combined financial statements of Green Mill Restaurants, LLC and GMR, Inc., which comprise the combined balance sheets as of December 31, 2020 and 2019, and the related combined statements of operations, owners' equity, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Governors and Directors
Green Mill Restaurants, LLC
and GMR, Inc.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Green Mill Restaurants, LLC and GMR, Inc. as of December 31, 2020 and 2019, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combined schedules of operating expenses are presented for the purposes of additional analysis and are not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the combined financial statements, in 2019 the company adopted new accounting guidance for recognizing revenue from contracts with customers. Our opinion is not modified with respect to that matter.



CliftonLarsonAllen LLP

Austin, Minnesota
October 13, 2021

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.
COMBINED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019**

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 376,218	\$ 67,214
Ad Council Assets	267,473	267,585
Accounts Receivable	383,903	553,567
Due from Related Parties	280,664	8,748
Notes Receivable	850	846
Prepaid Expense	25,168	29,353
Total Current Assets	1,334,276	927,313
PROPERTY AND EQUIPMENT		
Office Equipment and Furniture	50,000	50,000
Less: Accumulated Depreciation	(50,000)	(50,000)
Total Property and Equipment, Net	-	-
OTHER ASSETS		
Goodwill	2,550,000	2,550,000
Intangible Assets, Net	249,422	512,042
Total Other Assets	2,799,422	3,062,042
 Total Assets	 \$ 4,133,698	 \$ 3,989,355
LIABILITIES AND OWNERS' EQUITY		
CURRENT LIABILITIES		
Notes Payable - Bank Lines of Credit	\$ -	\$ -
Current Maturities of Long-Term Debt	362,321	-
Accounts Payable - Trade	17,259	12,274
Ad Council Liabilities	267,473	267,585
Licensing Fees Payable	59,347	131,060
Accrued Expenses	70,290	101,438
Total Current Liabilities	776,690	512,357
LONG-TERM LIABILITIES		
Long-Term Debt (Less Current Maturities)	2,999,093	2,958,145
Deferred Franchise Fees	69,254	79,904
Total Long-Term Liabilities	3,068,347	3,038,049
Total Liabilities	3,845,037	3,550,406
OWNERS' EQUITY		
Common Stock - 613,000 Shares Authorized, 670 Outstanding	670	670
Members' Equity	1,567,552	1,567,552
Retained Deficit	(1,279,561)	(1,129,273)
Total Owners' Equity	288,661	438,949
 Total Liabilities and Owners' Equity	 \$ 4,133,698	 \$ 3,989,355

See accompanying Notes to Combined Financial Statements.

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.
COMBINED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
REVENUES		
Royalty and Franchise Fees	\$ 1,415,928	\$ 2,616,036
Management Fees	512,328	373,652
Administrative Allowance	532,967	930,832
Training Fees and Miscellaneous	18,171	5,994
Total Revenues	<u>2,479,394</u>	<u>3,926,514</u>
OPERATING EXPENSES	<u>2,519,178</u>	<u>3,731,075</u>
INCOME FROM OPERATIONS	(39,784)	195,439
OTHER INCOME (EXPENSE)		
Interest Expense	(112,680)	(126,853)
Interest Income	2,176	74
Total Other Income (Expense)	<u>(110,504)</u>	<u>(126,779)</u>
NET INCOME (LOSS)	<u>\$ (150,288)</u>	<u>\$ 68,660</u>

See accompanying Notes to Combined Financial Statements.

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.
COMBINED STATEMENTS OF OWNERS' EQUITY
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	Common Stock	Members' Equity	Retained Deficit	Total Owners' Equity
BALANCE - DECEMBER 31, 2018	\$ 670	\$ 1,567,552	\$ (982,947)	\$ 585,275
Change in Accounting Method	-	-	(89,986)	(89,986)
Net Income	-	-	68,660	68,660
Distributions	-	-	(125,000)	(125,000)
BALANCE - DECEMBER 31, 2019	670	1,567,552	(1,129,273)	438,949
Net Loss	-	-	(150,288)	(150,288)
Distributions	-	-	-	-
BALANCE - DECEMBER 31, 2020	<u>\$ 670</u>	<u>\$ 1,567,552</u>	<u>\$ (1,279,561)</u>	<u>\$ 288,661</u>

See accompanying Notes to Combined Financial Statements.

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.
COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	\$ (150,288)	\$ 68,660
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	-	-
Amortization	262,620	262,620
Deferred Franchise Fee Amortization	(10,650)	(10,088)
Interest Added onto Notes Receivable	(4)	(3)
(Increase) Decrease in Current Assets:		
Accounts Receivable	169,664	(178,446)
Due from Related Parties	(271,916)	98,209
Prepaid Expenses	4,185	(22,475)
Increase (Decrease) in Current Liabilities:		
Accounts Payable - Trade	4,985	(8,332)
Licensing Fees Payable	(71,713)	22,390
Accrued Expenses	(31,148)	51,305
Net Cash Provided (Used) by Operating Activities	(94,265)	283,840
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments Received on Notes Receivable	-	12,595
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Decrease in Notes Payable - Bank Lines of Credit	-	(75,050)
Proceeds from Issuance of Long-Term Debt	448,100	-
Payments on Long-Term Debt	(44,831)	(160,584)
Distributions Paid to Members	-	(125,000)
Net Cash Provided (Used) by Financing Activities	403,269	(360,634)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	309,004	(64,199)
Cash and Cash Equivalents - Beginning of Year	67,214	131,413
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 376,218	\$ 67,214
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for Interest	\$ 112,680	\$ 126,853

See accompanying Notes to Combined Financial Statements.

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Green Mill Restaurants, LLC owns the exclusive rights to sell franchises to operate Green Mill restaurants in Minnesota, Wisconsin, North Dakota, South Dakota, Iowa, Nebraska, Kansas, Illinois, and Island of Curacao – Netherlands Antilles. The company also services some franchised restaurants. Additionally, the company has a first right of refusal to purchase the exclusive right to sell franchises in most other states.

GMR, Inc., owned through common ownership, provides management and administrative services for Green Mill Restaurants, LLC.

Principles of Combination

The combined financial statements include the accounts of Green Mill Restaurants, LLC and GMR, Inc. (the Companies). All intercompany accounts and transactions have been eliminated in combined financial statements.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Companies consider all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Substantially all cash is deposited in one financial institution. At times, amounts on deposit may be in excess of the Federal Deposit Insurance Corporation insurance limit.

Restricted Cash

The Companies have custody of advertising and promotion funds designated for their franchisees. The account is funded by payments from franchisees pursuant to an agreement by all participants. These funds then pay for advertising that benefits the group and special promotions that are intended to be utilized by all franchisees. The funds are maintained in a custodial account and the Companies have no claim to the funds. The Companies make deposits and write checks on behalf of the group. A corresponding liability has been recorded for the same amount in the combined financial statements.

Accounts Receivable

The Companies provide an allowance for bad debts using the allowance method, which is based on management judgment considering historical information. Services are sold on an unsecured basis. Payment is required up to 30 days after receipt of the invoice. Accounts past due more than 90 days are individually analyzed for collectibility. An allowance is provided for accounts when a significant pattern of uncollectibility has occurred. When all collection efforts have been exhausted, the accounts are written off against the related allowance. There was no allowance for bad debts at December 31, 2020 and 2019.

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Notes Receivable

Notes receivable include amounts due from officers and bear interest at 0.51%. Each note is analyzed for collectibility on a regular basis and placed on nonaccrual of interest status if more than three monthly payments are missed. As of December 31, 2020 and 2019, management expected full collectibility of notes. Notes are expected to be collected within the next fiscal year.

Property and Equipment

Property and equipment are recorded at cost. Major additions and improvements are capitalized, while replacements, maintenance, and repairs, which do not improve or extend the life of the respective assets, are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Office Equipment	5 Years
Furniture and Fixtures	7 Years

Goodwill and Definite Lived Intangible Assets

Goodwill is recognized as a result of a business combination when the price paid for the acquired business exceeds the fair value of its identified net assets. Identifiable intangible assets are recognized at their fair value when acquired. Goodwill and intangible assets with indefinite useful lives such as restaurant development concepts are tested for impairment at least annually. The Companies have evaluated its existing intangible assets and goodwill acquired through a business acquisition for impairment and has determined that goodwill and other intangibles are not impaired.

Intangible assets with definite lives, which relate to the acquisition of franchise development rights, are amortized on a straight-line basis over their useful lives as follows:

Franchise Development Rights	11 Years
Exclusive Territory Rights	20 Years
Noncompete Agreement	5 Years

Income Taxes

The Companies, with the consent of its equity holders have elected to be taxed under sections of the federal and state income tax laws which provide that, in lieu of corporate income taxes, the Companies' income, deductions, and credits are reported by its members and stockholders. Accordingly, no provision is made for income taxes in the combined financial statements.

The Companies evaluated its tax positions and determined they have no uncertain tax positions as of December 31, 2020.

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Revenue from contracts with customers consist primarily of royalties, advertising fund contributions, and initial, transfer and renewal franchise fees. Our performance obligations under franchise agreements consist of a) a franchise license, b) pre-opening services, such as training, and c) ongoing services, such as management of the advertising fund, development of training materials and menu items and restaurant monitoring. These performance obligations are highly interrelated so we do not consider them to be individually distinct and, therefore, account for them under ASC 606 as a single performance obligation, which is satisfied by providing a right to use our intellectual property over the term of each franchise agreement.

Royalties, including franchisee contributions to the advertising fund, are calculated as a percentage of franchise restaurant sales over the term of the franchise agreement. Initial and renewal franchise fees are payable by the franchisee prior to the restaurant opening or at the time of a renewal of an existing franchise agreement. Our franchise agreement royalties, inclusive of advertising fund contributions, represent sales-based royalties that are related entirely to our performance obligation under the franchise agreement and are recognized as franchise sales occur. Additionally, under ASC 606, initial, transfer and renewal franchise fees are recognized as revenue on a straight-line basis over the term of the respective agreement. The administrative allowance represents volume rebates from certain suppliers to the franchised restaurants. These amounts are recognized when earned.

Advertising Costs

The Companies administer the Green Mill Restaurants Advertising Fund (the Ad Fund) for which a percentage of gross sales is collected from Green Mill franchisees to be used for various forms of advertising for the Green Mill brand. The Companies administer and direct the development of all advertising and promotion programs in the Ad Fund for which it collects advertising contributions, in accordance with the provisions of its franchise agreements. The Companies have a contractual obligation with regard to these advertising contributions. The Companies consolidate and report all assets and liabilities of the Ad Fund as restricted assets of the Ad Fund and restricted liabilities of the Ad Fund within current assets and current liabilities, respectively in the combined balance sheets. The assets and liabilities of the Ad Fund consist primarily of cash, receivables, accrued expenses, and any cumulative surplus related to the Ad Fund. Pursuant to the Companies' franchise agreements, use of Ad Fund contributions is restricted to advertising, public relations, merchandising, and administrative expenses to increase sales and further enhance the public reputation of the brand.

Ad Fund contributions and expenditures are reported on a gross basis in the combined statement of operations, which are largely offsetting and, therefore, do not impact our reported net income. The Companies incurred advertising costs of \$468,726 and \$881,666 for the years ended December 31, 2020 and 2019, respectively.

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of combined 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 combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

The Companies' services are provided to franchises in the upper Midwest for which royalty fees and training fees are due to the Companies on a continuing basis. The Companies grant credit to its customers on an unsecured basis, in accordance with the terms of their contract agreement. The Companies' customers are highly concentrated within the restaurant industry. The amount of accounting loss should the restaurant industry experience a significant decline is not determinable at this time.

Reclassifications

Certain amounts in 2019 have been reclassified for comparative purposes to conform with the 2020 presentation. The reclassifications have no effect on the previously reported net income or owners' equity.

Subsequent Events

In preparing these combined financial statements, the Companies have evaluated events and transactions for potential recognition or disclosure through October 13, 2021, the date the combined financial statements were available to be issued.

Change in Accounting Principle

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification (ASC). ASC 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services.

The Companies adopted the requirements of the new guidance as of January 1, 2019, utilizing the full retrospective method of transition. The impact of ASC 606 resulted in a change in recognizing revenue for initial, transfer and renewal franchise fees from upfront recognition to over the term of the agreement. As a result, the Companies recorded a cumulative adjustment to retained earnings as of January 1, 2019, to reflect the impact of the new guidance, which resulted in a decrease to opening retained earnings of \$89,986 which corresponded to the deferred franchise fees at December 31, 2018. The Companies also changed its policy for reporting advertising fund contributions and expenses on the net method to the gross method. The balance at December 31, 2018 was \$161,330 for ad council assets and liabilities.

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle (Continued)

The full retrospective method of transition requires the Companies to disclose the effect of applying the new guidance on each item included in the 2019 financial statements. Following are the line items from the balance sheet as of December 31, 2019, that were affected, the amounts that would have been reported under the former guidance, the effects of applying the new guidance, and the balances reported under the new guidance:

The following are the line items from the consolidated statement of operations for the year ended December 31, 2019, that were affected, the amounts that would have been reported under the former guidance, the effects of applying the new guidance, and the amounts reported under the new guidance:

	<u>Prior to Adoption of ASC 606</u>	<u>Impact from Adopting ASC 606</u>	<u>As Reported Under ASC 606</u>
<u>Liabilities</u>			
Deferred Franchise Fees	\$ -	\$ 79,904	\$ 79,904
<u>Equity</u>			
Retained Deficit	(1,049,369)	(79,904)	(1,129,273)
	<u>Prior to Adoption of ASC 606</u>	<u>Impact from Adopting ASC 606</u>	<u>As Reported Under ASC 606</u>
<u>Revenue</u>			
Royalty, Advertising, and Franchise Fees	\$ 2,147,567	\$ 468,469	\$ 2,616,036
<u>Expenses</u>			
Operating Expenses	3,273,593	457,482	3,731,075
Net Income	57,673	10,987	68,660
<u>Cash Flow</u>			
Cash Flow from Operating Activities	294,827	(10,987)	283,840

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 2 INTANGIBLES

Intangibles consisted of the following at December 31:

	<u>2020</u>	<u>2019</u>
Franchise Development Rights	\$ 2,778,816	\$ 2,778,816
Exclusive Territory Rights	200,000	200,000
Restaurant Development Concepts	50,000	50,000
Noncompete Agreement	50,000	50,000
Accumulated Amortization	(2,829,394)	(2,566,774)
Total	<u>\$ 249,422</u>	<u>\$ 512,042</u>

Amortization expense was \$262,620 for the years ended December 31, 2020 and 2019.

Future amortization expense of intangibles is as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 115,258
2022	10,000
2023	10,000
2024	10,000
2025	10,000
Thereafter	94,164
Total	<u>\$ 249,422</u>

NOTE 3 LONG-TERM DEBT

Long-term debt consists of the following as of December 31:

<u>Description</u>	<u>2020</u>	<u>2019</u>
<u>Community Bank</u>		
Note Payable with a fixed interest rate of 4.125%. Note is payable in monthly installments of \$11,741 through July 2025, at which time all unpaid principal and interest is due. Secured by substantially all Company assets, mortgage, and guarantees of certain members.	\$ 1,502,435	\$ 1,515,345
Note Payable with a fixed interest rate of 4.125%. Note is payable in monthly installments of \$11,024 through July 2025, at which time all unpaid principal and interest is due. Secured by substantially all Company assets, mortgage, and guarantees of certain members.	1,410,879	1,422,999

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 3 LONG-TERM DEBT (CONTINUED)

<u>Description</u>	<u>2020</u>	<u>2019</u>
<u>Other</u>		
SBA EIDL. Due in monthly amounts including interest at 3.75%. Unsecured.	\$ 150,000	\$ -
SBA Paycheck Protection Loan. See Below	298,100	-
Notes Payable with a fixed interest rate of 3.25%. Notes are payable in monthly installments through December 2021. Notes are unsecured.	-	19,801
Total Long-Term Debt	3,361,414	2,958,145
Less: Current Maturities	362,321	-
Net Long-Term Debt	<u>\$ 2,999,093</u>	<u>\$ 2,958,145</u>

Scheduled principal payments on the long-term debt are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 363,695
2022	270,514
2023	178,821
2024	185,815
2025	2,225,985
Thereafter	136,584
Total	<u>\$ 3,361,414</u>

On April 16, 2020, the Company received a loan from Pioneer Bank in the amount of \$298,100 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over 24 months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Companies fail to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. The covered period from April 11, 2020 to October 1, 2020, is the time that a business has to spend their PPP Loan funds. The note was forgiven in 2021.

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 3 LONG-TERM DEBT (CONTINUED)

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Companies' financial position.

NOTE 4 OPERATING LEASES

The Companies lease certain facilities from related parties. Monthly rent is based on the lease agreements which expire through 2029. The Companies also lease various pieces of equipment under month-to-month leases. Total rent expense was \$90,096 and \$102,919 for the years ended December 31, 2020 and 2019, respectively.

A summary of noncancelable future minimum operating lease payments under these leases is as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 104,000
2022	106,000
2023	108,000
2024	110,000
2025	77,000
Thereafter	330,000
Total	<u>\$ 835,000</u>

NOTE 5 COMMITMENTS AND CONTINGENCIES

Employee Benefit Plans

The Companies have a Simplified Employee Pension (SEP) available to all employees meeting certain age and service requirements. Employees become eligible after one year of service and are fully vested upon entering the Plan. Contributions to the plan up to limits established by the Internal Revenue Code are made at the discretion of the Companies' board of directors. There were no discretionary contributions during 2020 and 2019.

Buy-Sell Agreement

The Companies have a buy-sell agreement with its members and shareholders in the event of a death. The agreement gives existing members and shareholders the first option to purchase shares from an estate. In the event that not all stock is purchased by existing members and shareholders, the agreement requires the Companies to purchase any remaining shares of stock at a purchase price determined by a formula in the agreement.

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 6 RISKS AND UNCERTAINTIES

The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Companies, COVID-19 may impact various parts of its 2021 operations and financial results, including the ability to collect royalties from franchises that are facing uncertainties. Management believes the Companies are taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.

Subsequent to year-end, the Companies received a loan of \$298,100 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the federal Paycheck Protection Program. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program.

NOTE 7 RELATED PARTY TRANSACTIONS

Revenue and Receivables

As discussed in Note 5, the Companies lease office space and other facilities from an entity that shares common membership with the majority owners of Green Mill Restaurants, LLC. Lease related expense was \$84,096 and \$96,000 for the years ended December 31, 2020 and 2019, respectively.

There are Green Mill Restaurants related through common ownership. Total royalty revenues from these restaurants were \$48,151 and \$89,588 for the years ended December 31, 2020 and 2019, respectively. Total accounts receivable from these restaurants was \$4,815 and \$7,849 at December 31, 2020 and 2019, respectively.

The Companies have a support services contract with Crooked Pint, LLC, a company that shares common membership with the majority owners of Green Mill Restaurants, LLC. Service fees earned from Crooked Pint during the years ended December 31, 2020 and 2019 totaled \$267,000 and \$203,000, respectively. The Companies have similar contracts with other entities that share common membership. Service fees earned from these entities during the years ended December 31, 2020 and 2019 totaled \$245,000 and \$170,000, respectively.

Amounts borrowed and due from related parties totaled \$280,664 and \$8,748 at December 31, 2020 and 2019, respectively and are recorded in due from related parties if finance related or accounts receivable if service related.

Management has determined that all related party receivables are collectible and therefore, have not recorded an allowance for uncollectible amounts.

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 7 RELATED PARTY TRANSACTIONS (CONTINUED)

Licensing Fees

Effective June 1, 2017, Hightop Brands, LLC (a related party) holds the licensing rights that the Companies sell under the Green Mill franchise name. Prior to June 1, 2017, the license was held by an unrelated party. A licensing fee is paid upon receipt of a franchise fee based upon a predetermined schedule. The license holder also shares in royalties collected from the operating franchises in the form of a licensing fee also based on predetermined percentages. The Companies incurred licensing fee expense of \$- and \$429,603 for the years ended December 31, 2020 and 2019, respectively. The Company owed \$59,347 and \$131,060 for licensing fees at December 31, 2020 and 2019, respectively. License fees were waived for the year ended December 31, 2020.

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.
COMBINED SCHEDULES OF OPERATING EXPENSES
YEARS ENDED DECEMBER 31, 2020 AND 2019
(SEE INDEPENDENT AUDITORS' REPORT)**

	<u>2020</u>	<u>2019</u>
Salaries	\$ 1,155,152	\$ 1,444,166
Payroll Taxes	89,031	90,930
Employee Benefits	212,692	236,888
Advertising and Promotion	468,726	881,666
Amortization	262,620	262,620
Consulting	6,610	40,561
Depreciation	-	-
Donations	-	840
Franchise Expense	-	1,830
Insurance	20,563	8,901
Legal and Accounting	33,673	44,426
Licensing Fees	-	429,603
Market Research	120	1,113
Meeting Expense	1,569	3,021
Menu Development	3,115	29,457
Office Expense	28,262	36,930
Office Supplies	2,103	6,192
Repairs and Maintenance	15,267	18,067
Rent	90,096	102,919
Telephone	17,780	19,963
Training	9,694	12,052
Travel	704	2,032
Vehicle Expense	44,992	56,898
Bad Debt Expense	56,409	-
	<u>56,409</u>	<u>-</u>
Total Operating Expenses	<u>\$ 2,519,178</u>	<u>\$ 3,731,075</u>

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.**

**COMBINED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2018 AND 2017

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

INDEPENDENT AUDITORS' REPORT	1
COMBINED FINANCIAL STATEMENTS	
COMBINED BALANCE SHEETS	3
COMBINED STATEMENTS OF OPERATIONS	4
COMBINED STATEMENTS OF OWNERS' EQUITY	5
COMBINED STATEMENTS OF CASH FLOWS	6
NOTES TO COMBINED FINANCIAL STATEMENTS	7
SUPPLEMENTARY INFORMATION	
COMBINED SCHEDULES OF OPERATING EXPENSES	14



INDEPENDENT AUDITORS' REPORT

Board of Governors and Directors
Green Mill Restaurants, LLC
and GMR, Inc.
St. Paul, Minnesota

We have audited the accompanying combined financial statements of Green Mill Restaurants, LLC and GMR, Inc., which comprise the combined balance sheets as of December 31, 2018 and 2017, and the related combined statements of operations, owners' equity, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

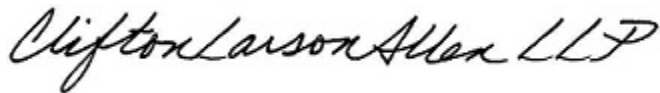
Board of Governors and Directors
Green Mill Restaurants, LLC
and GMR, Inc.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Green Mill Restaurants, LLC and GMR, Inc. as of December 31, 2018 and 2017, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combined schedules of operating expenses are presented for the purposes of additional analysis and are not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.



CliftonLarsonAllen LLP

Austin, Minnesota
April 16, 2019

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.
COMBINED BALANCE SHEETS
DECEMBER 31, 2018 AND 2017**

ASSETS	2018	2017
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 131,413	\$ 219,182
Restricted Cash	161,330	300,355
Accounts Receivable	375,121	298,136
Due from Related Parties	106,957	103,663
Notes Receivable	13,437	24,311
Prepaid Expense	6,878	16,876
Total Current Assets	795,136	962,523
PROPERTY AND EQUIPMENT		
Office Equipment and Furniture	50,000	50,000
Less: Accumulated Depreciation	(50,000)	(50,000)
Total Property and Equipment, Net	-	-
OTHER ASSETS		
Goodwill	2,550,000	2,550,000
Intangible Assets, Net	774,662	1,037,282
Total Other Assets	3,324,662	3,587,282
Total Assets	\$ 4,119,798	\$ 4,549,805
LIABILITIES AND OWNERS' EQUITY		
CURRENT LIABILITIES		
Notes Payable - Bank Lines of Credit	\$ 75,050	\$ 83,065
Current Maturities of Long-Term Debt	161,000	154,000
Accounts Payable - Trade	20,606	24,678
Accounts Payable - Ad Council	161,330	300,355
Licensing Fees Payable	108,670	86,039
Accrued Expenses	50,133	45,111
Total Current Liabilities	576,789	693,248
LONG-TERM DEBT (Less Current Maturities)	2,957,729	3,118,866
Total Liabilities	3,534,518	3,812,114
OWNERS' EQUITY		
Common Stock - 613,000 Shares Authorized, 670 Outstanding	670	670
Members' Equity	1,567,552	1,567,552
Retained Deficit	(982,942)	(830,531)
Total Owners' Equity	585,280	737,691
Total Liabilities and Owners' Equity	\$ 4,119,798	\$ 4,549,805

See accompanying Notes to Combined Financial Statements.

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.
COMBINED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
REVENUES		
Royalty and Franchise Fees	\$ 1,839,413	\$ 1,913,912
Management Fees	314,687	232,500
Administrative Allowance	978,679	1,026,474
Training Fees and Miscellaneous	-	-
Total Revenues	<u>3,132,779</u>	<u>3,172,886</u>
OPERATING EXPENSES	<u>2,852,475</u>	<u>2,924,558</u>
INCOME FROM OPERATIONS	280,304	248,328
OTHER INCOME (EXPENSE)		
Interest Expense	(133,002)	(138,885)
Interest Income	287	208
Total Other Income (Expense)	<u>(132,715)</u>	<u>(138,677)</u>
NET INCOME	<u>\$ 147,589</u>	<u>\$ 109,651</u>

See accompanying Notes to Combined Financial Statements.

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.
COMBINED STATEMENTS OF OWNERS' EQUITY
YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>Common Stock</u>	<u>Members' Equity</u>	<u>Retained Deficit</u>	<u>Total Owners' Equity</u>
BALANCE - DECEMBER 31, 2016	\$ 670	\$ 1,567,552	\$ (740,182)	\$ 828,040
Net Income	-	-	109,651	109,651
Distributions	-	-	(200,000)	(200,000)
BALANCE - DECEMBER 31, 2017	670	1,567,552	(830,531)	737,691
Net Income	-	-	147,589	147,589
Distributions	-	-	(300,000)	(300,000)
BALANCE - DECEMBER 31, 2018	<u>\$ 670</u>	<u>\$ 1,567,552</u>	<u>\$ (982,942)</u>	<u>\$ 585,280</u>

See accompanying Notes to Combined Financial Statements.

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.
COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 147,589	\$ 109,651
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	-	500
Amortization	262,620	262,620
Interest Added onto Notes Receivable	(83)	(125)
(Increase) Decrease in Current Assets:		
Accounts Receivable	(76,985)	5,530
Due from Related Parties	(3,294)	162,870
Prepaid Expenses	9,998	(4,609)
Increase (Decrease) in Current Liabilities:		
Accounts Payable - Trade	(4,072)	(28,243)
Licensing Fees Payable	22,631	1,783
Accrued Expenses	5,022	(9,472)
Net Cash Provided by Operating Activities	363,426	500,505
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments Received on Notes Receivable	10,957	10,074
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Decrease in Notes Payable - Bank Lines of Credit	(8,015)	(139,069)
Payments on Long-Term Debt	(154,137)	(148,340)
Distributions Paid to Members	(300,000)	(200,000)
Net Cash Used by Financing Activities	(462,152)	(487,409)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(87,769)	23,170
Cash and Cash Equivalents - Beginning of Year	219,182	196,012
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 131,413	\$ 219,182
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for Interest	\$ 133,002	\$ 138,885

See accompanying Notes to Combined Financial Statements.

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Green Mill Restaurants, LLC owns the exclusive rights to sell franchises to operate Green Mill restaurants in Minnesota, Wisconsin, North Dakota, South Dakota, Iowa, Nebraska, Kansas, Illinois, and Island of Curacao – Netherlands Antilles. The Company also services some franchised restaurants. Additionally, the Company has a first right of refusal to purchase the exclusive right to sell franchises in most other states.

GMR, Inc., owned through common ownership, provides management and administrative services for Green Mill Restaurants, LLC.

Principles of Combination

The combined financial statements include the accounts of Green Mill Restaurants, LLC and GMR, Inc. (the Companies). All intercompany accounts and transactions have been eliminated in combined financial statements.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Companies consider all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Substantially all cash is deposited in one financial institution. At times, amounts on deposit may be in excess of the Federal Deposit Insurance Corporation insurance limit.

Restricted Cash

The Companies have custody of advertising and promotion funds designated for their franchisees. The account is funded by payments from franchisees pursuant to an agreement by all participants. These funds then pay for advertising that benefits the group and special promotions that are intended to be utilized by all franchisees. The funds are maintained in a custodial account and the Companies have no claim to the funds. The Companies make deposits and write checks on behalf of the group. A corresponding liability has been recorded for the same amount in the combined financial statements.

Accounts Receivable

The Companies provide an allowance for bad debts using the allowance method, which is based on management judgment considering historical information. Services are sold on an unsecured basis. Payment is required up to 30 days after receipt of the invoice. Accounts past due more than 90 days are individually analyzed for collectibility. An allowance is provided for accounts when a significant pattern of uncollectibility has occurred. When all collection efforts have been exhausted, the accounts are written off against the related allowance. There was no allowance for bad debts at December 31, 2018 and 2017.

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Notes Receivable

Notes receivable include amounts due from officers and bear interest at 0.51%. Each note is analyzed for collectibility on a regular basis and placed on nonaccrual of interest status if more than three monthly payments are missed. As of December 31, 2018 and 2017, management expected full collectibility of notes. Notes are expected to be collected within the next fiscal year.

Property and Equipment

Property and equipment are recorded at cost. Major additions and improvements are capitalized, while replacements, maintenance and repairs, which do not improve or extend the life of the respective assets, are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Office Equipment	5 Years
Furniture and Fixtures	7 Years

Goodwill and Definite Lived Intangible Assets

Goodwill is recognized as a result of a business combination when the price paid for the acquired business exceeds the fair value of its identified net assets. Identifiable intangible assets are recognized at their fair value when acquired. Goodwill and intangible assets with indefinite useful lives such as restaurant development concepts are tested for impairment at least annually. The Companies have evaluated its existing intangible assets and goodwill acquired through a business acquisition for impairment and has determined that goodwill and other intangibles are not impaired.

Intangible assets with definite lives, which relate to the acquisition of franchise development rights, are amortized on a straight-line basis over their useful lives as follows:

Franchise Development Rights	11 Years
Exclusive Territory Rights	20 Years
Noncompete Agreement	5 Years

Income Taxes

The Companies, with the consent of its equity holders have elected to be taxed under sections of the federal and state income tax laws which provide that, in lieu of corporate income taxes, the Companies' income, deductions, and credits are reported by its members and stockholders. Accordingly, no provision is made for income taxes in the combined financial statements.

The Companies evaluated its tax positions and determined they have no uncertain tax positions as of December 31, 2018.

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Initial franchise fee revenue is recognized once the Companies have met all of their obligations under the franchise agreement. Royalties are earned as a percentage of a restaurant's sales and billed monthly. The administrative allowance represents volume rebates from certain suppliers to the franchised restaurants. These amounts are recognized when earned. All other revenues are recognized upon the completion of the service provided.

Advertising Costs

The Companies use advertising to promote its sale of franchises. Costs of advertising are expensed as incurred. The Companies incurred advertising costs of \$410 and \$840 for the years ended December 31, 2018 and 2017, respectively.

Use of Estimates

The preparation of combined 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 combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

The Companies' services are provided to franchises in the upper Midwest for which royalty fees and training fees are due to the Companies on a continuing basis. The Companies grant credit to its customers on an unsecured basis, in accordance with the terms of their contract agreement. The Companies' customers are highly concentrated within the restaurant industry. The amount of accounting loss should the restaurant industry experience a significant decline is not determinable at this time.

Reclassifications

Certain amounts in 2017 have been reclassified for comparative purposes to conform with the 2018 presentation. The reclassifications have no effect on the previously reported net income or owners' equity.

Subsequent Events

In preparing these combined financial statements, the Companies have evaluated events and transactions for potential recognition or disclosure through April 16, 2019, the date the combined financial statements were available to be issued.

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 2 INTANGIBLES

Intangibles consisted of the following at December 31:

	<u>2018</u>	<u>2017</u>
Franchise Development Rights	\$ 2,778,816	\$ 2,778,816
Exclusive Territory Rights	200,000	200,000
Restaurant Development Concepts	50,000	50,000
Noncompete Agreement	50,000	50,000
Accumulated Amortization	<u>(2,304,154)</u>	<u>(2,041,534)</u>
Total	<u>\$ 774,662</u>	<u>\$ 1,037,282</u>

Amortization expense was \$262,620 for the years ended December 31, 2018 and 2017.

Future amortization expense of intangibles is as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2019	\$ 262,620
2020	262,620
2021	115,258
2022	10,000
2023	10,000
Thereafter	<u>64,164</u>
Total	<u>\$ 724,662</u>

NOTE 3 NOTES PAYABLE – BANK LINES OF CREDIT

The Companies have a revolving line of credit agreement with Alerus Financial for \$100,000. The agreement is secured by substantially all Company assets and guaranteed by certain members. The line of credit has an interest rate of prime plus 0.75% (subject to a 4.0% floor) 6.25% at December 31, 2018. The outstanding balance was \$75,050 and \$83,065 at December 31, 2018 and 2017, respectively.

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 4 LONG-TERM DEBT

Long-term debt consists of the following as of December 31:

<u>Description</u>	<u>2018</u>	<u>2017</u>
<u>Community Bank</u>		
Note Payable with a fixed interest rate of 4.125%. Note is payable in monthly installments of \$11,741 through June 2020, at which time all unpaid principal and interest is due. Secured by substantially all Company assets, mortgage, and guarantees of certain members.	\$ 1,591,142	\$ 1,663,837
Note Payable with a fixed interest rate of 4.125%. Note is payable in monthly installments of \$11,024 through June 2020, at which time all unpaid principal and interest is due. Secured by substantially all Company assets, mortgage, and guarantees of certain members.	1,494,157	1,562,405
<u>Other</u>		
Note Payable with a fixed interest rate of 3.25%. Note is payable in monthly installments of \$581 through December 2021. Note is unsecured.	18,839	25,085
Note Payable with a fixed interest rate of 3.25%. Note is payable in monthly installments of \$629 through December 2020. Note is unsecured.	<u>14,591</u>	<u>21,539</u>
Total Long-Term Debt	3,118,729	3,272,866
Less: Current Maturities	<u>161,000</u>	<u>154,000</u>
Net Long-Term Debt	<u>\$ 2,957,729</u>	<u>\$ 3,118,866</u>

Scheduled principal payments on the long-term debt are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2019	\$ 161,000
2020	2,952,300
2021	5,429
Total	<u>\$ 3,118,729</u>

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 5 OPERATING LEASES

The Companies lease certain facilities from related parties. Monthly rent is \$5,000 through 2023. The Companies also lease various pieces of equipment under month-to-month leases. Total rent expense was \$96,512 and \$115,551 for the years ended December 31, 2018 and 2017, respectively.

A summary of noncancelable future minimum operating lease payments under these leases is as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2019	\$ 36,000
2020	36,000
2021	36,000
2022	36,000
2023	36,000
Thereafter	36,000
Total	<u><u>\$ 216,000</u></u>

NOTE 6 COMMITMENTS AND CONTINGENCIES

Employee Benefit Plans

The Companies have a Simplified Employee Pension (SEP) available to all employees meeting certain age and service requirements. Employees become eligible after one year of service and are fully vested upon entering the Plan. Contributions to the plan up to limits established by the Internal Revenue Code are made at the discretion of the Company's Board of Directors. There were no discretionary contributions during 2018 and 2017.

Buy-Sell Agreement

The Company has a buy-sell agreement with its members and shareholders in the event of a death. The agreement gives existing members and shareholders the first option to purchase shares from an estate. In the event that not all stock is purchased by existing members and shareholders, the agreement requires the Company to purchase any remaining shares of stock at a purchase price determined by a formula in the agreement.

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 7 RELATED PARTY TRANSACTIONS

Revenue and Receivables

As discussed in Note 5, the Companies lease office space and other facilities from an entity that shares common membership with the majority owners of Green Mill Restaurants, LLC. Lease related expense was \$96,000 and \$119,445 for the years ended December 31, 2018 and 2017, respectively. The Company also has receivables from one related entity of \$75,050 and \$83,065 at December 31, 2018 and 2017, respectively, for the use of its lines of credit.

There are several franchise Green Mill Restaurants related through common ownership. Total royalty revenues from these restaurants were \$90,672 and \$179,774 for the years ended December 31, 2018 and 2017, respectively. Total accounts receivable from these restaurants was \$7,719 and \$8,086 at December 31, 2018 and 2017, respectively.

The Company has a support services contract with Crooked Pint, LLC, a company that shares common membership with the majority owners of Green Mill Restaurants, LLC. Service fees earned during the years ended December 31, 2018 and 2017 totaled \$96,000 and \$36,000, respectively. Accounts receivable from Crooked Pint, LLC were \$-0- and \$9,739 at December 31, 2018 and 2017, respectively. The Company also manages the ad-council for Crooked Pint, LLC and received service fees of \$73,500 and \$-0- for the years ended December 31, 2018 and 2017, respectively.

Miscellaneous other receivables from related parties totaled \$34,660 and \$-0- at December 31, 2018 and 2017, respectively and are recorded in due from related parties if finance related or accounts receivable if service related.

Management has determined that all related party receivables are collectible and therefore have not recorded an allowance for uncollectible amounts.

Licensing Fees

Effective June 1, 2017, Hightop Brands, LLC (a related party) holds the licensing rights that the Companies sell under the Green Mill franchise name. Prior to June 1, 2017, the license was held by an unrelated party. A licensing fee is paid upon receipt of a franchise fee based upon a predetermined schedule. The license holder also shares in royalties collected from the operating franchises in the form of a licensing fee also based on predetermined percentages. The Companies incurred licensing fee expense of \$459,854 and \$476,459 for the years ended December 31, 2018 and 2017, respectively. The Company owed \$108,670 and \$86,039 for licensing fees at December 31, 2018 and 2017, respectively.

**GREEN MILL RESTAURANTS, LLC
AND GMR, INC.
COMBINED SCHEDULES OF OPERATING EXPENSES
YEARS ENDED DECEMBER 31, 2018 AND 2017
(SEE INDEPENDENT AUDITORS' REPORT)**

	2018	2017
Salaries	\$ 1,476,916	\$ 1,471,380
Payroll Taxes	95,506	104,576
Employee Benefits	216,835	222,796
Advertising and Promotion	410	840
Amortization	262,620	262,620
Consulting	18,951	9,165
Depreciation	-	500
Donations	320	1,225
Franchise Expense	1,350	2,200
Insurance	10,776	10,791
Legal and Accounting	37,615	32,026
Licensing Fees	459,854	476,459
Market Research	-	65
Meeting Expense	4,249	4,189
Menu Development	14,908	14,237
Office Expense	40,493	39,138
Office Supplies	4,514	5,093
Repairs and Maintenance	18,138	14,817
Rent	96,512	115,551
Telephone	19,580	18,374
Training	8,137	12,516
Travel	1,691	9,960
Vehicle Expense	63,100	75,360
Bad Debt Expense	-	20,680
	\$ 2,852,475	\$ 2,924,558
Total Operating Expenses		

Green Mill Restaurants, LLC

Balance Sheet

As of July 31, 2021

	Total
ASSETS	
Current Assets	
Bank Accounts	
Total Bank Accounts	\$ 694,869.08
Accounts Receivable	
1100 Accounts Receivable	67,604.66
Total Accounts Receivable	\$ 67,604.66
Other Current Assets	
Total Other Current Assets	\$ 612,993.85
Total Current Assets	\$ 1,375,467.59
Fixed Assets	
Total Fixed Assets	-\$ 42,140.99
Other Assets	
Total Other Assets	\$ 3,012,869.58
TOTAL ASSETS	\$ 4,346,196.18
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2050 Accounts Payable-Trade	33,919.42
Total Accounts Payable	\$ 33,919.42
Other Current Liabilities	
Total Other Current Liabilities	\$ 3,603,155.99
Total Current Liabilities	\$ 3,637,075.41
Long-Term Liabilities	
2520 Other Payable - Ad Council	267,472.73
Total Long-Term Liabilities	\$ 267,472.73
Total Liabilities	\$ 3,904,548.14
Equity	
2710 Issued Common Stock	221,500.00
2711 Common Stock GMR, Inc.	670.00
2712 Stock Repurchase	-83,616.27
2720 Paid-In Capital	1,429,668.24
2730 Dividends-Shareholders	-4,548,480.73
2740 Retained Earnings	3,268,921.63
Net Income	152,985.17
Total Equity	\$ 441,648.04
TOTAL LIABILITIES AND EQUITY	\$ 4,346,196.18

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

Green Mill Restaurants, LLC
Profit and Loss
 January - July, 2021

		Total
Income		
Total Income	\$	1,258,125.31
Gross Profit	\$	1,258,125.31
Expenses		
Total Expenses	\$	1,191,947.48
Net Operating Income	\$	66,177.83
Other Income		
Total Other Income	\$	313,307.24
Other Expenses		
Total Other Expenses	\$	226,499.90
Net Other Income	\$	86,807.34
Net Income	\$	152,985.17

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

GUARANTEE OF PERFORMANCE

For value received, GMR, Inc. (“Guarantor”) located at 1342 Grand Avenue, St. Paul, MN 55105, absolutely and unconditionally guarantees the performance by its subsidiary, Green Mill Restaurants, LLC, located at 1342 Grand Avenue, St. Paul, MN 55105, (the “Franchisor”), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2021 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and its successors and assigns.

The Guarantor signs this guarantee at St. Paul, Minnesota on the 14th day of October, 2021.

Guarantor:

GMR, Inc.

By: 

Name: Paul Dzubnar

Title: Chief Executive Officer

EXHIBIT D

List of Franchised Locations

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

List of Current Franchisees at December 31, 2020

KANSAS

Kinseth Hospitality Co., Inc.
878 Reeder Road
Overland Park, KS 66214
(913) 492-1111

Kinseth Hospitality Co., Inc.
549 South Rock Road
Wichita, KS 67207
(316) 687-6455

MINNESOTA

KRG, LLC
2215 East Main Street
Albert Lea, MN 56007
(507) 377 – 3000

Edgewater Group
1025 Paul Bunyan Dr. S.
Bemidji, MN 56601
(218) 444-1875

Calcutta Partners, LLC
4355 Pheasant Ridge Drive
Blaine, MN 55449
(763) 792-9400

MSP Restaurant Group LLC
1201 W. 94th Street
Bloomington, MN 55431
(952) 884-9898

PDMM, Inc.
340 Lake Ave. S.
Duluth, MN 55802
(218) 727-7000

KRG LLC
8266 Commonwealth Drive
Eden Prairie, MN 55344
Telephone: (952) 944-3000

Torgerson Properties, Inc.
P.O. Box 922
Fairmont, MN 56301
(507) 238-4700

PTJ Restaurants, Inc.
909 Vermillion Street
Hastings, MN 55033
(651) 438-9191

KRG, LLC
17733 Kenwood Trail
Lakeville, MN 55044
(952) 435-8100

BDH2-New Ulm, LLC
2101 S. Broadway
New Ulm, MN 56073
(507) 359-5300

Metro Hospitality, Inc.
2205 Annapolis Lane
Plymouth, MN 55447
(763) 553-9000

GM of St. Cloud Ventures, LLC*
c/o Kelly Inn
Highway 23 and 4th Street
St. Cloud, MN 56301
(320) 259-6455

*One or more officers of GMR own interests in this restaurant.

The Green Mill Inn, LLC*
57 South Hamline Avenue
St. Paul, MN 55105
Telephone: (651) 698-0353

*One or more officers of GMR own interests in this restaurant.

BDH2-Shoreview, LLC
1000 Gramsie Road
Shoreview, MN 55126
(651) 482-1600

Torgerson Properties, Inc.
2100 E. Highway 12
Willmar, MN 56201
(320) 231-2301

River Shore Hospitality, LLC
6025 Hudson Road
Woodbury, MN 55125
(651) 735-1000

WISCONSIN

Badger Hospitality, Inc.
2410 Gateway Court
Hudson, WI 54016
(715) 386-9900

List of Franchisees Who Left The System in 2020

MINNESOTA

KRG, LLC
1960 Rahncliff Court
Eagan, MN 55122
(651) 686-7000

NOMATCH, Inc.
Rosedale Mall
Roseville, MN 55113
(651) 633-2100

Rivers Hotel Group, Inc.
1025 Hwy 61
Winona, MN 55987
(507) 452-5400

WISCONSIN

Creek Hotels, Inc.
1000 Imperial Avenue
Mosinee, WI 54455
(715) 355-9200

List of Former Franchisees and Franchisees Who Have Not Communicated With Us Within 10 Weeks of Issuance Date

None.

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

EXHIBIT E

State Addenda to Disclosure Document

ADDENDUM TO THE GREEN MILL®
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MINNESOTA

The Minnesota Addendum is only applicable if you are a resident of Minnesota or if your business will be located in Minnesota.

The State Cover Page of the Disclosure Document and Item 17 of the Disclosure Document are modified by the addition of the following:

“Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the Disclosure Document shall abrogate or reduce any of your rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.”

“These franchises have been registered under the Minnesota Franchise Act. Registration does not constitute approval, recommendation, or endorsement by the Commissioner of Commerce of Minnesota or a finding by the Commissioner that the information provided herein is true, complete and not misleading.”

“The Minnesota Franchise Act makes it unlawful to offer or sell any franchise in this state which is subject to registration without first providing to the franchisee, at least 7 days prior to the execution by the prospective franchisee of any binding franchise or other agreement, or at least 7 days prior to the payment of any consideration, by the franchisee, whichever occurs first, a copy of this Disclosure Document, together with a copy of all proposed agreements relating to the franchise. This Disclosure Document contains a summary only of certain material provisions of the franchise agreement. The contract or agreement should be referred to for an understanding of all rights and obligations of both the franchisor and the franchisee.”

Item 13 of the Disclosure Document, under the heading “Trademarks” shall be supplemented by the addition of the following paragraph:

“The Minnesota Department of Commerce requires that a franchisor indemnify Minnesota Franchisees against liability to third parties resulting from claims by third parties that the franchisee’s use of the franchisor’s trademark infringes upon the trademark rights of the third party. The franchisor does not indemnify against the consequences of a franchisee’s use of a franchisor’s trademark except in accordance with the requirements of the franchise agreement, and as the condition to an indemnification, the franchisee must provide notice to the franchisor of any such claim immediately and tender the defense of the claim to the franchisor. If the franchisor accepts tender of defense, the franchisor has the right to manage the defense of the claim, including the right to compromise,

settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.”

The last paragraph of Item 17 of the Disclosure Document shall be supplemented by the addition of the following language:

“Any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of the State of Minnesota or in the case of a partnership or corporation, organized or incorporated under the laws of the State of Minnesota, or purporting to bind a person acquiring any franchise to be operated in the State of Minnesota to waive compliance or which has the effect of waiving compliance with any provision of the Minnesota Franchise Law is void. Green Mill Restaurants, LLC will comply with Minn. Stat. Sec. 80C.14, subds. 3, 4 and 5, which requires, 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 nonrenewal of the Franchise Agreement.”

“Minnesota Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§80C.01 – 80C.22.”

ADDENDUM TO THE GREEN MILL®
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF WISCONSIN

The following information applies to franchises and franchisees subject to the Wisconsin Fair Dealership Law. The Item number corresponds to those in the main body:

ITEM 17

1. For all franchisees residing in the State of Wisconsin, we will provide you at least 90 days' prior written notice of termination, cancellation or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation or substantial change in competitive circumstances and will provide that you have 60 days in which to cure any claimed deficiency. If this deficiency is cured within 60 days, the notice will be void. If the reason for termination, cancellation or substantial change in competitive circumstances is nonpayment of sums due under the franchise, you will have 10 days to cure the deficiency.
2. For Wisconsin franchisees, Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of the Franchise Agreement or a related contract which is inconsistent with the Law.

EXHIBIT F

Table of Contents to Manuals

OPERATING MANUAL OUTLINE

- | | |
|--|-----------|
| 1. New Store Opening Checklist | 16 Pages |
| 2. Building Plan Review | 3 Pages |
| a. Existing restaurant plans | |
| b. Exterior elevations | |
| c. Patios | |
| d. Dining Rooms | |
| e. Bathrooms | |
| f. Kitchens | |
| g. Delivery area | |
| 3. Equipment Specifications | 108 Pages |
| 4. Pre-Construction | 11 Pages |
| a. Site search phase | |
| b. Final drawings | |
| c. Bid process | |
| d. Bid companies | |
| e. Obtain city approvals | |
| f. Conduct pre-construction contractor's meeting | |
| g. Review furniture, fixture and equipment bids | |
| h. Order FF&E | |
| i. Pre-construction contractor's meeting | |
| j. Pre-construction checklist | |
| k. Per lease construction charge backs | |
| 5. Construction | 55 Pages |
| a. Construction outline | |
| b. Change orders | |
| c. Equipment delivery schedule | |
| d. Finish schedule | |
| e. Signage | |
| f. Smallwares package | |
| g. Register system | |
| h. Audio/video/paging system | |
| i. KDS System | |
| j. Telephone system | |
| k. Credit Card system | |
| l. Beer/wine system | |
| m. Coca-Cola system | |
| n. Plant package | |
| o. Artwork/design | |
| p. Awnings | |
| q. Store opening outline | |

- 6. Green Mill Training Program 426 Pages
 - a. General Manager training program
 - b. Manager hiring needs
 - c. Manager program
 - d. Want Ads/logos
 - e. Staff Scheduling needs
 - f. Interviewing schedule
 - g. Interview question form
 - h. Reference checking form
 - i. Pre-opening meeting
 - j. Set-up diagrams

- 7. Product Specifications Lists 29 Pages

- 8. Approved Vendor Lists 2 Pages

- 9. Master Form File 151 Pages
 - 1. Acknowledgement of Handbook Receipt
 - 2. Action Planning Form
 - 3. Application for Employment
 - 4. Average Daily Dollars Spent by Department
 - 5. Average Sales per Guest
 - 6. Banquet Prep Form
 - 7. Bar Service Refusal Log
 - 8. BOG/Gift Card/Club Card Order Form
 - 9. Booth, Blinds, Table & Wall Cleaning Sheet
 - 10. Cash-Out Sheet
 - 11. Catering Packaging Cheat Sheet
 - 12. Confidentiality & Proprietary Information Agreement
 - 13. Cooler Temperature Log
 - 14. Cooling Temperature Log
 - 15. Core Liquor, Wine, & Beer List
 - 16. Customer Complaint Form
 - 17. Customer Injury Form
 - 18. Daily Kitchen Checklist
 - 19. Delivery Call Back Form
 - 20. Daily Routine Checklist
 - 21. Delivery Call Back Form
 - 22. Delivery Packaging Order Guide
 - 23. Dispatch Control Log
 - 24. Driver Evidence of Insurance Form
 - 25. Drink Garnish Cheat Sheet
 - 26. Driver Timing Sheet
 - 28. Employee Handbook
 - 29. Expeditor Shift Report
 - 30. Employee Sick Log
 - 31. Employment Reference Check

32. Expo Cheat Sheet
33. Expo Timing Sheet
34. First Report of Injury
35. Franchise Inspection Form-Quarterly
36. Franchise Remittance/Royalty Form
37. Future Take-Out/Delivery Form
38. Host Daily Log
39. House Account Application
40. 1-9 Form
41. Illness Reporting Action Plan
42. Incident Reporting Form
43. KM Daily Checklist
44. KM Weekly & Monthly Checklist
45. Kitchen Daily Checklist
46. Kitchen Inspection Form
47. KM Daily Log
48. Liquor Liability Verification Form
49. Liquor Order Requisition Form
50. Maintenance Log
51. Manager's Daily Checklist - AM
52. Manager's Daily Checklist - PM
53. Manager's Expectations - Wkly-Monthly
54. Manager's Daily Log
55. Manager's Meeting Form
56. Manager Review Form
57. Name Tag Order Form
58. New Hire Checklist
59. Over/Short Log
60. Payroll Change Form
61. Performance Appraisal
62. Performance Counseling
63. Pizza Sizes & Cooking Times
64. Pizza Slice Timing Log
65. Pizza Truck Application Form
66. Planned Interview Form
67. Priority Seating-Dinner
68. Priority Seating-Lunch
69. Projected Weekly Sales Form
70. Q-Time Sheet
71. Safe Count Sheet
72. Sanitation Critical Violation Checklist
73. Schedule-Bartender
75. Schedule-Driver
77. Schedule-Host/Bus
78. Schedule-Kitchen
79. Schedule-Manager

80. Schedule-Server
81. Server Evaluation
82. Shift Change Form
83. Sidework-Server Opening
84. Sidework-Server Closing
85. Sidework-Server Weekly Day
86. Sidework-Server Weekly Night
87. Sidework-Host Opening
88. Sidework-Host Closing
89. Sidework-Bar Opening
90. Sidework-Bar Closing
91. Sidework-Bar Weekly Day
92. Sidework-Bar Weekly Night
93. Sidework-Busser
94. US Foods Tracking Sheet
95. Table Tracking Sheet
96. Thirty Minute Cut System Sheet
97. Twenty Five Minute Table Tracking Form
98. Two Minute Delivery Survey
99. Table Visit Form
100. Till Count Sheet
101. Uniform Order Form
102. Vacation Request Form
103. W-4 Form
104. Wait List
105. Waste Sheet
106. Weekly Store Report
107. Who's Who Sheet

Green Mill Grand Opening Franchise Training Manual Table of Contents

Overview	Page
- Team Contact Information	7
- The Process	9
- Roles and Responsibilities	10
- Recommended Timeline/Checklist	11
- Sample Grand Opening Calendar	15
Partner Selection	
- Community Partner Qualifications/Responsibilities/Benefits	20
- Examples of Partners Selected for Past Green Mill Openings	22
- Agenda for Kick-off Meeting with Partner	23
- Partner Guidelines and Contract	24
Business Lunches	
- Business Blitz Lunch Scheduling Protocol	28
- Franchisee Process for Hosting Business Blitz Lunches	30
- Business Blitz Lunch Staffing	30
- Sample Flyer for Blitz Lunch	31
- Cruiser Lunch Scheduling Protocol	32
- Franchisee Process for Hosting Business Cruiser Lunches	34
- Cruiser Lunch Staffing	35
- Sample Flyer for Cruiser Lunch	36
- Cruiser Information That Goes to HR Contacts Prior to Scheduled Cruiser Lunches	37
- Meeting with HR Contacts at Each Business	39
- Sample Combined Cruiser/Blitz Lunch Calendar	40
- Sample Coupons for Lunches	54
- Sample Fax Form for Post-Event Feedback	55
Cruiser Events	
- Cruiser Application Form	58
- Cruiser Opening Checklist	60
- Cruiser Closing and Cleaning Checklist	62
- Cruiser Emergency Phone List	63
- Breakfast Pizza Event	64
- Green Mill Breakfast Pizza Recipe	65
- Local Sampling Events	66
- Sample Events Calendar	67

Mock Meals

- Mock Meal Event Protocol 71
- Mock Meal Event Procedures 72
- Sample Mock Meal Letter 73
- Sample Mock Meal Reservation Sheet 74
- Mock Meal Customer Survey 82

VIP Event

- VIP Event Protocol 87
- Creating the VIP Invitations/Guest List 89
- Timeline for Sending Out Information/Gatherings RSVPs 89
- VIP Dinner Procedures 90
- Examples of Prizes at VIP Event 91
- Sample VIP Invite 92
- VIP Reservation Procedures 94
- Sample VIP Registration Sheet 94
- VIP Dinner Buffet Menu 97
- Sample VIP Dinner Buffet Setup 98
- VIP Debrief Form 100

Ribbon Cutting

- Ribbon Cutting Event at Grand Opening 103
- Ribbon Cutting Checklist 103
- Example of a Good Ribbon Cutting Photo 104
- Sample Photo Release 105
- Sample Ribbon Cutting Program 106

Media Relations

- Pizza Delivery to Media 109
- Sample Grand Opening News Release 110
- Sample Restaurant Fact Sheet 112
- Sample Event Media Advisory 114
- Targeted Media List 116
- Suggested Key Messages for Interviews 117
- Media Relations Tips 118
- Sample Media Clips from Past Restaurant Openings 120

Advertising

- Sample Outline of Ad Council Advertising Support Program 131

Crisis Planning

- Green Mill Crisis Communications Planning 137
- Illness Reporting Action Plan 139

Forms Appendix

- Partner Kick-Off Meeting Agenda	142
- Partner Guidelines and Contract	143
- Cruiser Opening Checklist	145
- Cruiser Closing and Cleaning Checklist	147
- Cruiser Information for HR Contacts	148
- Mock Meal Reservation Sheet	150
- Mock Meal Customer Survey	158
- VIP Reservation Sheet	161
- Photo Release Form	164
- Suggested Key Messages for Interviews	165
- Media Relations Tips	166

EXHIBIT G
FORM OF GENERAL RELEASE AGREEMENT
(Subject to Change)

GENERAL RELEASE
(Form subject to change.)

For and in consideration of the Agreements and covenants described below, Green Mill Restaurants, LLC ("GMR") and _____ ("Franchisee") enter into this Release of Claims ("Agreement").

RECITALS

A. GMR and Franchisee entered into a GREEN MILL® Franchise Agreement dated _____, ____.

B. [NOTE: Describe the circumstances relating to the release.]

C. Subject to and as addressed with greater specificity in the terms and conditions set forth below, GMR and Franchisee now desire to settle any and all disputes that may exist between them relating to the Franchise Agreement.

AGREEMENTS

1. **Consideration.** [NOTE: Describe the consideration paid.]

2-3. [NOTE: Detail other terms and conditions of the release.]

4. **Release of Claims by Franchisee.** Except as may be prohibited by applicable law, and in consideration of the other terms and conditions of this Agreement, the receipt and sufficiency of which is hereby acknowledged, Franchisee, for itself, its heirs, successors and assigns, affiliates, directors, officers and shareholders, and any other party claiming an interest through them (collectively and individually referred to as the "Franchisee Parties") release and forever discharge GMR, its predecessors, successors, assigns, affiliates, directors, officers, shareholders, and employees (collectively and individually referred to as the "Franchisor Parties") of and from any and all claims, debts, liabilities, demands, obligations, costs, expenses, actions and causes of action, whether known or unknown, vested or contingent, which you may now or in the future own or hold, that in any way relate to the Franchise Agreement or the business relationship between the parties (collectively, "Claims"), for known or unknown damages or other losses including but not limited to, any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of the Franchise Agreement or any other related agreement between you and Franchisor or your affiliate and Franchisor.

The Franchisee Parties do not release the Franchisor Parties from any obligations arising by virtue of this Agreement and the Franchisor Parties' failure to comply with those obligations.

5. **Release of Claims by GMR.** Except as noted in this Section 5, and subject to your compliance with the terms and conditions of this Agreement, including

the payment of \$_____ to GMR, Franchisor Parties hereby release and forever discharge Franchisee Parties from any and all Claims, for known or unknown damages or other losses including but not limited to, any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of the Franchise Agreement or any other related agreement between you and Franchisor or your affiliate and Franchisor.

The Franchisor Parties do not release the Franchisee Parties from any obligations arising by virtue of this Agreement and the Franchisee Parties' failure to comply with those obligations. Further, the Franchisor Parties do not release the Franchisee Parties from any Claims related to Franchisee's (i) indemnification obligations under Section ____ of the Franchise Agreement, (ii) non-disclosure obligations under Section ____ of the Franchise Agreement, and (iii) post-termination non-compete obligations under Section __ of the Franchise Agreement, each of which remain in full force and effect and are incorporated by reference in this Agreement.

6. Acknowledgement. The releases of Claims set forth in Section 4 and Section 5 are intended by the Franchisor Parties and the Franchisee Parties (collectively, the "Parties") to be full and unconditional general releases, as that phrase is used and commonly interpreted, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of the one of the Parties against the other Party regardless of whether any unknown, unsuspected or unanticipated claim would materially affect settlement and compromise of any matter mentioned herein. In making this voluntary express waiver, the Parties acknowledge that claims or facts in addition to or different from those which are now known to exist with respect to the matters mentioned herein may later be discovered and that it is the Parties' respective intentions to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered claims or facts. This Release is and shall be and remain a full, complete and unconditional general release. The Parties further acknowledge and agree that no violation of this Agreement shall void the releases set forth in this Agreement.

7. Reservation of Claims Against Non-Settling Parties. GMR and Franchisee expressly reserve their right and claims against any non-settling persons, firms, corporations, or other entities for whatever portion or percentage their damages are found to be attributable to the wrongful conduct of said non-settling parties.

8. Entire Agreement. This Agreement constitutes the entire agreement between the parties relative to the subject matter contained herein, and all prior understandings, representations and agreements made by and between the parties relative to the contents contained in this Agreement are merged into this Agreement.

9. Voluntary Nature of Agreement. The parties acknowledge and agree that they have entered into this Agreement voluntarily and without any coercion. The parties further represent that they have had the opportunity to consult with an attorney

of their own choice, that they have read the terms of this Agreement, and that they fully understand and voluntarily accept the terms.

10. **Governing Law and Jurisdiction.** This Agreement will be construed and enforced in accordance with the law of the state of _____.

11. **Attorneys' Fees.** All rights and remedies under this Agreement shall be cumulative and none shall exclude any other right or remedy allowed by law. In the event of a breach of this Agreement that requires one of the parties to enforce the terms and conditions of this Agreement, the non-prevailing party shall pay the prevailing party's attorneys' fees and costs incurred by reason of the breach.

Dated: _____, 20__

GREEN MILL RESTAURANTS, LLC

By _____

Its _____

Dated: _____, 20__

FRANCHISEE: _____

By _____

Its _____

EXHIBIT H

Third Party Supplier Agreements



Legal Business Name: _____

Address: _____

Owner/Authorized Officer: _____

Title: _____

Date: _____

INGAGE INFINITY PROGRAM ("Infinity Service")

This AUTHORIZED AGREEMENT ("Agreement") is by and between the Company ("Company") (as set forth above) and ITmation Corporation doing business as INGAGE I.T. ("INGAGE I.T."), having a current mailing address of 6436 Penn Avenue South, Richfield, MN, 55423. As of the date set forth above this Agreement is fully signed by the parties hereto.

THESE TERMS AND CONDITIONS ("TERMS") ARE APPLICABLE TO ALL AGREEMENTS BETWEEN COMPANY AND INGAGE I.T., AND ITS AFFILIATES, AS LISTED BELOW AND WILL AFFECT COMPANY'S RIGHTS AND OBLIGATIONS.

In addition to the Terms, the Agreement between the Company and INGAGE I.T. includes quotes, bids, delivery/installation forms, service contracts, subscription agreements, software license agreements, software maintenance agreements, leases, loans, processing agreements, cash advance agreements, security agreements financing statements or other contracts that are either issued or signed by an authorized officer or agent of the Company and countersigned or otherwise accepted by Company (collectively the "Agreement"). However, the Agreement does not include any promotional, marketing, advertising, product and similar materials.

I. DEFINITION OF TERMS

1.1 As used herein, the following terms shall be defined as follows:

- (a) "Patron(s)" shall mean the customer of Company, or anyone receiving goods and services from Company.
- (b) "Merchant(s)" shall mean the Company. In the case of multiple locations, each location shall be identified as one merchant.
- (c) "Internet Service Provider" ("ISP") shall mean the 3rd party providing internet services to Company or Company Location(s).
- (d) "Point Of Sale" or ("POS") shall mean the software and hardware products that comprise the system, including any 3rd party software or hardware.
- (e) "Merchant Services", "Credit Card Processing", or "Processing" shall mean the software, hardware, systems, network, and process of Company transacting with a Patron who uses a credit, debit, or other payment card to purchase goods and services.
- (f) "Gift Card Processing" ("Gift Processing") shall mean the software, hardware, systems, network, and process of Company transacting with a

- Patron who uses a Company-issued gift card as payment for purchase goods and services.
- (g)** "Managed Service Provider" ("MSP") shall mean INGAGE I.T. and/or a 3rd Party, who provides network management hardware, software, and support to Company.
 - (h)** "Service Level Agreement" ("SLA") shall mean the terms and conditions for support services provided by INGAGE I.T. for its products and services. These terms may be revised from time-to-time by INGAGE I.T., with or without notice to Company.
 - (i)** "Online Ordering" shall mean the hardware, software, and process of providing e-commerce solutions to Company for the purposes of accepting sales orders online, whether connected or not connected to Company POS.
 - (j)** "Kitchen Display System" ("KDS") shall mean the hardware and software used for kitchen automation and digital display of kitchen order tickets.
 - (k)** "Wi-Fi" shall mean the hardware and software that provides wireless connectivity, either public or private, between Company's internet connection and to Company personnel or Patrons. It does not include any product or service from ISP.
 - (l)** "Loyalty" shall mean the hardware, software, and process of providing a loyalty program, points program, rewards program or other services in which patrons accrue and receive benefits from Company, based on their participation with Company and Company locations.
 - (m)** "Third-Party" ("3rd Party") shall mean any person, organization, product, service, or otherwise that is NOT expressly identified, in writing, to be provided by INGAGE I.T., whether or not such product is integrated or connected to INGAGE I.T.'s products or services.
 - (n)** "Cash Discount" shall mean the process of applying a discount to a transaction when the payment method is cash, check (if Company accepts it), and/or Company gift card.
 - (o)** "Services Fee" shall mean the process of applying a flat percentage fee to all transactions, regardless of payment method.
 - (p)** "We", "us" and "our" shall mean INGAGE I.T.
 - (q)** "Company" shall mean Company as listed above.
 - (r)** "Hosted Service" shall mean any service provided by INGAGE I.T. or a third-party in which a user of the Company or patron of the Company may access a web-based service or online website for the purposes of interacting or transacting with Company or INGAGE I.T. or one of INGAGE I.T.'s third party providers.

1.2 Other terms are defined throughout this Agreement where applicable.

II. EXCLUSIVITY OF SERVICES

2.1 Under the Infinity Service Program, the Company engages INGAGE I.T. to be its exclusive technology provider for POS, Merchant Services, and Gift Processing.

(a) Unless expressly permitted, in writing by INGAGE I.T., Company agrees to engage INGAGE I.T. to be its exclusive provider for MSP, Online Ordering, Wi-Fi, KDS, Loyalty and all other connected services related to or in conjunction with the aforementioned. At its sole discretion, INGAGE I.T. may allow exceptions to this exclusivity, but in no circumstance may



Company use a 3rd party for POS, Merchant Services, or Gift Processing during the term of this agreement. Any exceptions must be requested by Company, in writing, and approved, in writing, by INGAGE I.T. which approval shall not be commercially unreasonably withheld. For clarity, exceptions may include, in INGAGE I.T.'s sole discretion, certain 3rd party integrations such as scheduling, accounting (i.e. Restaurant365), payroll, or other services that communicate or connect to elements of the Infinity Service, but are not offered by or supported by INGAGE I.T. and that are not services excluded herein.

POS, Merchant Services, Gift Processing, MSP, Online Ordering, Wi-Fi, KDS, Loyalty, and all other connected products and services related to or in conjunction with the aforementioned whether jointly, or separately, offered to Company by INGAGE I.T., shall be known as the INGAGE Infinity Service ("Infinity Service").

(b) INGAGE I.T. shall, in its sole and absolute discretion and as further provided herein, determine which, if any, of the services are included in Company's Infinity Service and may at any time with at least 90 days prior written notice change which services Company is qualified to receive as set forth in Addendum A attached hereto and incorporated herewith. INGAGE I.T. will not change any of the existing Company's Infinity Services unless such change is caused by circumstances outside of INGAGE I.T.'s control, including, but not limited to a third party's breach of their agreement with INGAGE I.T. or a change in the type, pricing or service provided by an INGAGE I.T. third-party provider. Services that Company does not qualify for, as outlined in Addendum A, shall be made available for purchase, rental, lease, or subscription at then current rates. INGAGE I.T. shall be the sole provider of hardware and software at Company as described in Addendum A. Under the Infinity Service, the Company agrees to pay INGAGE I.T. the fees as set forth in Addendum A for the Term (as defined in Addendum A). The term of this Agreement shall commence on the date as set forth in Addendum A.

III. INFINITY SERVICE PROGRAM PLAN AND REQUIREMENTS:

3.1 By engaging in the Infinity Service, the Company agrees to implement a 'cash discount' method for its Company purchases. For the 'cash discount' method, all Company transactions require: (i) the inclusion of a purchase price adjustment, including if such inclusion requires prices to be higher inside of the POS or similar systems, on all purchases equal to a percent (not to exceed Four Percent (4%)) on all transactions (such percentage shall be as set forth on Addendum A); (ii) signage (that is available from INGAGE I.T.) that shall be posted at each point of entry, each point of sale, guest receipt, invoice, print menu, online menu, and such other location(s) as required by INGAGE I.T., (iii) verbal notification to all Patrons that the 'cash discount' is available to them, (iv) utilizing a cash discount on all purchases paid for in cash, by check, or by Company-issued gift card; (v) the use of the Company's hardware and software related to the Infinity Service; and (vi) training of all Company employees, contractors and agents that use the Infinity Service.

3.2 Company hereby acknowledges and agrees that non-adherence to the requirements of Section 3.1, including but not limited to: pricing surcharging, credit card fees, additional fees, service charges, or similar charges and/or fees which are added to the transaction after the sale and are not available to be removed, deleted, or discounted, may cause Company to be in violation of federal, state, or local laws and/or may cause Company to be in breach of their existing Card Brand compliance rules and regulations. Company is solely



responsible for Company's compliance with all federal, state, and local laws and Card Brand rules and regulations. If Company fails to meet the requirements set forth by INGAGE I.T., including requirements that may be set forth by INGAGE I.T. in the future, or if Company makes changes, alterations, or additions of any kind Company shall forfeit any and all rights it may have to indemnification from or protection by INGAGE I.T. COMPANY HEREBY REPRESENTS AND WARRANTS TO INGAGE I.T. THAT IT UNDERSTANDS AND AGREES TO BE BOUND BY SECTION 3.1. AT ITS EXPENSE, COMPANY HEREBY AGREES TO INDEMNIFY AND HOLD HARMLESS INGAGE I.T., ITS AFFILIATES AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, AND DEFEND ANY ACTION BROUGHT AGAINST INGAGE I.T. OR ANY SUCH INDEMNIFIED PARTY, WITH RESPECT TO ANY CLAIM, DEMAND, CAUSE OF ACTION, DAMAGE OR EXPENSE BASED ON COMPANY'S BREACH (ACTUAL OR ALLEGED) OF THE FOREGOING SECTION 3.1 AND SECTION 3.2.

Initial for Acceptance of Section 3.1 and Section 3.2.

Initials: _____

AT ITS EXPENSE, INGAGE I.T. HEREBY AGREES TO INDEMNIFY AND HOLD HARMLESS THE COMPANY, ITS AFFILIATES AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, AND DEFEND ANY ACTION BROUGHT AGAINST THE COMPANY OR ANY SUCH INDEMNIFIED PARTY, WITH RESPECT TO ANY CLAIM, DEMAND, CAUSE OF ACTION, DAMAGE OR EXPENSE BASED ON INGAGE I.T.'s BREACH (ACTUAL OR ALLEGED) OF THE FOREGOING SECTION 3.1 AND SECTION 3.2.

3.3 INGAGE I.T. shall, in its sole discretion, during the term or any subsequent renewal terms of this Agreement determine if Company is qualified to receive the Infinity Service as provided in Addendum A based on Company's processing revenue. Company shall pay the Infinity Service Rate as outlined in Addendum A. The Company will owe to INGAGE I.T. a minimum of \$3,400.00 per month. If the total of the Company's fees for any calendar month for the Infinity Service are less than \$3,400.00 in any calendar month during the term or any subsequent renewal terms, then Company shall pay the difference between the amount actually paid and \$3,400.00. (For example, if Company's processing revenue is \$100,000.00 and Company's Infinity Service Rate is 3.99%, then Company will have paid \$3,990.00 and therefore will meet its minimum payment requirement. If Company's processing revenue is \$50,000.00 and Company's Infinity Service Rate is 3.99%, then Company will have paid \$1,995.00 and will not have met its minimum payment requirement and will therefore owe INGAGE I.T. in the amount of \$3,400.00 minus \$1,995.00, equaling \$1,405.00.) Any amount owed as set forth in this Section 3.3 will be payable within 10 days of INGAGE I.T.'s written notice to the Company and be subject to Section 18 of the Agreement. If Company does not meet the monthly minimum stated above Company will be in breach of this Agreement and INGAGE I.T.:

- (a) reserves the right to terminate this Agreement with not less than 90 days' notice as provided in Addendum A. Company will be required to pay its monthly minimum requirement during this 90-day period or until such time

as Company has fulfilled its payment obligations under this Agreement in full, whichever is sooner.

- (b) may, in its sole discretion, continue its service to Company despite Company's failure to meet its requirement. In this instance, INGAGE I.T. may alter or amend its offerings as provided in Addendum A and notify Company, with not less than 90 days' notice, of its intention to alter the Addendum A. Company may accept or deny the changes to Addendum A not more than 30 days from date of notice and Company's continued use of Infinity Service or any part thereof will be automatic acceptance of the new terms of the Addendum A. Company acknowledges that without the limitation of qualification contained in this Agreement it would not be feasible for INGAGE I.T. to offer the Infinity Services or the Third Party Devices at the rates offered by INGAGE I.T., that such limitations are fundamental elements of the basis of the bargain between Company and INGAGE I.T. pursuant to which the Infinity Services and Third Party Devices are offered, and that the Infinity Services and Third Party Devices would not be made available to Company if Company did not agree to such limitations.
- (c) may, in its sole and absolute discretion, opt to postpone the minimum requirement to be repaid at a later agreed upon date or lower the minimum for the month and continue to provide the Infinite Services. Any such adjustments in this section will not apply to future or past months of the term or renewal term and will only be effective for the dates as outlined, in writing, by INGAGE I.T.
- (d) may, in its sole and absolute discretion, offer to Company the option to continue using certain elements of the Infinity Service at then-current rates, until such time as Company is able to meet its minimum requirement and be requalified for additional Infinity Service elements.
- (e) may, in its sole and absolute discretion, offer to Company the option to extend the term of this Agreement in proportion to the value of decrease that is attributable to Company's failure to meet its minimum requirement in order to satisfy the cumulative total of all unaccrued minimum commitments. The maximum term extension shall not exceed 24 months.

In the event of a breach by Company, INGAGE I.T. shall not offer any of the options listed above if Company's failure to meet its minimum requirements results from a decision by Company, including but not limited to: (a) Company's reduction of its overall use of INGAGE I.T. services; (b) Company's alteration of its Point-of-Sale or Payment processing architecture; or (c) Company's transfer of portions of its revenue or projected growth to providers other than INGAGE I.T. and its Third Parties.

In the event of a breach by Company, any action by INGAGE I.T. to continue service under this section shall not constitute a waiver of any charges incurred by Company prior to the time the parties mutually agree to amend or replace this Agreement. If, after negotiating in good faith, the parties do not mutually agree to proposed adjustments by INGAGE I.T., all terms and conditions of this Agreement shall remain in full force and effect.

IV. PROPERTY

4.1 Under the Infinity Service, INGAGE I.T. agrees to supply all of the required hardware and software to operate the Infinity Service Program at Company as described in Addendum A. A list of the hardware and software utilized in the Company's system is as set forth in Addendum A (which may be amended from time to time by INGAGE I.T. for new or replacement hardware and software (the "Property")). The Property will be provided at no cost to Company except for the percentage of Credit & Debit volume as set forth on Addendum A. This percentage is the only fee or charge Company is required to pay hereunder so long as Company is in compliance with the terms of this Agreement. The prices listed on Addendum A for the Property reflect the current value at time of installation and are not owed by Company, rather they are listed at retail value for the purpose of proper depreciation and calculation of early termination fees.

4.2 Title to the Property as specifically provided in Addendum A shall remain with INGAGE I.T. during the Term of this Agreement and subject to return by the Company to INGAGE I.T. upon the termination of this Agreement. A depreciation schedule will be provided, in writing, to Company at the inception of any and all hardware installations by INGAGE I.T. at Company. Any hardware property that is fully depreciated at the end of the Term of this Agreement and at Company shall be transferred to Company without any further action of the parties hereto effective as of the end of the Term. All software Property elements of the Infinity Service Program (including programming) that are provided to Company by INGAGE I.T. belong exclusively to INGAGE I.T. INGAGE I.T. hereby grants to Company a limited, nonexclusive, nontransferable, and revocable license for Company to use for so long as Company pay all sums due and owing to INGAGE I.T., and for so long as Company is not otherwise in breach or default under the Agreement, or under any other agreement between Company and an affiliate of INGAGE I.T. or Company and any third-party software developer whose software is included as a part of the Infinity Service Program. INGAGE I.T. shall in its sole discretion have the right to edit, alter, amend, or revoke its allowance of Company to use Infinity Service Program software elements and such allowance only entitles Company to use the software and hardware in the Location identified in the Agreement for purposes of operating Company under the DBA listed above, and as contemplated by the Agreement, and subject to the terms of the Agreement and any other agreements or licenses applicable to the Infinity Service Program.

4.3 INGAGE I.T. shall have a right of entry at such reasonable times and in accordance with applicable law to recover the Property if the Property is not returned by the Company to INGAGE I.T. at the end of the Term except as otherwise provided herein and in Section 4.2.

4.4 Company will not, directly or indirectly: modify, reverse engineer, reverse assemble or reverse compile, the Infinity Service or any part thereof, nor may Company allow others to do so.

(a) Company may not share or disclose any of the Infinity Service with any third parties (including other vendors and service providers), nor may Company allow such third parties to gain access to or to make use of the Infinity Service or any part thereof, without first obtaining INGAGE I.T.'s express written permission.



(b) Company will not attempt to discover the source code, object code or underlying structure, ideas, know-how or algorithms relevant to the Infinity Service or any hardware, software, documentation or data related to the Infinity Service provided by INGAGE I.T.

(c) Company will not attempt to modify, translate, or create derivative works based on the Infinity Service (except to the extent permitted by INGAGE I.T. in writing), use the Infinity Service for timesharing or service bureau purposes or otherwise for the benefit of a third party; or remove any proprietary notices or labels.

(d) With respect to any software that is distributed or provided to Company for use on Company premises or devices, INGAGE I.T. hereby grants Company a nonexclusive, non-transferable, non-sublicensable license to use such software during the Term only in connection with the Infinity Service.

(e) Company may not remove or export from the United States or allow the export or re-export of the Infinity Service or any part thereof, hardware, software or anything related thereto, or any direct product thereof in violation of any restrictions, laws or regulations of the United States Department of Commerce, the United States Department of Treasury Office of Foreign Assets Control, or any other United States or foreign agency or authority. As defined in DFAR section 2.101, the Software and documentation are "commercial items" and according to DFAR section 252.2277014(a)(1) and (5) are deemed to be "commercial computer software" and "commercial computer software documentation." Consistent with DFAR section 227.7202 and FAR section 12.212, any use modification, reproduction, release, performance, display, or disclosure of such commercial software or commercial software documentation by the U.S. Government will be governed solely by the terms of this Agreement and will be prohibited except to the extent expressly permitted by the terms of this Agreement.

Should Company engage in any of these prohibited actions, INGAGE I.T. shall be entitled, in addition to all other remedies available to it, to: (i) disable or remove, in whole or in part, the Infinity Service; (ii) all revenue received by Company as a result of such use of the Infinity Service; and (iii) an amount equal to all revenue received by any third party as a result of their access to or use of any part of the Infinity Service.

4.5 Subject to the terms in this Section, INGAGE I.T. will provide Hosted Services, either directly or through a third party, to Authorized Users. Company shall make no representations or warranties regarding the Hosted Services or the Software or any other matter, to Authorized Users or any other third party, from or on behalf of INGAGE I.T., and Company shall not create or purport to create any obligations or liabilities for INGAGE I.T. As part of the registration process, Company will identify an administrative username and password for Company's account(s). INGAGE I.T. may reject any proposed Authorized User for any reason that does not violate applicable law, in its sole discretion. INGAGE I.T. reserves the right to refuse registration of, or cancel, passwords and/or usernames it deems inappropriate. Company shall be responsible for the security of passwords, access codes, technical specifications, connectivity standards or protocols, or other relevant procedures required for Authorized Users to access the Hosted Services. Company shall be liable to INGAGE I.T. for Authorized User's compliance with these Terms. INGAGE I.T. shall have no obligation to provide support or other Hosted Services, SLA remedies, or other remedies to Authorized Users.



4.6 INGAGE I.T. shall complete a site evaluation to determine the lay out of the hardware and the power requirements/protections of Company prior to the installation of the Property which shall be provided to Company in writing and attached to the Agreement as Exhibit A upon completion (the "Site Evaluation"). Company shall ensure all Property is properly and adequately protected from damage due to environmental conditions, electrical surges, mishandling, vandalism, and other causes in accordance with the Site Evaluation. Company will notify INGAGE I.T. within 48 hours of any damage or suspected damage. Company agrees to pay full retail price for the replacement of any damaged equipment, at then current prices.

V. DELIVERY AND INSTALLATION.

5.1 INGAGE I.T. shall bear the cost of transportation of the Property to the Company's Location. INGAGE I.T.'s personnel will work with assigned Company personnel to install the Property. During the period the Property is in transit or in possession of INGAGE I.T. up to and including the date of delivery to Company, INGAGE I.T. and its insurers, if any, relieve Company of and assume responsibility for all risk of loss or damage to the Property.

5.2 Company shall remain solely responsible for determining, installing, inspecting and supplying all necessary electrical service and all ancillary equipment for all hardware, and for providing environmental and operating conditions that are suitable for all hardware, and INGAGE I.T. shall have no obligation or responsibility with respect to such matters, including inspecting or certifying any aspect of the electrical service or any ancillary equipment except as otherwise provided herein.

5.3 A delivery and installation date for the Infinity Service must and shall be agreed upon by Company and INGAGE I.T. INGAGE I.T. shall endeavor to deliver the Infinity Service on or before the scheduled delivery and installation date, but shall not be liable for any delay, or any damages caused by any delay, in the delivery and installation of the Infinity Service that are not caused solely and directly by INGAGE I.T. If a delivery or installation delay is caused solely by INGAGE I.T., then Company may (and Company's sole and exclusive remedy shall be to) reschedule the delivery and installation date. If Company requests emergency, urgent or expedited delivery and installation of the Infinity Service, and INGAGE I.T. complies, additional charges may be imposed by INGAGE I.T., plus reimbursement of all travel, shipping and other costs and expenses incurred by INGAGE I.T. in satisfying Company's request.

5.4 Company affirms and agrees that the Company has been advised of and understands the importance of ensuring that each of the following conditions are satisfied, and that Company, not INGAGE I.T., is and shall forever be solely responsible for ensuring that each of the following conditions are satisfied before the agreed upon delivery and installation date:

(a) that the installation location has all necessary cabling, data lines, connections, utility (electrical, internet and telephone) services, tables, counters, shelving, brackets, wall mounts, fixtures suitable for placement of and sufficient to meet the needs of the hardware subject to the Site Evaluation;

(b) that all necessary permits, fees, inspections, and the like have been secured for delivery and installation of the hardware at the installation location;

(c) that Company has secured sufficient insurance to cover both Company and INGAGE I.T. against claims by employees and others that are related, in whole or in part, to delivery and installation of the Infinity Service;

(d) that appropriate measures have been put in place to secure and prevent unauthorized access to both the Infinity Service to be delivered and installed, and all data that will pass through, or be generated or stored by, such Infinity Service;

(e) that appropriate measures have been put in place to properly and securely back up and archive data from the Infinity Service on a periodic basis;

(f) that all Infinity Service hardware is properly and adequately protected from damage due to environmental conditions, electrical surges, mishandling, vandalism, and other causes in accordance with the Site Evaluation; and

(g) INGAGE I.T. receives such information and data as it deems necessary to enable it to program, integrate, deliver and install the Infinity Service, to train Company and Company staff, and otherwise comply with its obligations under the Agreement.

5.5 Power Issues: When using sensitive electronic equipment such as computers, the Company needs to be aware of the consequences of operating other electronic devices and appliances within the same electrical circuit, including, but not limited to, microwave ovens, refrigerators, copiers, and shrink-wrap machines. These electrical devices and appliances may cause loss of data and in some cases, physical failure of Infinity System hardware. INGAGE I.T. assumes no responsibility for any such loss arising from any such problem. Therefore, INGAGE I.T. requires:

(a) A dedicated circuit for each network operating center, installed by a licensed electrician of Company's choice prior to the INGAGE I.T. installation date in accordance with the Site Evaluation; and

(b) A power surge protector for every hardware component to control voltage irregularities. INGAGE I.T. will supply the surge protector.

Company shall be solely responsible for ensuring and monitoring all surge protectors are operating properly in accordance with the Site Evaluation and, in the case of a malfunction or failure, immediately notify INGAGE I.T., Furthermore, Company shall immediately, and properly, power off all Infinity Service hardware connected to any malfunctioning or failed device(s), until such time as INGAGE I.T. or Company is able to replace the surge protector.

If a problem does occur because of a power issue, INGAGE I.T. will aid at its sole discretion to troubleshoot hardware malfunctions resulting from power irregularities. Additional charges will result for replacement equipment and services, at Company's expense.

5.6 If any Infinity Service hardware is shipped to the installation location via a commercial shipper, all costs of such shipping, and all risk of loss, shortage or damage to the hardware once the hardware is placed into the hands of the shipper, shall be borne by INGAGE I.T. Upon delivery of the Infinity Service hardware Company is deemed to have inspected and accepted them to be in good working order, and to have waived any claim for loss, shortage or damage concerning the Infinity Service, unless Company delivers written notice to the contrary within 2 days after delivery of the Infinity Service Property, specifying the hardware at issue.



VI. TRAINING.

6.1 At no cost to Company, and concurrent with the commencement of the Term, INGAGE I.T. will provide training sufficient for selected Company personnel to operate the Infinity Service during the Term. Training times and dates are subject to INGAGE I.T. personnel availability. INGAGE I.T. does warrant or guarantee that, after such period of training, the trainees shall be certified or able to use or operate the Infinity Service. At Company's request, INGAGE I.T. may provide additional training beyond the number of hours stated in the Agreement; with such training provided, and to be paid for by Company, at INGAGE I.T.'s then-prevailing rates for training.

VII. RULES FOR USE OF THE SERVICE

7.1 As long as Company complies with the terms of this Agreement, INGAGE I.T. will provide Company the Infinity Service. Company may not use the Infinity Service for anyone other than Company except as otherwise provided in Addendum A. Depending on the type of Infinity Service Company is provided, Company may need to agree to additional terms and conditions and complete and sign additional forms or authorizations that INGAGE I.T. provides to Company as required by law or is otherwise necessary to provide the Infinity Service.

7.2 Prior to Company's initial activation date, Company must submit the completed and executed documents INGAGE I.T. requires for providing the Infinity Service. In participating in the Infinity Service, Company acknowledges and agrees that INGAGE I.T. is not acting in a fiduciary capacity for Company or Company's business and using the Infinity Service does not relieve Company of Company's obligations under federal or state laws or regulations including, but not limited to, PCI compliance, and merchant agreements.

7.3 In performing its obligations hereunder, Company shall comply with all applicable federal, state, municipal, and local laws, rules, regulations, orders, decisions and permits. Any violation by Company, its agents, employees, representatives or subcontractors of any of the foregoing shall be deemed a breach of Company's obligations hereunder.

VIII. INTELLECTUAL PROPERTY.

8.1 INGAGE I.T. owns all worldwide right, title and interest in and to the Infinity Service and the website, associated content, applications, hardware, and software platform that INGAGE I.T. uses to provide the Infinity Service. This Agreement does not convey any proprietary interest in or to any INGAGE I.T. Intellectual Property or rights of entitlement to the use thereof except as expressly set forth herein. Company acknowledges and agrees that the fees paid pursuant to this Agreement apply only to the use of the Infinity Service by the Company. Any feedback, comments and suggestions Company or Company's patrons may provide for improvements ("Feedback") to the Infinity Service is given entirely voluntary and INGAGE I.T. will be free to use, disclose, reproduce, license or otherwise distribute, and exploit such Feedback as it sees fit, entirely without obligation or restriction of any kind.

8.2 By using the Infinity Service from INGAGE I.T., Company grants to INGAGE I.T. a non-exclusive, royalty-free license to use Company name, logo, menu and other relevant copyrighted or trademarked material required in order to receive the Infinity Service. INGAGE I.T. may use certain trademarks and copyrighted material of Company on the Infinity Service sites and on INGAGE I.T. applications, websites, advertisements, and printed materials.



Company consents to all such usage by INGAGE I.T. Company retains all rights in and to its trademarks and copyrights.

IX. TRANSMISSION, STORAGE, AND ACCESS OF DATA.

9.1 INGAGE I.T. reserves the right to gather and store data regarding Company-Submitted Patrons and Company's Patrons who sign up for INGAGE I.T.'s Services, interact with Company's Loyalty Program, whether through the INGAGE I.T. Website, App, Facebook, third party applications, or other Infinity Service sites, or respond to Company's notes or deal offers (all of the foregoing, collectively, "Company's Patrons"). Such data may include the Company's Patrons' use of Company's Loyalty Program and responses to deal offers, including (i) the personal information submitted by Company or Company's Patrons (e.g., first and/or last names, telephone number, email address, zip code, birthdate, credit card and other financial information or other information ("Patron Personal Information")); optional information such as first and/or last names, gender and other information and (ii) such patron's responses to notes and deal offers (whether from Company or another client of INGAGE I.T.), enrollment in Loyalty Programs (of Company and/or other INGAGE I.T. clients) and accrued points, purchases from Company and other INGAGE I.T. clients, and other habits of such patrons. Company acknowledges that all such patron data is owned exclusively by Company. INGAGE I.T. may use any or all of such information to provide the services hereunder including, but not limited to use by Merchant(s), and Third-Party processors and other third-party providers to generate reports and analyses based on such data, including pattern recognition and benchmarking against data from other clients of INGAGE I.T. and their patrons and other information available from third parties. Information about Company's Patrons may also be used by INGAGE I.T. for contacting, including marketing to Company's Patrons. If INGAGE I.T. uses information about individuals that is gleaned solely from one or more other client's participation in INGAGE I.T.'s services and from publicly available sources (including commercially available mailing lists), such individuals shall not be considered Company's Patrons for purposes of the preceding sentence, whether or not they are also customers of the Company. Except as otherwise provided herein, INGAGE I.T. shall not use the Company data for any other purpose.

9.2 Company acknowledges that the Infinity Service may, when used by Company, transmit, contain or store information or data belonging to Company, Company's patrons, INGAGE I.T., or third parties that is confidential, proprietary, private or otherwise worthy of protection, and that third parties may attempt to obtain. Company further acknowledges and agrees that INGAGE I.T. is not responsible for, and that Company is solely responsible for ensuring that such information and data is properly and effectively protected and secured. In this regard, Company specifically acknowledges and agrees that:

- (a) Company is solely responsible for properly and securely backing up, archiving and storing information and data from all systems under commercially reasonable standards;
- (b) some or all systems may be designed to be capable of being accessed remotely by telephone, internet and other means, and Company is solely responsible for implementing, maintaining and monitoring security



protocols, methods and systems to prevent, detect and remedy unauthorized attempts to access the system(s);

- (c) Company is solely responsible for using the Infinity Service in compliance with the Payment Card Industry Data Security Standards ("PCI-DSS") and Payment Application Data Security Standards ("PA-DSS");
- (d) Company has, and will have, the right to submit to INGAGE I.T. all information relating to Company-Submitted Patrons it sends to INGAGE I.T., to include such patrons in the Infinity Service, and that providing such information to INGAGE I.T. does not violate any obligation Company has to such patrons, Company's privacy policy or any applicable law or regulation;
- (e) Company is solely responsible for the accuracy of the information Company provides INGAGE I.T. relating to Company-Submitted Patrons and for updating such information as may be necessary to keep it current. Company will not rely on the information it transmits to INGAGE I.T. as an archive or backup and will be responsible for retaining copies of all information Company sends INGAGE I.T. on a commercially reasonable basis for which Company may have a need or wish to use. INGAGE I.T. will, upon request by Company, endeavor to return information relating to Company-Submitted Patrons previously submitted by Company, but INGAGE I.T. makes no representation or warranty about its ability to do so or the accuracy or completeness of any such information returned to Company. Company understands that INGAGE I.T. may merge information relating to Company-Submitted Patrons (including but not limited to such information provided to INGAGE I.T. by Company) with other information maintained by INGAGE I.T., and that INGAGE I.T. may use all such information according to section 9.1.

9.3 Except as otherwise expressly provided for herein, all obligations and duties that by their nature extend beyond the expiration or termination of this Agreement (e.g., warranty and indemnification obligations) shall survive the expiration or termination of this Agreement.

X. INSURANCE.

10.1 In addition to the insurance required under section 5.3 (c), Company agrees to maintain in force during the Term, and thereafter as provided below, at least the following insurance coverage with a company or companies having A.M. Best ratings of not less than A - IX:

- (a) Commercial general liability, including coverage for the Infinity Services, Property, products liability and contractual obligations; and
- (b) Crime and Fidelity Insurance that protects Company against the theft or otherwise wrongful conversion of Company's or INGAGE I.T.'s property, the property or assets of customers or patrons.



The limits on each of the above coverages shall be \$500,000 per occurrence plus \$100,000 excess or umbrella liability coverage.

INGAGE I.T. recommends that the Company maintain Cyber and Privacy Insurance covering business interruption, data loss/destruction, computer fraud, funds transfer loss, cyber extortion and data breaches, including notification costs, credit monitoring, costs to defend claims by state regulators, fines and penalties, and loss resulting from identity theft.

Upon written request by INGAGE I.T., the Company shall allow INGAGE I.T. to annually review the Company's insurance coverage (no more than one review in any 12-month period) and cause its insurers to furnish certificates of insurance on standard ACORD forms to INGAGE I.T. evidencing that the above insurance is in effect and otherwise complies with the requirements of this Insurance Section.

The Company shall require its insurance carriers to give INGAGE I.T. thirty (30) days written notice of any material change or alteration in the coverage specified above or cancellation of any policy of insurance required hereunder. The carrying by the Company of the insurance required herein shall in no way be interpreted as relieving the Company of any other obligations it may have under the Agreement.

XI. INTERNET SERVICE PROVIDER

11.1 Company agrees to provide a dedicated internet access from a certified Internet Service Provider. Company agrees that it will purchase and use a commercial internet service, and that anything less than that, may cause slowness or failure of their internet connected devices. Company shall indemnify, protect, defend, save, and hold INGAGE I.T., and its subsidiaries, affiliates, shareholders, officers, directors, employees, representatives, assigns, and agents harmless from and against any and all costs, claims, suits, losses, damages, liabilities, and expenses (including all attorneys' fees and costs) arising out of or resulting from issues arising out of errors in connectivity to the internet.

If Company elects to have the Cellular Failover service as a part of their Infinity Service, Company acknowledges that this service will be provided by a third-party, and that the service quality, performance, and capabilities is provided from that third-party. Company shall indemnify, protect, defend, save, and hold INGAGE I.T., and its subsidiaries, affiliates, shareholders, officers, directors, employees, representatives, assigns, and agents harmless from and against any and all costs, claims, suits, losses, damages, liabilities, and expenses (including all attorneys' fees and costs) arising out of or resulting from issues arising out of errors in connectivity to the internet from the cellular device or service.

XII. PUBLICITY.

12.1 Company shall not use INGAGE I.T.'s name or refer to them directly or indirectly in any papers, articles, advertisements, sales presentations or press releases without prior written approval of INGAGE I.T. Company shall not release the results of any performance or



functional evaluation of the Infinity Service to any third-party without the prior written approval of INGAGE I.T. for each such release. Except as provided herein, INGAGE I.T. shall not use Company's name, or refer to them directly or indirectly in any papers, articles, advertisements, sales presentations or press releases without the prior written approval of the Company.

XIII. WARRANTIES AND LIMITATION OF LIABILITY.

13.1 If any Property supplied by the Company causes any type of malfunction or any hardware or software damage to the Infinity Service or to any Property supplied by INGAGE I.T. neither INGAGE I.T. nor the manufacturer is under any obligation to warranty, replace or service free of charge any part of the damaged Property or system operations affected. Both warranty and non-warranty Property service at other times shall be charged at rates in effect at the time service is provided. Some items may contain warranties directly from manufacturer/developer, but such warranties shall not in any way bind INGAGE I.T. or require any action on the part of INGAGE I.T.

13.2 Company is responsible for all loss, destruction or damage to the Property, from any cause at all, whether or not insured, from the time the Property is delivered to Company's Location, except to the extent such loss, destruction or damage to the Property is caused by INGAGE I.T. or its employees and contractors.

13.3 Company is solely responsible for checking and maintaining the accuracy of all information inside of the Infinity Service including, but not limited to: pricing, tax rates, discounts, coupons, employee information, reporting, and program parameters within the software. Company is, and shall at all times, remain solely responsible for specifying and enforcing business rules, data and other information required to modify the programming of any software to support the Company's business operations.

13.4 Except as otherwise provided herein, Company shall indemnify, protect, defend, save, and hold INGAGE I.T., and its subsidiaries, affiliates, shareholders, officers, directors, employees, representatives, assigns, and agents harmless from and against any and all costs, claims, suits, losses, damages, liabilities, and expenses (including all attorneys' fees and costs) arising out of or resulting from Company's breach of this Agreement or damage to the Property. Except as otherwise provided herein, INGAGE I.T. shall indemnify, protect, defend, save, and hold Company and its subsidiaries, affiliates, shareholders, officers, directors, employees, representatives, assigns, and agents harmless from and against any and all costs, claims, suits, losses, damages, liabilities, and expenses (including all attorneys' fees and costs) arising out of or resulting from INGAGE I.T.'s breach of this Agreement.

13.5 Company acknowledges that the government, PCI Council, credit card providers, banks, credit card processing companies, and other regulatory bodies, implement and require specific laws, regulations and policies in conjunction with merchant services and related credit card and gift card services. Company shall be solely responsible for its own compliance with all laws, policies, rules, regulations, and procedures required by the government, PCI Council, credit card companies, banks, processors, and other 3rd parties related thereto, including those providing services under, or in connection with, the Infinity Service.

13.6 INGAGE I.T. HEREBY REPRESENTS AND WARRANTS TO COMPANY THAT IT HAS THE RIGHT TO PROVIDE THE INFINITY SERVICE UNDER THIS AGREEMENT UNDER CURRENT



LAW AND THAT NO SUCH PROGRAM, NOR COMPANY'S USE THEREOF, INFRINGES UPON ANY PATENT, COPYRIGHT, TRADEMARK, TRADE SECRET OR OTHER INTELLECTUAL PROPERTY RIGHT OR RIGHT OF CONFIDENTIALITY OF ANY OTHER PERSON, FIRM OR ENTITY, NOR IS SUBJECT TO ANY INTEREST, PROPRIETARY OR OTHERWISE, OR ANY CLAIM OF ANY THIRD PARTY. INGAGE I.T., AT ITS EXPENSE, HEREBY AGREES TO INDEMNIFY AND HOLD HARMLESS COMPANY, ITS AFFILIATES AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, AND DEFEND ANY ACTION BROUGHT AGAINST COMPANY OR ANY SUCH INDEMNIFIED PARTY, WITH RESPECT TO ANY CLAIM, DEMAND, CAUSE OF ACTION, DAMAGE OR EXPENSE BASED ON INGAGE I.T.'S BREACH (ACTUAL OR ALLEGED) OF THE FOREGOING REPRESENTATIONS.

EXCEPT AS OTHERWISE PROVIDED HEREIN, ALL PRODUCTS AND SERVICES PROVIDED BY INGAGE I.T. ARE PROVIDED "AS IS" AND WITHOUT ANY EXPRESS OR IMPLIED REPRESENTATIONS, GUARANTEES, OR WARRANTIES. INGAGE I.T. MAKES NO OTHER REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE INFINITY SERVICE, EXPRESS OR IMPLIED, IN FACT OR IN LAW, INCLUDING:

- (a) THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE;
- (b) ECONOMIC OR PUNITIVE DAMAGES (INCLUDING THOSE ASSOCIATED WITH IMPROPER, UNDER-CALCULATED OR UNDER-ACCRUED TAXES OR GOVERNMENT LEVIES);
- (c) ANY DAMAGES, COSTS OR OTHER LIABILITY ASSOCIATED WITH ANY LOSS OR INTERCEPTION OF DATA OR INFORMATION BELONGING TO COMPANY OR COMPANY'S PATRON(S) OR ANY FAILURE BY ANY PRODUCTS TO PROCESS CREDIT CARD TRANSACTIONS OR TO SATISFY COMPLIANCY REQUIREMENTS FROM THE CREDIT CARD INDUSTRY; OR
- (d) ANY CLAIM OR DEMAND OF THE OTHER PARTY EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, PROVIDED THAT THE FOREGOING LIMITATION ON INGAGE I.T.'S LIABILITY SHALL NOT APPLY TO (i) INGAGE I.T.'S OBLIGATION TO INDEMNIFY COMPANY AS SET FORTH HERREIN OR (ii) ANY CLAIM BASED UPON INGAGE I.T.'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT RELATED TO THE INFINITY SERVICES.

COMPANY IS SOLELY RESPONSIBLE FOR IMPLEMENTING AND ENFORCING SUCH SECURITY POLICIES AND PROCEDURES FOR THE USE OF COMPUTERS AND COMPUTER SYSTEMS THAT ARE NECESSARY TO PREVENT SECURITY BREACHES, VIRUSES, MALWARE AND OTHER SIMILAR THREATS. NEITHER PARTY SHALL BE LIABLE PURSUANT TO THIS AGREEMENT FOR ANY LOST PROFITS, OR FOR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES. INGAGE I.T.'S MAXIMUM LIABILITY FOR DAMAGES, COSTS AND OTHER LIABILITIES UNDER THIS AGREEMENT SHALL BE LIMITED TO THE COMPANY'S SIX MONTHS AVERAGE SERVICE FEES BASED UPON THE MOST RECENTLY ENDED 24 MONTH PERIOD ACTUALLY PAID BY COMPANY TO INGAGE I.T. THE COMPANY ACKNOWLEDGES THAT CHANGES IN APPLICABLE LAW COULD



IMPACT THE INFINITY SERVICES PROVIDED BY INGAGE I.T. THIS PROVISION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

13.7 INGAGE I.T. shall use reasonable efforts consistent with prevailing industry standards to maintain the Infinity Service in a manner that minimizes errors and interruptions in the Infinity Service and shall perform the implementation services in a professional and workmanlike manner as outlined in Addendum A. Services may be temporarily unavailable for scheduled maintenance or for unscheduled emergency maintenance, either by INGAGE I.T. or by third-party providers, or because of other causes beyond INGAGE I.T.'s reasonable control, but INGAGE I.T. shall use reasonable efforts to provide notice by e-mail or phone of any scheduled service disruption. HOWEVER, INGAGE I.T. DOES NOT WARRANT THAT THE SERVICES WILL BE UNINTERRUPTED OR ERROR FREE; NOR DOES IT MAKE ANY WARRANTY AS TO THE RESULTS THAT MAY BE OBTAINED FROM USE OF THE INFINITY SERVICE.

XIV. CONFIDENTIAL INFORMATION

14.1 During the course of performing this Agreement, INGAGE I.T. and Company may acquire knowledge of each other's confidential and proprietary information. In this regard, any and all information disclosed (directly or indirectly) in any manner by one party to the other which by its nature is generally considered proprietary and confidential (regardless of whether such information is specifically labeled as such) is considered confidential information, unless such information falls within the exceptions set forth below (such information shall be collectively referred to as "Confidential Information"); provided, however, (a) either party shall have the right to refuse to accept any information from the other; (b) nothing herein shall obligate either party to disclose to the other party any particular information; and (c) neither party shall knowingly or intentionally communicate any information to the other in violation of the proprietary rights of any third party. For purposes of this Agreement, the party obtaining or receiving any Confidential Information from the other party shall be referred to as "the receiving party" and the party providing any Confidential Information to the other party shall be referred to as "the disclosing party." Confidential Information includes all information protected as a "trade secret" under Minnesota Stat. Section 325C.

14.2 INGAGE I.T. and Company each agree to hold any Confidential Information disclosed to it by the other party in confidence, to cause its employees, agents or other third parties authorized or permitted to have access thereto to hold such Confidential Information in confidence, and to use the same standard of care used to protect its own proprietary and confidential information in protecting the Confidential Information. Neither of the parties shall disclose Confidential Information to others nor use same for purposes other than the performance of this Agreement, and Confidential Information shall not be reproduced in any form except as required to accomplish the intent of this Agreement. Any reproduction of the Confidential Information by the receiving party shall remain the property of the disclosing party and shall contain any and all confidential or proprietary notices or legends which appear on the original, unless otherwise authorized in writing by the disclosing party.

14.3 Each of the parties respectively agrees to limit disclosure of Confidential Information received from the other party to those employees or agents necessary for the performance of this Agreement who have, prior to disclosure, agreed to be bound by the obligations herein. In this regard, the receiving party agrees to be responsible for the compliance and liable for the non-compliance by its employees and agents with the confidentiality obligations of this Agreement. Each of the parties shall immediately notify the other upon discovery of any actual or suspected loss or unauthorized disclosure of the Confidential Information of the disclosing party.

14.4 Upon termination or expiration of this Agreement, or at any time upon the written request of the disclosing party, the receiving party shall promptly return or destroy all documents, samples or other materials embodying Confidential Information, shall retain no copies thereof, and shall certify in writing that such destruction or return has been accomplished. Notwithstanding any termination or expiration of this Agreement, however, both parties' respective obligations of confidentiality and non-use for Confidential Information hereunder shall extend indefinitely beyond the termination or expiration of this Agreement.



14.5 Confidential Information shall not include any information which (a) was publicly available at the time of disclosure; (b) became publicly available after disclosure without breach of this Agreement by the receiving party; (c) was in the receiving party's possession prior to disclosure, as evidenced by the receiving party's written records, and was not the subject of an earlier confidential relationship with the disclosing party; (d) was rightfully acquired by the receiving party after disclosure by the disclosing party from a third party who was lawfully in possession of the information and was under no obligation to the disclosing party to maintain its confidentiality; (e) is independently developed by the receiving party's employees or agents who have not had access to the Confidential Information, as evidenced by the receiving party's written records; or (f) is required to be disclosed by the receiving party pursuant to judicial order or other compulsion of law, provided that the receiving party shall provide to the disclosing party prompt notice of such order, adequate opportunity to oppose such disclosure or obtain a protective order, and shall comply with any protective order imposed on such disclosure.

XV. GENERAL AND MISCELLANEOUS.

15.1 ENTIRE AGREEMENT. This Agreement and the attached addendums constitute the entire agreement between the parties concerning the subject matter of this Agreement and supersedes all oral or written prior statements, representations, discussions, negotiations and agreements. Except as otherwise expressly provided for herein, this Agreement may be amended only in writing signed by both parties.

15.2 Except for the rights of each party and each party's affiliates, shareholders, directors, officers, employees, agents, independent contractors and professional counsel, nothing expressed or mentioned in or implied from this Agreement is intended or will be construed to give to any person (other than the parties to this Agreement) any legal or equitable right, remedy or claim under or in respect to this Agreement. This Agreement and all of its representations, warranties, covenants, conditions and provisions are intended to be and are for the sole and exclusive benefit of the parties to this Agreement.

15.3 RELATIONSHIP. The parties hereto are independent contractors, and nothing herein shall be deemed to create any relationship of agency, partnership, or joint venture between the parties.

15.4 INGAGE I.T. may upon the express written consent of the Company, free of any obligation to pay compensation, unless otherwise specified by the Company and agreed to by INGAGE I.T, use Company's name and identify Company as a user of INGAGE I.T. products & services, in advertising, publicity or similar materials distributed or displayed to prospective customers, in relation to, or separately from, the Infinity Service and/or any of its elements.

15.5 In order to avoid delays and minimize expenses, the parties each hereby knowingly, voluntarily and intentionally WAIVE ANY RIGHT TO TRIAL BY JURY with respect to any claim, demand, action or cause of action arising out of, under or in connection with this Agreement, whether now existing or hereafter arising and whether sounding in tort, contract or otherwise; and each party hereby agrees and consents that any such claim, demand, action or cause of action shall be decided by a court trial without a jury, and that a copy of this Agreement (or of this Section 15.5 may be filed with the court as evidence of the consent of the parties to the waiver of their right to trial by jury.



15.6 Dispute Resolution: Excluding claims for injunctive or other equitable relief, for any claim where the total amount of the award sought is less than \$10,000, the party requesting relief may elect to resolve the dispute through binding non-appearance-based arbitration. In the event a party elects arbitration, they shall initiate such arbitration through an established alternative dispute resolution provider mutually agreed upon by the parties. The arbitration shall be conducted by telephone, online, in-person or be solely based on written submissions; the specific manner shall be chosen by the party initiating the arbitration. The arbitration shall not require any personal appearance by witnesses unless otherwise mutually agreed by the parties. Any judgment on the award rendered by the arbitrator shall be final and may be entered in any court of competent jurisdiction. Company agrees that any dispute resolution proceedings will be conducted only on an individual basis and not in a class, consolidated or representative action. If for any reason a claim proceeds in court rather than in arbitration, each party waives any right to a jury trial.

15.7 LIMITED TIME TO BRING CLAIM: Subject to any applicable law to the contrary, Company agree that any cause of action arising out of or related to the use of INGAGE I.T.'s Infinity Services must be commenced within one (1) year after the cause of action accrues, or such action will be permanently barred.

15.8 ASSIGNMENT: Company may not assign this Agreement or any right or obligation under this Agreement, by operation of law or otherwise, without INGAGE I.T.'s prior written consent. INGAGE I.T. may not assign its rights and obligations under this Agreement without Company's consent. Assignment requests by Company will be reviewed by INGAGE I.T. to evaluate and underwrite the potential assignee. Assignments will not be commercially reasonably withheld.

15.9 The failure by either party to enforce the strict performance of any provision of this Agreement does not constitute a waiver of such party's right to subsequently enforce the provision or any other provisions of this Agreement.

15.10 SEVERABILITY. If any term or provision of this Agreement is deemed invalid, void or unenforceable either in its entirety or in a particular application, the remainder of this Agreement, if applicable, will remain in full force and effect and, if the subject term or provision is deemed to be invalid, void or unenforceable only with respect to a particular application, the term or provision will remain in full force and effect with respect to all other applications. Forbearance or non-enforcement of any terms, covenants, and conditions of this Agreement shall not be a waiver of same or of any other terms, covenants, or conditions of this Agreement, nor shall the non-breaching party be estopped to enforce any such terms, covenants, or conditions at such time as it sees fit. INGAGE I.T. reserves the right to withdraw this offer at any time, without notice, prior to acceptance by both INGAGE I.T. and Company.

15.11 This Agreement shall be binding upon the parties hereto, their heirs, successors, administrators, executors and assigns, and the parties hereto do covenant and agree that they themselves and their heirs, successors, executors, administrators and assigns will execute any and all instruments, releases, assignments and consents that may be required of them in accordance with the provisions of this Agreement.

15.12 The parties agree to do all such things and to execute such further documents as may reasonably be necessary to give full effect to this Agreement.



15.13 CONTROLLING LAW. This Agreement shall be construed in accordance with, and disputes shall be governed by, the laws of the state of Minnesota. All claims and controversies arising under this Agreement shall be adjudicated in a court of law within the State of Minnesota, County of Rice.

15.14 FORCE MAJEURE. Except for each party's payment obligations, neither party shall be liable under, or in default of, this contract for failure to perform its obligations under this contract if such failure arises out of causes beyond such party's reasonable control and without its fault or negligence. Such causes or conditions shall include, but shall not be limited to, acts of God, terrorism, acts of a government in either its sovereign or contractual capacity, fires, floods, lightning, epidemics, quarantine restrictions, strikes, shortages of labor or materials, freight embargoes, unusually severe weather, electrical power failures, telecommunications or internet outages, riots, or wars.

15.15 SURVIVAL OF OBLIGATIONS. Except as otherwise expressly provided for herein, all obligations and duties that by their nature extend beyond the expiration or termination of this Agreement (e.g., warranty and indemnification obligations) shall survive the expiration or termination of this Agreement.

15.16 All headings set forth in this Agreement are intended for convenience only and shall not control or affect the meaning, construction or effect of this Agreement or any of the provisions thereof.

15.17 This Agreement may be executed and delivered by facsimile or email (or other electronic communication) with a pdf or other attachment, and in multiple separate counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

15.18 SERVICE MODIFICATION OR DISCONTINUANCE. INGAGE I.T. reserves the right at any time to modify or discontinue, temporarily or permanently, Company's access to the Infinity Service, or any part thereof, with or without notice, in the event that an element or multiple elements of the Infinity Service becomes disabled, discontinued, or modified by a third-party provider. It is in INGAGE I.T.'s best interest to continue the Infinity Service without interruption, however, if such an instance arises, INGAGE I.T. will use commercially reasonable means to notify the Company prior to interruption.

XVI. NON-SOLICITATION OF EMPLOYEES.

16.1 Company agrees that without express written consent, at all times during this term of this Agreement and for twelve (12) months after termination, Company will not, directly or indirectly, whether individually or as an officer, director, employee, consultant, partner, stockholder, individual proprietor, joint venture, investor, lender, consultant or any other capacity whatsoever make any offer of employment to, nor enter into a consulting relationship with, any current employee of INGAGE I.T. or any former employee who was employed or retained by INGAGE I.T. within the immediately preceding twelve (12) months. INGAGE I.T. agrees that the provisions of this section shall not preclude or limit any other available actions at law or in equity, including without limitation, any form of damages or any injunctive or equitable relief, for misappropriation of trade secrets, unfair competition, breach of contract, or other cause of action arising from or out of the hiring or recruitment of INGAGE I.T.'s employees.



XVII. THIRD PARTIES.

17.1 INGAGE I.T. may, at its sole discretion, hire, assign, partner, or otherwise use a third party or third parties in order to provide the Infinity Service, either in part or in whole. Company shall at no time have any right to prohibit INGAGE I.T. from using such third-party provider.

17.2 Customer shall not install additional non-INGAGE I.T. manufactured or non-INGAGE I.T. supported products on any INGAGE I.T. POS tablets, POS servers, kitchen display devices or terminals or any similar device(s), as this may be detrimental to the operation of INGAGE I.T. hardware or software. Be aware that software installation programs often alter important system files automatically.

17.3 In the event that a third-party software or application requires installation on INGAGE I.T. devices in order to operate, Company hereby agrees that:

- (a) Company will notify INGAGE I.T. of its desire to have this third-party installation, in writing, no later than fifteen (15) days prior to desired installation;
- (b) Company assumes all responsibility for any installation and for ensuring that the new software will not affect operation of the INGAGE I.T. software.
- (c) INGAGE I.T. does not provide support for third-party applications. Third-party software packages, other than those installed by INGAGE I.T., void the SLA.
- (d) INGAGE I.T. provides removal service of third-party software at an additional fee.
- (e) Support will be provided only for hardware purchased directly from INGAGE I.T..
- (f) Re-Image service to restore the INGAGE I.T. software is available at an additional charge; including a two-hour minimum fee. If removal of the third-party software is not possible and the machine must be re-imaged, customer will be required to ship the damaged machine to INGAGE I.T.. All shipping charges are the responsibility of the Company.
- (g) No third party applications may be used if they subtract revenue from the processing set-up under the Infinity Service.
- (h) INGAGE I.T. will, in its sole discretion, have the authority to approve or deny access, installation, or use of third-parties on its device(s).

XVIII. PAYMENT.

18.1 Payments owed by Company to INGAGE I.T., its affiliates, and any third-party that have assigned to INGAGE I.T. all or any part of Company's payment obligation to that third-party, are payable at the INGAGE I.T. office located at 6436 Penn Ave South, Richfield, MN 55423 or such other address as INGAGE I.T. may notify Company from time to time, and shall be timely made by Company. Should Company fail to timely pay any amount that is due and owing to INGAGE I.T., or should Company otherwise breach, be in default under, or prematurely terminate this Agreement or any agreement supporting this Agreement including but not limited to Company's merchant processing agreement, then:

(a) Company's right to use the Infinity Service shall be immediately and automatically terminated and revoked;

(b) INGAGE I.T., or its affiliates, may, and are hereby authorized to, upon notice to the extent required by law but in any case, not less than 5 days after written notice to the Company, enter any premises where the Property is located and take immediate possession thereof, and without a need to make a demand or obtain any court order to the extent allowed by law; this does not apply if hardware is fully depreciated or previously paid for by the Company;

(c) Company shall immediately owe to INGAGE I.T. or its affiliates, as the case may be, an amount equal to the revenue that INGAGE I.T. and its affiliates would have received under this Agreement, as measured by the greater of (i) the average of the actual monthly revenues received by INGAGE I.T. and its affiliates under this Agreement, multiplied by the number of months remaining in the then current term of the Agreement or (ii) the minimum fee as provided in Section 3.3, if any, provided however, if the Company is no longer operating at its Location or any successor Location, the Company shall not owe INGAGE I.T. any additional amounts under this Section 18.1(c) for such Location;

(d) INGAGE I.T., or its affiliates, may charge, and Company shall owe, a monthly rental fee for Company's continuing use of the Infinity Service as set forth on Addendum A. This fee shall be in addition to any payments owed under Section 18(c) above. INGAGE I.T., and its affiliates, may, and are hereby authorized to, collect all such sums, and any future sums that Company may owe, by any means available, including: (i) from payments or receivables that are due to Company from third parties, including banks, financial institutions, and card transaction processors, but excluding any franchisors of the Company; and (ii) by an automated clearinghouse transaction with any bank or financial institution at which Company has an account. In this regard, Company hereby instructs and authorizes all third parties, excluding franchisors, to pay INGAGE I.T., and its affiliates, from any payments or receivables that may be due to Company and Company expressly releases and holds all such third-parties harmless for acting in conformity with this authorization. Company further agrees that this payment is a reasonable and good faith calculation of the damage that would be caused by any such failure to timely pay, breach, default, or premature termination of any Agreement, and Company grants to INGAGE I.T., and its affiliates, a security interest in all Property and Infinity Services that are provided to Company, as well as in all other accounts, receivables and other assets described above, to secure Company's obligations referenced above, and Company agrees that INGAGE I.T., and its affiliates, may take such actions to perfect and protect such interest as they deem necessary and appropriate.

18.2 If any payment is not received within thirty (30) days of the date such payment is due ("Due Date"), such payment shall accrue interest at the lower of 1.5% per month or the highest legal rate of interest from the Due Date until paid in full. At the discretion of INGAGE I.T., software may be restricted and require a monthly or daily code to function until balance is paid in full.

18.3 In the event of a processing error or other malfunction or failure of processing system, network, or likewise, that is not caused by Company (for example, a shutdown of a processor where authorized transactions are temporarily delayed from being submitted



and/or funded) INGAGE I.T. agrees to delay its request for payment, until such a time as the error is resolved, not to exceed thirty (30) days. For clarity, if Company is successfully receiving funds for their transactions, all service fees associated with those transactions will be applied. If Company is not able to receive funds for their transactions, and such failure is directly caused by INGAGE I.T., a third-party provider, processor, network, or otherwise that is a part of the Infinity Service, Company will not be charged fees until the error has been resolved and Company is able to receive funds. INGAGE I.T. will not delay its request for payment under any of the following circumstances, where other parties or Company's failure to perform include, but are not limited to: Company changing bank accounts or bank information without notifying INGAGE I.T. in advance, Internet Service Provider outages, Company placing a stop-payment on bank or ACH transactions, Company making legal or DBA business name change, Company business closure, Company's failure to alert INGAGE I.T. of point-of-sale error or batch error when notified by point-of-sale or processor, Company's failure to notify INGAGE I.T. of missing or delayed processing deposits to Company bank account.

XIX. SUPPORT.

19.1 INGAGE I.T. will provide support services in accordance with the then-current INGAGE I.T. Infinity Support Level Agreement (ISLA). The ISLA may be updated periodically, with or without notice. Support Services are included in the Infinity Service as outlined in Addendum A.

XX. NOTICES.

20.1 Any notice under this Agreement shall be in writing and deemed given to the other party when delivered personally or sent by registered or certified mail, postage prepaid, to the address of the party set forth above. Notices shall be effective upon mailing except that any notice of change of address shall be effective only upon receipt.

Addresses for Notices. All notices shall be sent as follows:

- (a) If to INGAGE I.T. Notices to INGAGE I.T. shall be sent to: INGAGE I.T., 6436 Penn Ave. S, Richfield, MN 55423 with a phone number of (612) 861-5277 and an email address of sales@ingageit.com.
- (b) If to Company. Notices to Company shall be sent to the physical address or email address (i) provided by Company when Company signs up for INGAGE I.T.'s Infinity Services or (ii) otherwise provided to INGAGE I.T. by Company.



IN WITNESS WHEREOF, the parties hereto through their duly authorized representatives have executed this Agreement as of the day and year first set forth below.

COMPANY

By: _____

Name: _____

Title: _____

Date: _____

INGAGE I.T.

ITmation Corporation dba INAGE I.T.

By: _____

Name: Vern Swedin

Title: President

Date: _____



ADDENDUM A

EXAMPLE ONLY

EXAMPLE COMPANY

Example Signer Name

Initial for Acceptance:

Sales Representative

3/31/21

sales@ingageit.com

44286

Example Company

INGAGE I.T.

Examples Address Line 1

6436 Penn Ave S

Example Address Line 2

Minneapolis, MN 55423

Attached to and made part of the Infinity Service Agreement by and between ITmation Corporation d/b/a INGAGE I.T. and

SAMPLE COMPANY LEGAL NAME

(the Company) dated:

(date)

Term: The Term of the Agreement shall commence on the day that INGAGE I.T. begins payment processing for the Company and terminate sixty (60) months after the date of commencement. The Agreement shall automatically renew for an additional twelve (12) month period (each an "Renewal Term") if not terminated at least ninety (90) days before the end of the Initial Term and each Renewal Term, as the case may be.

In accordance with Section 2.1(b) of the Agreement, INGAGE I.T. shall, in its sole and absolute discretion and as further provided herein, determine which, if any, of the services are included in Company's Infinity Service and may at any time with at least 90 days prior written notice change which services Company is qualified to receive as set forth in this Addendum A. INGAGE I.T. will not change any of the existing Company's Infinity Services unless such change is caused by circumstances outside of INGAGE I.T.'s control, including, but not limited to a third party's breach of their agreement with INGAGE I.T. or a change in the type, pricing or service provided by an INGAGE I.T. third-party provider. Services that Company does not qualify for are outlined below and shall be made available for purchase, rental, lease, or subscription at then current rates. INGAGE I.T. shall be the sole provider of hardware and software at Company as described in Section 2.1 and outlined below in this Addendum A. Under the Infinity Service, the Company agrees to pay INGAGE I.T. the fees as set forth above and for the Term (as defined in above). The term of this Agreement shall commence on the date as set forth in this Addendum A.

Percentage of Credit & Debit Card Volume for this agreement:

3.99%

Description of Services: INGAGE I.T. shall provide Company with the services as listed under Hardware and Software.

1. Onboarding Fee. An onboarding fee equal to:

\$0.00

which shall be payable by Company to INGAGE I.T. upon the execution of the Agreement.

2. Monthly Processing Fees. The Company shall accept and maintain Merchant Services as provided by INGAGE I.T., with the understanding that INGAGE I.T. will receive as compensation for these services a daily fee totaling a percentage of the credit card and debit card volume of the Company as defined above. INGAGE I.T. will receive this compensation from a third-party processor. INGAGE I.T. and its affiliates are intended third party beneficiaries of any processing agreements between Company and any third-party payment processors to which Company were referred or signed up through or by INGAGE I.T., or its affiliates. Should Company terminate any such processing agreement prior to the agreed upon term thereof, and any extensions of that term, either under the processing agreement or under any Agreement to which these Terms are a part, for any reason other than a material breach by INGAGE I.T. or the third-party payment processor, Company shall pay INGAGE I.T. an amount equal to the total payments that it, and its affiliates, would have received, in monthly referral, residual, and other fees, commissions and payments from such processor in connection with Company's credit card and debit card transactions through the then remaining term of the Authorized Agreement INGAGE Infinity Program, including any renewals and/or extensions. For the avoidance of doubt, such fees, commissions and payments shall be measured by the average monthly fees, commissions and payments received by INGAGE I.T., and its affiliates, from such processor in connection with Company's credit card and debit card transactions during the 12 months (or fewer, if less than 12 months of history exist) of such processing prior to the termination.

3. Service Fees. If the Company performs training, service or other maintenance that is outside the scope of this Agreement, INGAGE I.T. will separately invoice the Company based upon the hourly rate of the individuals performing the service and the cost of any materials and supplies (subject to a markup of 10%). Such invoices shall be payable upon receipt by the Company.

4. Early Termination Fee. If the Company terminates the Agreement, for any reason except of a material breach of the Agreement by INGAGE I.T. the Company shall pay in accordance with section 18 of the Agreement, for purposes of clarity (i) if termination occurs during the Initial Term, a fee equal to the cost of the Property as provided in this Addendum times a fraction the numerator which shall equal the number of whole or partial calendar months left in the Initial Term and the denominator which shall equal the number of months in the Initial Term plus an amount equal to a percentage (as defined above) multiplied by the average credit and debit card sales for each month of the Initial Term remaining under this Agreement and (ii) if termination occurs after the Initial Term, a fee equal to the cost of any new Property installed within the last 12 months under the Agreement plus an amount equal to a percentage (as defined above) multiplied by the average credit and debit card sales for each month of the Renewal Term remaining under this Agreement. In addition, to (i) and (ii) above, the Company shall pay INGAGE I.T. a fee equal to the cost to remove and recover its Property, including reasonable attorney fees incurred in the removal and recovery process. Such fee shall be payable within 20 days of receipt of an invoice by the Company.

HARDWARE & SOFTWARE INSTALLED AT COMPANY LOCATION:

POINT OF SALE	Description	Price	Qty	Price Total
Focus Point-Of-Sale License		\$995.99	0	\$0.00
Focus Back Office License		\$399.99	0	\$0.00
Focus Software Relicense	(INGAGE Support requires manager/owner training)	\$1,250.00	0	\$0.00
Customer Service Module	se accts, delivery, future orders, local loyalty & local	\$799.99	0	\$0.00
Gift Module	3rd-party online gift and gift for non-customer service	\$499.99	0	\$0.00
XML Data Module		\$499.99	0	\$0.00
SQL Data Module		\$1,499.99	0	\$0.00
HotSchedules Module		\$499.99	0	\$0.00
Online Ordering Module		\$499.99	0	\$0.00
Hotel Module	(for Property Management System integration)	\$1,599.99	0	\$0.00
Inventory Module		\$999.99	0	\$0.00
RDP Software License (1)	(1 Tablet Only)	\$69.99	0	\$0.00
RDP Software License (3)	(up to 3 Tablets)	\$164.99	0	\$0.00
RDP Software License (5)	(up to 5 Tablets)	\$234.99	0	\$0.00
RDP Software License (10)	(up to 10 Tablets)	\$334.99	0	\$0.00
iPad Set-Up & Configuration		\$199.99	0	\$0.00
Tablet Management Software		\$0.00	0	\$0.00
0		\$0.00	0	\$0.00
0		\$0.00	0	\$0.00
Focus POS License Key		\$0.00	0	\$0.00
Viking 803 15"	capacitive Touch, J1900 4GB RAM 120GB HD Win10E	\$1,249.99	0	\$0.00
Viking 805 15"		\$1,599.99	0	\$0.00
Component Station (Refurb)		\$495.99	0	\$0.00
Skriva Thermal Printer	(Serial, USB, & LAN)	\$199.99	0	\$0.00
Skriva Thermal Printer (Remote)	(Serial, USB, & LAN)	\$199.99	0	\$0.00
Skriva Impact Printer	(Ethernet Only)	\$356.99	0	\$0.00
Skriva Impact Printer (Remote)		\$356.99	0	\$0.00
Skol Cash Drawer		\$99.99	0	\$0.00
Mini Skol Cash Drawer (13in)		\$129.99	0	\$0.00
Under Counter Mini Drawer Mount		\$29.99	0	\$0.00
Cash Drawer Splitter		\$19.99	0	\$0.00
Cash Drawer Insert		\$34.99	0	\$0.00
Battery Back-Up	425va Battery & Surge	\$83.99	0	\$0.00
Focus Server (New)		\$975.99	0	\$0.00
Focus Server (Refurb)	(Refurbished, for 4 stations or less)	\$495.99	0	\$0.00
Office Monitor (21.5" LCD)		\$164.99	0	\$0.00
KVM Switch for Dual Servers (2 Port)		\$64.99	0	\$0.00
Keyboard & Mouse		\$34.99	0	\$0.00
Viking 803 Rear Display 15" (Touch)		\$599.99	0	\$0.00
Viking Rear Display 15" (Non-Touch)		\$399.99	0	\$0.00
POS Bank Rear Display 15" (Touch)		\$729.99	0	\$0.00

Viking Touchscreen 15"	\$299.99	0	\$0.00
Flat Mount	\$89.99	0	\$0.00
Arm Mount	\$89.99	0	\$0.00
Rack Wall Mount 6U	\$199.99	0	\$0.00
iPad Mini	\$399.99	0	\$0.00
iPad Case w/ Credit Card Reader (swipe only)	\$549.99	0	\$0.00
iPad Case (Standard - no MSR)	\$49.99	0	\$0.00
0	\$0.00	0	\$0.00
0	\$0.00	0	\$0.00
Subtotal			\$0.00

myFOCUS SUITE	Description	Price	Qty	Price Total
myFocus Gift (Gift Only)		\$39.99	0	\$0.00
myFocus Loyalty & Mobile		\$149.99	0	\$0.00
myFocus Mobile (App Only)		\$29.99	0	\$0.00
myFocus OrderReady		\$29.99	0	\$0.00
myFocus Waitlist		\$29.99	0	\$0.00
myFocus Central Reports		\$59.99	0	\$0.00
myFocus Link		\$29.99	0	\$0.00
myFocus Cloud Office & Mobile		\$99.99	0	\$0.00
myFocus Monthly				\$0.00

INTEGRATED PAYMENTS		Price	Qty	Price Total
CC Swipe Module (2+ POS)		\$1,249.99	0	\$0.00
CC Swipe Module (1 POS)		\$1,249.99	0	\$0.00
CC Change (3PTY-SWP to ING-SWP)		\$99.99	0	\$0.00
CC Change (3PTY-SWP to 3PTY-SWP)		\$399.99	0	\$0.00
CC Change (MRC-SWP to ING-SWP)		\$1,249.99	0	\$0.00
CC EMV Module			0	\$0.00
CC Change (3PTY-SWP to ING-EMV)		\$499.99	0	\$0.00
CC Change (ING-SWP to ING-EMV)		\$499.99	0	\$0.00
CC Change (MRC-SWP to ING-EMV)		\$1,499.99	0	\$0.00
Vx805 Focus Integrated		\$369.99	0	\$0.00
Lane 3000		\$529.99	0	\$0.00
Link 2500		\$479.99	0	\$0.00
Lane 3000 Mount (Table)		\$99.99	0	\$0.00
Lane 3000 Mount (Wall)		\$99.99	0	\$0.00
Focus Handheld (920)		\$0.00	0	\$0.00
Focus Handheld Charging Base (920)		\$0.00	0	\$0.00
Focus Handheld (930)		\$0.00	0	\$0.00
Focus Handheld Charging Base (930)		\$0.00	0	\$0.00
Lane 3000		\$529.99	0	\$0.00
Link 2500		\$479.99	0	\$0.00
4G LTE Ubqt Failover		\$399.99	0	\$0.00
Subtotal				\$0.00

EMV NETePay Lanes (EVO)				\$0.00
EMV NETePay Lanes (PPS) (1st Lane)		\$16.99	0	\$0.00
EMV NETePay Lanes (PPS) (Additional Lanes)		\$10.00	0	\$0.00
4G LTE Ubqt Failover Service	(1GB included, \$20/mo. per 1GB overage)	\$29.99	0	\$0.00
EMV Monthly				\$0.00

ONLINE ORDERING		Price	Qty	Price Total
Patron Path Online Ordering Set-Up		\$300.00	0	\$0.00
Focus Online Ordering Set-Up		\$499.99	0	\$0.00
Open Dining Online Ordering Set-Up		\$199.99	0	\$0.00
Subtotal				\$0.00

Patron Path Online Ordering		\$120.00	0	\$0.00
-----------------------------	--	----------	---	--------

Focus Online Ordering	\$149.99	0	\$0.00
Open Dining Online Ordering	\$159.99	0	\$0.00
Integrated Online Ordering Monthly			\$0.00

SOCIAL MEDIA	Price	Qty	Price Total
INGAGE Insights			\$0.00

NETWORKING	Price	Qty	Price Total
USG Firewall	\$229.99	0	\$0.00
USG Pro Firewall (for Enterprise MSP)	\$729.99	0	\$0.00
Discount for Existing Firewall Swap		0	\$0.00
4G LTE Ubqt Failover		0	\$0.00
4G LTE Ubqt Failover Service		0	\$0.00
Battery Back-Up		0	\$0.00
5 Port Managed Switch (0 POE)		0	\$0.00
8 Port Managed Switch (0 POE)	STND OPOE \$199.99	0	\$0.00
8 Port Managed Switch (4 POE)	60W 4POE \$299.99	0	\$0.00
8 Port Managed Switch (8 POE)	\$399.99	0	\$0.00
16 Port Managed Switch (16 POE)	\$549.99	0	\$0.00
24 Port Managed Switch (0 POE)		0	\$0.00
24 Port Managed Switch (24 POE)	150W 24POE \$749.99	0	\$0.00
24 Port Patch Panel	\$0.00	0	\$0.00
Wireless Access Point (Nano)	\$349.99	0	\$0.00
Wireless Access Point (PRO)	\$259.99	0	\$0.00
Wireless Access Point (LR)		0	\$0.00
Wireless Access Point (LITE)	\$174.99	0	\$0.00
Full MSP + WiFi Network & Configuration	New Network (Full MSP + Wi-Fi) \$499.99	0	\$0.00
Full MSP Network & Configuration	New Network (Full MSP - NO Wi-Fi) \$499.99	0	\$0.00
Upgrade Network to MSP + Wi-Fi	\$499.99	0	\$0.00
Upgrade Network to MSP (no WiFi)	(POS-Only to MSP - NO WiFi) \$499.99	0	\$0.00
POS-Only Network & Configuration	New Network (POS Only) \$99.99	0	\$0.00
INGAGE POS-Only (annual)	Firewall Anti-Malware & Intrusion Prevention \$199.99	0	\$0.00
Splashtop Remote Access (annual)	\$59.99	0	\$0.00

Upgrade to our Managed Service Provider (MSP) solution to add Wi-Fi Service and fast network service for all of your devices.

Subtotal			\$0.00
-----------------	--	--	---------------

INGAGE MSP	\$99.99	0	\$0.00
includes INGAGE POS Firewall w/ Anti-Malware & Intrusion Prevention			
includes Splashtop Remote Access Control			
INGAGE Wi-Fi	\$49.99	0	Included w/ MSP
INGAGE Wi-Fi w/ branded landing page, customer data capture, online analytics, and more. Hardware Required*			
<i>*Add Wireless Access Points to use your free INGAGE Wi-Fi service. Wi-Fi includes POS, Staff, Guest, A/V, and other networks plus bandwidth management, a branded wi-fi landing page, customer data capture, online analytics, and more!</i>			

Managed Networking Monthly			\$0.00
-----------------------------------	--	--	---------------

WIRING	Description	Price	Qty	Price Total
Ethernet Wire		\$159.99	0	\$0.00
Subtotal				\$0.00

KITCHEN AUTOMATION	Description	Price	Qty	Price Total
KDS ChefTab LINE KIT	(Controller, License, Bump Bar)	\$1,249.99	0	\$0.00
KDS ChefTab EXPO KIT			0	
QSR CSK Software (1 per controller)		\$349.99	0	\$0.00
CSK Table Service (Timed Orders)		\$999.99	0	\$0.00
Video Controller (Xceed)		\$999.99	0	\$0.00
Video Controller (Expert)			0	
KDS Line Monitor (21.5" non-touch)			0	
KDS Line Monitor (32" non-touch)		\$399.99	0	\$0.00

KDS Expo Monitor (24" Touch)		0	
KDS Bump Bar (WIRED)		0	
KDS Bump Bar (WIRELESS)		0	
Arm Mount		\$89.99	\$0.00
Arm Mount		\$89.99	\$0.00
Battery Back-Up	425va Battery & Surge	\$83.99	\$0.00
Subtotal			\$0.00

KDS QSR Monthly		\$129.99	0	\$0.00
------------------------	--	----------	---	---------------

CAMERAS	Description	Price	Qty	Price Total
NVR		\$1,499.99	0	\$0.00
HD Camera		\$299.99	0	\$0.00
4K Pro Camera		\$799.99	0	\$0.00
Unifi Viewport		\$399.99	0	\$0.00
Monitor		\$164.99	0	\$0.00
Arm Mount		\$89.99	0	\$0.00
Rack Mount		\$199.99	0	\$0.00
Subtotal				\$0.00

INSTALLATION & TRAINING	Description	Price	Qty	Price Total
Set-Up & Configuration		\$0.00		\$0.00
Additional Go-Live Support		\$500.00		\$0.00
3rd Party Set-Up Fees		\$0.00		\$0.00
0		\$0.00	0	\$0.00
Travel Fee		\$700.00	0	\$0.00
Subtotal				\$0.00

SUPPORT	Price	Qty	Price Total
Basic Standard Remote Support (M-F, 8-5)	\$0.00		\$0.00
Basic + Standard Remote + Standard On-Site	\$0.00		\$0.00
Advanced Standard Remote + Emergency After-Hours Remote	\$0.00		\$0.00
Premium Standard Remote & Standard On-Site + Emergency Remote	\$0.00		\$0.00
All-Inclusive Standard Remote & On-Site + Emergency Remote & On-Site	\$0.00		\$0.00

Standard includes Monday-Friday, 8am-5pm CST phone support, excluding holidays. Emergency-only includes weekends & holidays for emergencies only)

Some restrictions may apply to on-site support based on geography. Phone support troubleshooting required before on-site.

VALUE OF ALL PRODUCTS & SERVICES

\$0.00

MONTHLY SERVICES	Price Total
myFocus Gift (Gift Only)	\$0.00
myFocus Loyalty & Mobile	\$0.00
myFocus Mobile (App Only)	\$0.00
myFocus OrderReady	\$0.00
myFocus Waitlist	\$0.00
myFocus Central Reports	\$0.00
myFocus Cloud Office & Mobile	\$0.00
EMV NETePay Lanes (EVO)	\$0.00
EMV NETePay Lanes (PPS) (1st Lane)	\$0.00
EMV NETePay Lanes (PPS) (Additional Lanes)	\$0.00
4G LTE Ubqt Failover Service	\$0.00
Patron Path Online Ordering	\$0.00
Focus Online Ordering	\$0.00
Open Dining Online Ordering	\$0.00
SOCIAL MEDIA	\$0.00
INGAGE MSP	\$0.00

INGAGE Wi-Fi	\$0.00	Included w/ MSP
KDS QSR Monthly	\$0.00	\$0.00
Basic Standard Remote Support (M-F, 8-5)	\$0.00	\$0.00
Basic + Standard Remote + Standard On-Site	\$0.00	\$0.00
Advanced Standard Remote + Emergency After-Hours Remote	\$0.00	\$0.00
Premium Standard Remote & Standard On-Site + Emergency Remote	\$0.00	\$0.00
All-Inclusive Standard Remote & On-Site + Emergency Remote & On-Site	\$0.00	\$0.00
0	\$0.00	\$0.00

Monthly Services Total **\$0.00**



Agreement

This Agreement is entered into pursuant to and hereby incorporates the Terms & Conditions and Statement of Work (if applicable) and sets forth the software components and services that Customer may use of Restaurant365 during the Subscription Term. Any terms incorporated by written reference (including written reference to information contained in a URL or referenced policy) form a part of this Agreement as if set forth herein.

Customer agrees to the terms and conditions of this Agreement and has caused this Agreement to be signed and delivered by its duly authorized officer or representative. Licensor's acceptance of this Order Form shall be deemed to have occurred on Licensor's initial delivery of products or services under this Order Form.

Company Name ("Customer"): _____

Street: _____

City, State Zip: _____

Primary Contact: _____

Primary Contact Phone: _____

Primary Contact Email: _____

Pricing



Prepared on 9/27/2018

Software Subscription		Quantity	Avg Price/Store	Monthly Total
Restaurant365 All-In-One Solution	Number of POS polled restaurants and stand-alone commissary/catering sites	1	\$ 250	\$ 250
Each Additional Site Will Add \$ 250 Per Month				
\$250 Price Per Store	Total Monthly Recurring Fee (MRF)			\$ 250
Setup & Implementation		Item	Price	One-Time Total
Standard Full System Rollout	Includes Integrations and Training	Yes	\$ 1,500	\$ 1,500
Optional Services		Quantity	Price	One-Time Total
*Pricing is Valid for 30 Days		Total One-Time Services		\$ 1,500
Notes		First 30 Days From Signature		No Charge
* First monthly invoice will reflect prorated recurring charges		Last Month Deposit		\$ 250
* Exact pricing is subject to applicable state taxes based on your company location		Services Broken Into 3 Payments		\$ 500
		Total Due Upon Signing		\$ 750

Payment Schedule is Based on Actual Purchase Date. The Numbers/Dates Below Reflect a Date of: 3/23/2018

	Subscription	Services	Total Payment
Initial Payment = Last Month Deposit + Services	3/23/2018	\$ 250 \$ 500	\$750
Month 1	4/1/2018	\$ 65 \$ -	\$65
Month 2	5/1/2018	\$ 250 \$ 500	\$750
Month 3	6/1/2018	\$ 250 \$ 500	\$750
Month 4	7/1/2018	\$ 250 Paid Of	\$250
Month 5	8/1/2018	\$ 250 Paid Of	\$250
Month 6	9/1/2018	\$ 250 Paid Of	\$250

Money-Back Guarantee

Details for the One-Time Services are included in the **Standard Services Scope of Work** section.
 ACH and Check payments are offered a 3% discount which is reflected in the above pricing. If you wish to pay via Credit Card, your pricing will be adjusted to not include a discount.

Terms and Payment Information

Subscription Term: Month-to-Month – Pricing Renews annually

Payment Terms: Due 1st of Month

Payment Method: Direct bank withdrawal

Bank: _____

Account Number: _____

Routing Number: _____

Type of Account (Checking or Savings): _____

All initial payments are made via ACH transaction.

Customer may deliver an executed copy of this Order Form to Restaurant365 by email, fax, or similar instantaneous electronic transmission device and such delivery shall be considered valid and effective for all purposes.

Customer : _____

Accepted: Restaurant365, LLC

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Project Information

Customer Project Lead: _____

Email & Phone: _____

Customer Accounting Power User: _____

Email & Phone: _____

Customer Operations Power User: _____

Email & Phone: _____

Customer Restaurant365 URL *(This is the web site address for your system. 3-20 letters & Numbers Only)*

https://_____restaurant365.net

POS System(s) to integrate with:

Bank and Payroll Providers:

Vendor Integration(s): We include 1-3 (depending on your rollout plan) w/ every purchase

Misc. Project Notes:

Standard Setup Services Scope of Work

The process of converting to Restaurant365 requires the joint effort of Restaurant365 resources and the Customer's staff. The joint teams will follow a proven setup/migration methodology that is designed to keep the project on schedule, minimize risk, and achieve the customer's desired results. The 'Standard' Implementation/Setup of Restaurant365 is required for all new customers of Restaurant365 and anytime the monthly fee increases due to the addition of an integration, location or individual component that was omitted by the customer at the point of their initial purchase. It is a fixed-bid project and specifically includes only the following services from Restaurant365 and requires the following tasks be completed by the customer. It is important to note that failure to complete certain assigned tasks on schedule may push the cut-over date back to the subsequent period and may result in additional costs.

The phases of the setup life-cycle are:

- Coach Management and Assistance
- Basic Setup via Self-Service Tools
- Training
- Point of Sale Integration
- Inventory Setup
- Recipe Costing
- Advanced Setup (Per specific components used by the customer)
- Testing and Validation in Preparation for Cut-Over
- Beginning Balances Import
- Reporting & Business Analytics
- Post Cut-Over Support & Assistance with Period End Activities

Each of the tasks Restaurant365 will perform and that the Customer will perform to complete each Phase is listed below.

*Accounting only clients will not include below activities specific to operations (inventory, recipe costing, POS).

Coach Management and Assistance

Restaurant365 will assign a setup coach who will:

- Manage all Restaurant365 resources working on the project
- Create and maintain the Setup Plan "Coach Playbook" which will be shared with the customer
- Organize and lead weekly status review calls (1 -2 hrs per week)
- Act as a point of contact for all setup and support needs during the setup phases
- Provide training and solution expertise throughout setup phases in addition to standard training webinars
- Continue to assist post cut-over and through the first period close (up to 45 days post cut-over)
- Assist with period-end activities post cut-over as part of training

Customer will:

- Designate internal project manager who will:
 - Participate in orientation meeting and review weekly status updates
 - Report to customer's management/owners
 - Manage customer resources assigned to complete setup tasks
 - Be the main point of contact for Restaurant365 Setup Coach
- Designate 'Power Users' for each element of the system who will:
 - Carry the responsibility for learning application features
 - Train additional Customer staff
 - Act as the point of contact for creating necessary support requests to Restaurant365

Basic Setup via Self-Service Tools

Restaurant365 will:

- Provide assistance during the initial setup, including training on how to properly populate import templates
- Review setup and data imports prior to cut-over to provided guidance as needed

Customer will:

- Complete R365 Setup Assistant including the following setup records:
 - GL Accounts, Locations, Vendors, Users, Legal Entities & Fiscal Periods

- Setup Bank Accounts & test check printing

Training

Restaurant365 will:

- Provide professional training Webinars covering each area of R365 as follows:
 - **Accounts Payable**
 - **Banking Transactions**
 - **Bank Reconciliation (Bank Activity)**
 - **General Ledger (Budgets)**
 - **Financial Reports**
 - **Daily Sales Summary**
 - **Inventory**
 - **Recipe Costing**
 - **Operational Reports**
 - **Mass DSS Review**
- Provide training articles and recorded videos to explain features and concepts
- Provide follow-up 1:1 training during weekly coach calls following article review and Webinar attendance

Customer will:

- Register and attend weekly Training Webinars as often as desired. A calendar will be shared listing current trainings scheduled (typically 2 per week) however pre-recorded Webinars will be made available in addition.
- All users complete online training courses according to their role (i.e. Accounting, Manager, etc.) at least one week before cut-over to avoid pushing Cut-Over date
- Designate 'Power Users' to be the gatekeeper for all training related questions and to train other customer staff beyond Webinars.
- Post Setup, additional 1:1 training requests of Restaurant365 subject matter experts may be requested at an additional cost.

Point of Sale Integration

Restaurant365 will:

- Install Restaurant365 POS Upload Tool at each location for non-cloud based POS
- Setup scheduled task to auto-poll POS data at each location
- Assist in mapping POS data to Restaurant365 GL Accounts as needed
- Manage the integration to one food/beverage vendor for invoice import. This will only be available for a vendor that is already 'R365 integrated' or is willing to submit the data in the standard R365 format. Otherwise a 'additional vendor integration fee' will apply.

Customer will:

- Provide and Validate site and port access at locations and verify machine specs. Provide machine logins.
- Map POS data to Restaurant365 GL Accounts with assistance from a Coach
- Customer is responsible for monitoring and maintaining auto-poll scheduled tasks at each location.
- Verify and tie out 5 days of 'End of Day' reports for each concept and POS system
- Sign off that POS numbers match Restaurant365 at least 7 days before cut-over **Cut-over date may push if this deliverable is not completed on schedule

Inventory Setup

Restaurant365 will:

- Assist customer in understanding how to use the import templates (Item, Vendor Items, UofM, Stock Count)
- Review setup and data imports prior to cut-over
- Create FTP site for Vendor Integration and Test Vendor Invoice Import

Customer will:

- Create at least 10 items manually to become familiar with the process
- Populate and Import Restaurant365 provided Import Templates for:
 - Inventory Items, Units of Measure, Stock Counts, Vendor Item
- Confirm Item Setup. Each Item needs the U of M set on
 - 1) How it is purchased (Invoices),
 - 2) How it is counted (Stock Counts)
 - 3) How is it used (Recipes), If Recipe Option is selected

- Import Vendor Invoice(s) for Testing
 - Customer is responsible for validating Invoice Import(s)

Recipe Costing Setup

Restaurant365 will:

- Validate pre-requisite inventory setup has been completed
- Assist with creation of the first 10 Recipes
- Review Recipe template to spot check for issues
- Review Recipe/Menu Item Reports with Customer after setup and imports are completed

Customer will:

- Create at least 10 recipes manually to become familiar with the process
- Populate and import the following Recipe related templates
 - Recipe Template
 - Ingredients Template
 - Menu Item /Menu Item Link Assignment
- Customer is responsible for validating recipe costing information
- Add additional Items or Recipes as needed
- Review Recipe and Item Reports for accuracy

Advanced Setup

Restaurant365 will:

- Turn on and provide training and assistance as needed for the following components
 - Forecasting & Budgeting
 - Scheduling
 - Accounts Receivable / House Accounts
 - Franchising (if purchased)
 - FYIsoft (if purchased)
 - Logbook (if utilized)
 - Catering (if utilized)
 - Commissary (if utilized)

Customer will:

- Attend applicable webinars for training
- Setup and validate features will meet expected needs

Beginning Balances

Restaurant365 will:

- Provide import templates, instructions, and assistance as needed

Customer will within 30 days of the actual cut-over date:

- Import 1 year of Net Sales, Guest Count, and Average Check history per location for operational reporting purposes on Daily Sales Summary – not general ledger
- Import Open AP transactions as of the cut-over date (invoice, credit memo, payments)
- Import Open AR transactions file as of the cut-over date (invoices, credit memos, receipts)
- Import unreconciled bank transactions file as of the cut-over date (deposits in transit and un-cleared withdrawals)
- Import General Ledger beginning balance file as of cut-over date per legal entity
- Validate all opening balances to be accurate and match GL balances for each respective account as of cut-over

Reporting & Business Analytics

Restaurant365 will:

- Enable Business Analytics component
- Review security permissions with customer for their users
- Review User Report settings and preferences
- Walk through Balance Sheet & P&L layouts / other requested sample report options
- Provide training resources such as articles and Webinars showing how to use Ad-Hoc reporting and dashboard tools

Customer will:

- Validate that Financial reports are formatted as needed
- Create an Ad-Hoc report and dashboard (Recommended)
- Review sample reports with coach to become familiar with options available

Post Cut-Over Support from Coach *Until first period close activities are completed, or max of 60 days post cut-over / production use of R365. Client may request to extend coach's assignment beyond 60 days post cut-over/ production use for \$500 per month. This service fee includes 5 additional hrs/ sessions which can be used in the same day or spread throughout a month.

Restaurant365 will:

- Review and assist the customer through initial period close, which includes the following:
 - Daily Sales Summary Approval
 - House Account Invoicing
 - Deposit
 - Financial Reports
 - Check Run
 - Operational Reports
 - Payroll Clearing Journal Entry
 - Bank Reconciliation
 - Stock Count
 - Bank Activity
 - Forecasting & Budgeting
- Review Item/Recipe Costing setup and provide recommendations for best practices
- Schedule one two-hour Operations Manager focused training / Q&A session with R365 Operations Specialist

Customer will:

- Review period-end checklist
- Obtain and import Bank Activity file from institution
- Create Bank Activity Rules if needed
- Verify first R365 Bank Reconciliation is accurate and complete
- Ensure Operations Managers are properly trained
- Update operating procedures to align with R365 processes

Post Hand-Off Support *Upon first period close activities being completed, or max of 60 days post cut-over / production use of R365. Client may request to extend coach's assignment beyond 60 days post cut-over/ production use for \$500 per month. This service fee includes 5 additional hrs/ sessions which can be used in the same day or spread throughout a month.

Restaurant365 will:

- Introduce customer to support team and ensure any open issues are documented and planned for resolution

Customer will:

- Review Restaurant365 Customer Center for questions, how-to's, FAQs before requesting support
- Route all questions or support inquiries through the Customer's designated Power User(s).
- Continue registering for and attending training webinars for continuing education

White Glove Setup Services (In addition to the above if purchased)

Restaurant365 will assign a senior setup coach who will:

- Provide Best Practice consultation throughout setup
- Hold a 1 to 2 hour 1-on-1 orientation call to tailor a setup plan specific to customer's needs
- Perform basic accounting setup with guidance from the customer
- Perform all data imports on behalf of the customer
 - Chart of Accounts
 - Vendors /Customers
 - Users
 - Item related records
 - Recipes
 - Beginning Balances (1 yr of monthly GL and daily Historical Sales)
 - Open Transactions
- Walk through POS Data Mapping with customer
- Two additional 2-hour remote customized Training sessions (recorded) for Accounting and Operations Power User. You may have as many attendees from your team as desired.
- Create 3 Ad-hoc reports and 1 dashboard with customer as part of training
- Include 2 additional Vendor Integrations (3 in total)
- Inventory import by a Restaurant365 specialist
- Increase scheduled call frequency with coach to up to 3-4 hrs each week (rather than 1-2 hrs)
- Improve Coach phone/email response turnaround time expectation to 4 hrs (rather than 24 hrs)
- 3 months after cut-over, lead a half day customer 'wellness-check' and best practice Review to ensure objectives are being met. Service includes the following;
 - Initial Q&A / assessment phone call
 - Review of settings and transactions
 - Follow-up training including best practices and remediation plan based on findings

Optional Services

The following optional consulting, setup, training, and import services are available when more assistance is needed than what is included with the above purchased setup services.

Integration and Import Services

Price

Historical Check Level Detail Polling per Location *if data is available	\$500
Change or add POS integration to an existing/new location	\$250
Setup additional Vendor Integration beyond the included 1-3 for your rollout	\$500
Additional Imports (i.e. Vendors, GL Accounts, Customers, Inventory Items, Stock Templates)	\$250
Historical GL Imports and Beginning Balances / entity for 1 yr (Customer must provide JE's)	\$500
Inventory preparation assistance and Import (estimated price per concept) – included w/ 'white glove'	\$2,000
Recipe preparation assistance and Import (estimated price per concept)	\$2,000

Consultative & Training Services

Additional training or Reconciliation Assistance – Half Day Remote	\$500
System "Wellness Check" & Best Practices Review – Half Day Remote	\$500
1 Day on-site training (2 day min)	\$1,500 (+travel)
2 Day on-site "Wellness Check", Best Practices & Custom Tailored Training	\$3,000 (+travel)
Extend Coach assistance for an additional 30 days (Beyond 60 days past cut-over)	\$500

Terms & Conditions

- Contracting Parties.** This Agreement is binding between Restaurant/Company, as specified above, referred to hereinafter as ("Customer"), and Restaurant365 LLC ("Restaurant365").
- Products & Services.** Customer is entitled to use the components and integrations purchased by the Customer as specified in the Software Pricing section of this Agreement, including all new updates to those specific components and integrations. The customer may add additional components or integrations to their system at any time which will increase the monthly fee to the Customer by the incremental amount of those components or integrations. All components and integrations subscribed to subsequent to signed date of this agreement are subject to the terms and conditions of this Agreement unless otherwise specified. During each 12-month period after the initial Agreement Period, the price for any component or integration may not increase by more than 6%.
- FYIsoft.** If FYIsoft is purchased, the customer agrees to the license agreement provided by FYIsoft (see www.FYIsoft.com). The Customer may contact Restaurant365 for 'report-level' support and/or training. If 'system-level' support is required, FYIsoft may be required to provide the support at the then current rate specified by FYIsoft and the Customer shall work directly with FYIsoft to resolve the issue.
- System.** The use of the "System" herein, shall mean the Restaurant365 software system and all associated training materials provided by Restaurant365. The customer is aware that the System may be updated and/or enhanced during the Agreement Period; and as such the look, feel, usability, and features may change during the course of the Agreement Period.
- Service Term & Termination.** The Term of this Agreement shall begin on the day of execution of this agreement and shall continue for the period specified in the "Terms & Payment Information" section above (the "Agreement Period"), subject to successive automatic renewals (each a "Renewal Period") unless either party provides sixty (60) days prior written notice to the other of its intent not to renew the agreement at the end of the initial Agreement Period or then current Renewal Period. Upon any termination, hereunder all rights to use Restaurant365 terminate immediately. The Customer will be responsible for exporting data out of Restaurant365 prior to the day of termination. Restaurant365 shall delete all of the Customer's information from the System the day after the day of termination.
- Cancellation of Components or Integrations during the Agreement Period.** Respective of the customers agreement period (month to month, annual, 3-year) the software may be cancelled with (60) days' notice in writing without fee for the cancellation. Customers will be help responsible for full payment of their remaining agreement period if they have elected to sign an annual or longer agreement. These fees will be due in their regular schedule until the end of the agreement period.
- Technology Support.** Shall be provided Sun. – Fri. from 8:00 am MST to 8:00 pm CST. The Customer is entitled to unlimited product support with their normal monthly fee via email or support web portal. This includes fixing and troubleshooting any defect or bug in the application itself – not assistance in making or reconciling accounting entries and records. Additional consulting services may be provided for an additional fee on a time & materials basis. Customer will assign one designated internal 'power user' (and a secondary named person in the event the 'power user' is out of the office) to submit all support cases to Restaurant365 via email or support web portal. The intention is to allow customers to control the support requests that are being created and for the customer's internal staff to be the first responders to any training requests.
- Setup Fees, First Month Deposit, Implementation.** Each time a new location or integration is added, regardless of when it is added, it increases the monthly fee and requires an associated setup fee. This required setup fee is called the 'Standard' Implementation service and is calculated as a multiple of the incremental monthly fee. The scope of work included with the

'Standard' Implementation is defined in the 'Standard Implementation Scope of Work' section. The first and last month deposit, equal to the incremental monthly fee is also due at the time of adding new components or integrations. If a component or integration is cancelled and then subsequently added, the 'Standard' Implementation services are also due at the time of reactivation. It is necessary that the Customer provide the required source files where requested and complete tasks assigned to them during the implementation. If the Customer fails to complete tasks assigned to them within a reasonable time period of their previously agreed upon due date, the cost of the implementation may be subject to additional fees and the project go-live date may be re-scheduled. The monthly billing will begin 30 days after the signed execution date of this Agreement, or on the agreed upon alternative date reflected on the pricing page of this agreement. The first billed month will be prorated. The client's go-live date is not when the billing begins.

- 9. Scheduling Onsite Implementation.** For scheduled on-site visits agreed upon by Customer and Restaurant365, all out of pocket travel expenses for such onsite implementation & training will be billed to Customer. Mileage to be billed at the current federal tax reimbursement rate for mileage. Due to scheduling of resources and travel considerations, once the implementation date has been confirmed with the Customer, Restaurant365 cannot change the implementation date without an additional expense to the Customer. A minimum implementation date change fee of \$1,500 plus applicable travel related change fees will apply. A minimum of 2 days is required for scheduling an on-site visit.
- 10. Training.** Customer shall receive unlimited access to the on-line training videos for each component and feature of Restaurant365. Also, additional live training via web-conferencing will be scheduled for select components/features after the Customer has completed viewing all applicable on-line training videos. If the Customer has additional questions or clarifications regarding Restaurant365 after watching the training videos, and attending live training, they may purchase additional remote (i.e. online) training services. The 'Standard' implementation includes online training services for the designated customer 'power user(s)'. It will be the responsibility of the customer's 'power user(s)' to train and inform all other customer internal personnel beyond the training videos. In other words, the fees associated with the 'Standard' implementation only include training for the designated 'power user(s)' and do not include individual live or online training for all store managers or other customer users of Restaurant365. It is not the responsibility of Restaurant365 to train all new users of the system when they are added to the system nor to respond to all training requests.
- 11. Customer Responsibilities.** The Customer is responsible for determining whether the System will achieve the results the Customer desires. Procuring, installing, and operating the user computers, hardware, printers, communications lines, and operating systems required for its use of the System; providing a proper environment and proper utilities for the Customer's computers on which the Software operates; adopting procedures to ensure the accuracy of input data; examining and confirming results prior to use; providing an authorized primary 'power user' and project manager who will coordinate communication and activities, make or facilitate making decisions during the implementation process, and post-implementation, are the sole and exclusive responsibilities of the Customer. It is imperative that the Customer deliver the information requested, as part of the implementation, in a timely manner. If Restaurant365 does not receive the Customer's documents and desired System configurations on or before the agreed upon schedule, the Customer will be charged additional setup and configuration fees to complete the work. The Customer is responsible for ensuring that the operating software on each workstation is on a currently supported version from the maker. No support will be given to troubleshoot errors on workstations that are not on a currently supported version of software.
- 12. Payment.** Customer will pay all fees, plus appropriate taxes charged by the city, county, state in which they reside or any federal tax imposed on the sale of the license and services provided by Restaurant365, to Restaurant365 on the first day of the month and are considered past due after the 15th day of the month. Amounts not paid when due will be subject to finance charges equal to 10% per year, determined and compounded daily from the date due until the date paid. If Customer fails to pay any fee in a timely manner, Restaurant365 may, without limitation to any of its other rights and remedies, suspend performance of the Services by shutting off access to the System (after providing written 15 days' notice) until it receives all amounts due.
- 13. Grant of License and Authorized Use.** Restaurant365 hereby grants, and the Customer accepts on behalf of itself and its employees, a nonexclusive, license to use the Restaurant365 Software and System for the limited purpose of its internal business purposes during the term of the Agreement. Customer shall cause all persons ("Users") obtaining access to the System to access the System solely in accordance with the terms hereof.

- 14. Confidentiality.** Confidential Information means nonpublic information that the disclosing party designates as being confidential or which under the circumstances surrounding disclosure should be treated as confidential ("Confidential Information"). Confidential Information includes, without limitation: information relating to the disclosing party's software or hardware products which may include source code, API data files, documentation, specifications, databases, networks, system design, file layouts, tool combinations and development methods as well as information relating to the disclosing party's business or financial affairs, which may include business methods, marketing strategies, pricing, competitor information, product development strategies and methods, customer lists and financial results. Confidential Information also includes information received from others that the disclosing party is obligated to treat as confidential and oral information that is identified by the disclosing party as confidential. Confidential Information disclosed by a subsidiary of the disclosing party and/or its agents is covered by this Agreement. Confidential Information includes all tangible materials which contain Confidential Information whether written or printed documents, computer disks or tapes whether user or machine-readable.
- a. Confidential Information shall not include any information that: (1) is already known to the receiving party, (2) is or becomes publicly known through no wrongful act of the receiving party (3) is received by the receiving party from a third party without any restriction on confidentiality; (4) is approved for release by prior written authorization of the disclosing party.
 - b. The parties agree to maintain the confidentiality of the Confidential Information and to protect as a trade secret any portion of the other party's Confidential Information by preventing any unauthorized copying, use, distribution, installation or transfer of possession of such information. Without limiting the generality of the foregoing, neither party shall permit any of its personnel to remove any proprietary or other legend or restrictive notice contained or included in any material provided by the disclosing party and the receiving party shall not permit its personnel to reproduce or copy any such material except as expressly authorized hereunder. Either party may only use Confidential Information in order to fulfill its obligations under this Agreement.
 - c. Both parties acknowledge that any use or disclosure of the other party's Confidential Information in a manner inconsistent with the provisions of the services agreement may cause the non-disclosing party irreparable damage for which remedies other than injunctive relief may be inadequate, and both parties agree that the non-disclosing party may request injunctive or other equitable relief seeking to restrain such use or disclosure. The parties agree that the disclosure of Confidential Information may cause irreparable harm to the party whose information is disclosed.
 - d. The terms and provisions of this Confidentiality Section shall survive any termination of the services agreement for any reason.
- 15. Intellectual Property Rights.** In the course of this Agreement, Restaurant365 may create or use enhancements, discoveries, processes, methods, designs, software code and know-how, whether or not copyrightable or patentable, which Restaurant365 conceived while working with you during the course of its ongoing business activities. In addition, Restaurant365 may independently develop enhancements, processes, methods, designs or know-how during the term of this Agreement. The parties mutually acknowledge that Restaurant365 shall own all right, title and interest in and to such enhancements, processes, methods, designs, and know-how including without limitation the intellectual property rights relating thereto, and may use such enhancements, processes, methods, designs and know-how in their business operations with other customers, without limitation. Restaurant365 shall own all intellectual property developed or created during this Agreement, including but not limited to all code developed for the Customer.
- 16. General Warranty Disclaimer.** Restaurant365 makes and the Customer receives no warranties, express, implied, or statutory, except as expressly set forth herein. The system and all services are provided "as is," without warranty of any kind, either express or implied, including without limitation, any warranties concerning the availability, accuracy, usefulness, or content of information, products or services or any warranties of merchantability or fitness for a particular purpose. Customer acknowledges that data transmission and storage is subject to the likelihood of human and machine errors, omissions, delays, and losses, including inadvertent loss of data or damage to media, that may give rise to loss or damage. In addition, Customer agrees that Restaurant365 does not represent that the System or any Services will be uninterrupted, without omissions, or error free.
- 17. Limitation of Liability.** Neither Restaurant365 nor any of its employees, agents, successors, assigns, affiliates, or consultants or service providers, shall be liable to the Customer or any third party for any indirect, incidental, special or consequential damages arising out of use of the System, the performance of the Services, or inability to gain access to or use the System, or out of any breach of any warranty. The limitation of liability shall include, without limitation, damages for loss of business profits, business

interruption, loss of business information, or other pecuniary loss arising out of this services agreement or the performance or failure to perform support or Services, even if Restaurant365 or Customer has been advised of the possibility of such damages. The cumulative liability of Restaurant365 to the Customer for any claims relating to the System or the Services, whether arising in contract, tort, or otherwise, shall not in any event exceed the amount of 50% of the per period services fees paid hereunder in the six (6) periods preceding the event giving rise to the claim. The foregoing allocation of risk and limitation of liability has been negotiated and agreed by the parties and forms the basis of their willingness to enter into this transaction.

- 18. Independent Contractor.** Restaurant365 and Customer are independent contractors. Neither Restaurant365 nor Customer are, or shall be deemed for any purpose to be, employees or agents of the other and neither party shall have the power or authority to bind the other party to any contract or obligation.
- 19. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. Except as provided in Section 24, Customer and Restaurant365 consent to the jurisdiction of the state courts of the State of California located in Orange County and the U.S. District Court for the Central District of California. Each party acknowledges that it has read this Agreement and agrees that this Agreement is the complete and exclusive statement of the parties and supersedes and merges all prior proposals understandings and agreements, oral or written, between the parties relating to the subject matter hereof, including without limitation, the terms of any customer request for proposal or the standard printed terms on any Customer purchase order. No modification, amendment, supplement to or waiver of this Agreement shall be binding upon the parties hereto unless made in writing and duly signed by both parties.
- 20. Severability.** In the event any one or more of the provisions of this Agreement is held to be invalid or otherwise unenforceable, the enforceability of the remaining provisions shall be unimpaired.
- 21. Assignment.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns; No party shall assign this Agreement or any of its rights and obligations hereunder without the prior written consent of the other parties; provided, however, that either party may assign this Agreement and all of its rights and obligations hereunder to a purchaser of all or substantially all of the assets of such party who expressly assumes all of such party's obligations under this Agreement in connection with such assignment.
- 22. Survival.** The obligations of confidentiality imposed herein shall survive termination of this Agreement for a period of four (4) years. Any other provisions of this Agreement that by their nature extend beyond the expiration or termination of this Agreement shall survive the expiration or termination of this Agreement and shall remain in effect until all such obligations are satisfied.
- 23. Arbitration.** Except for collection actions for payment of fees and for the right of either party to apply to a court of competent jurisdiction for a temporary restraining order, a preliminary injunction, or other equitable relief to preserve the status quo or prevent irreparable harm, any controversy or claim arising out of or relating to this agreement or to its breach shall be settled by arbitration by a panel of three arbitrators in accordance with American Arbitration Rules, pursuant to an arbitration held in Orange County, California, and judgment upon the award rendered by the arbitrator may be entered in any court of competent jurisdiction. The prevailing party shall be entitled to receive from the other party its attorney's fees and costs incurred in connection with any action, proceeding or arbitration hereunder.
- 24. Force Majeure.** Restaurant365 shall not be responsible for failure to perform in a timely manner under this services agreement when its failure results from any of the following causes: Acts of God or public enemies, civil war, insurrection or riot, fire, flood, explosion, earthquake or serious accident, strike, labor trouble or work interruption or any cause beyond its reasonable control.

EXHIBIT I

State Effective Dates

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

Minnesota	[PENDING]
North Dakota	[PENDING]
South Dakota	[PENDING]
Wisconsin	[PENDING]

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT J

Receipts

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

Except as noted below, if Green Mill Restaurants, LLC offers you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

If Green Mill Restaurants, LLC offers you a franchise in New York, we must give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Green Mill Restaurants, LLC offers you a franchise in Iowa or Michigan,, we must give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration.

If Green Mill Restaurants, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise is: Paul Dzubnar, 1342 Grand Avenue, St. Paul, MN 55105, (651) 203-3100; and Michael Drummer, 30 Map Drive, Mankato, MN 56001, (507) 386-1060.

Issuance Date: October 14, 2021

See Exhibit A for our registered agents authorized to receive service of process.

I have received a Disclosure Document dated October 14, 2021 (see State Effective Dates) that included the following Exhibits:

- A. LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS
- B. FRANCHISE AGREEMENT
- C. FINANCIAL STATEMENTS
- D. LIST OF FRANCHISED LOCATIONS
- E. STATE ADDENDA
- F. TABLE OF CONTENTS TO THE OPERATIONS MANUAL
- G. FORM OF GENERAL RELEASE AGREEMENT
- H. THIRD PARTY SUPPLIER AGREEMENTS
- I. STATE EFFECTIVE DATES
- J. RECEIPTS

Date	Signature	Printed Name
Date	Signature	Printed Name

Please sign this copy of the receipt, date your signature, and keep this copy for your records.

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.

Except as noted below, if Green Mill Restaurants, LLC offers you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

If Green Mill Restaurants, LLC offers you a franchise in New York, we must give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Green Mill Restaurants, LLC offers you a franchise in Iowa or Michigan,, we must give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration.

If Green Mill Restaurants, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise is: Paul Dzubnar, 1342 Grand Avenue, St. Paul, MN 55105, (651) 203-3100; and Michael Drummer, 30 Map Drive, Mankato, MN 56001, (507) 386-1060.

Issuance Date: October 14, 2021

See Exhibit A for our registered agents authorized to receive service of process.

I have received a Disclosure Document dated October 14, 2021 (see State Effective Dates) that included the following Exhibits:

- A. LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS
- B. FRANCHISE AGREEMENT
- C. FINANCIAL STATEMENTS
- D. LIST OF FRANCHISED LOCATIONS
- E. STATE ADDENDA
- F. TABLE OF CONTENTS TO THE OPERATIONS MANUAL
- G. FORM OF GENERAL RELEASE AGREEMENT
- H. THIRD PARTY SUPPLIER AGREEMENTS
- I. STATE EFFECTIVE DATES
- J. RECEIPTS

_____ Date	_____ Signature	_____ Printed Name
_____ Date	_____ Signature	_____ Printed Name

Please sign this copy of the receipt, date your signature, return the signed Receipt to: Green Mill Restaurants, LLC, 1342 Grand Avenue, St. Paul, Minnesota 55105, Attn: Mr. Paul Dzubnar.