

FRANCHISE DISCLOSURE DOCUMENT



Smalls Sliders Franchising LLC
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We offer franchises for the operation of a “Smalls Sliders Restaurant” which offers a limited menu of made-to-order sliders, fries, sauces, milkshakes, beverages and other ancillary food products that we may authorize from time to time.

The total investment necessary to begin operations of a Smalls Sliders Restaurant franchise ranges from \$1,077,108 to \$1,279,491, including \$30,000 that must be paid to the us or our affiliate(s). If you purchase the right to own multiple Smalls Sliders Restaurants, you will also be required to pay us a development fee of \$15,000 multiplied by the number of Small Sliders Restaurants (excluding the first) which you must open. For example, if you purchase the right to own five Smalls Sliders Restaurants, your development fee would be \$60,000.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Richard Leveille at 7516 Bluebonnet Blvd #173, Baton Rouge, Louisiana 70810 and (504) 723-0362.

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 of this Franchise Disclosure Document: February 8, 2022.

STATE COVER PAGE

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 <u>Exhibit I</u> .
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 <u>Exhibit F</u> 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 Smalls Sliders Restaurant 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 Smalls Sliders Restaurant franchisee?	Item 20 or <u>Exhibit I</u> list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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 in the city in which the franchisor's then current principal business address is located (currently, Baton Rouge, Louisiana). 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 the city in which franchisor's then current principal business address is located (currently Baton Rouge, Louisiana) than in your own state.

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

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APPLICABLE STATE LAW MIGHT REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN EXHIBIT K.

Item 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The franchisor is Smalls Sliders Franchising LLC (“we,” “us,” or “our”). “You” means the individual or entity that buys the franchise. If you are a corporation, partnership, limited liability company, or other entity, your owners must sign our “Guaranty and Assumption of Obligations,” which means that all of the provisions of the Franchise Agreement (a form of which is attached as Exhibit C) also will apply to your owners.

We are a Louisiana limited liability company formed on June 22, 2021. Our principal business address is 7516 Bluebonnet Blvd #173, Baton Rouge, Louisiana 70810. We operate under our legal name, the name “Smalls Sliders” and no other name. If we have an agent in your state for service of process, we disclose that agent in Exhibit B. We have not previously conducted business in this or any other line of business and we are offering franchises for the first time in this or any line of business with this Disclosure Document.

Our parent company is Smalls Holding, LLC (“Smalls Holding”), a Louisiana limited liability company formed on August 24, 2018. Smalls Holding does not provide products or services to franchise owners of Smalls Sliders Restaurants. Our affiliate, Smalls Sliders IP, LLC (“Smalls IP”), a Louisiana limited liability company formed on June 22, 2021, owns and licenses the use of the Marks to us. Smalls Holdings and Smalls IP share our principal address and neither offers franchises in any line of business. We also have affiliates that own and operate company-owned Smalls Sliders Restaurants in Louisiana. Except as described above, we have no parents, predecessors or affiliates that must be disclosed in this item.

We grant franchises for businesses operating under the “Smalls Sliders” name and other trademarks, trade names, service marks, and commercial symbols (collectively, the “Marks”). For reference purposes in this Disclosure Document, we collectively refer to all businesses using the System (defined below) and the Marks as “Smalls Sliders Restaurants,” and we call the Smalls Sliders Restaurant that you will operate your “Restaurant.” Smalls Sliders Restaurants offer made-to-order sliders, fries, sauces, milkshakes, beverages and other ancillary food products that we may authorize (collectively, “Menu Items”) using the Marks and the System (defined below).

Smalls Sliders Restaurants use our business formats, methods, procedures, signs, designs, layouts, standards, Menu Items, specifications and Marks (the “System”), all of which we may improve, further develop or otherwise modify. Menu Items are prepared according to our specified recipes and procedures and use high quality ingredients, including all food and beverage items, ingredients, condiments and other products, services and equipment (collectively, the “Proprietary Products”) which now comprise, or in the future may comprise, part of the System or our trade secrets, which are developed by and are proprietary to us or our affiliates. If you acquire a franchise, you must operate your Restaurant according to the System. Your Restaurant will be operated from a site we approve located at the principal business address listed on Exhibit B of the Franchise Agreement (the “Premises”). Unless otherwise pre-approved by us in writing, Smalls Sliders Restaurants must be dual lane modular drive-thru restaurants which are manufactured, shipped and installed on the Premises.

You must operate your Restaurant in compliance with the System and as set forth in the Franchise Agreement and our confidential operations manual, which consists of the materials we generally furnish to franchisees online for use in the operation of Smalls Sliders Restaurants (the

“Operations Manual”). Your Restaurant must meet our specifications as to exterior and interior decor, furniture and logos, and equipment. Your Restaurant must have the managers and personnel in sufficient numbers as necessary to promptly, efficiently and effectively service customers.

We also may grant multi-unit development rights to qualified franchise owners, who then will have the right to develop a minimum of 2 Smalls Sliders Restaurants within a defined area (the “Development Area”) over a specific time period or according to a pre-determined development schedule (the “Development Schedule”). These franchise owners may open and operate Smalls Sliders Restaurants directly or through controlled affiliates. Our Development Agreement Rider to the Franchise Agreement is attached as Exhibit D. (See Items 5 and 12)

The market for sliders, fries and shakes is well developed and intensely competitive. There are many single location restaurants, regional and national restaurant systems currently offering menu items similar to the menu items we offer under the System, although we believe we have a unique format and presentation in the restaurant segment featuring our Menu Items. You will also compete with other fast casual and quick service restaurants that serve customers at a counter. Competition for qualified management and supervisors, skilled labor and unskilled labor for the restaurant industry is significant, which may cause labor costs to be higher than average. The supply of suitable restaurant space for lease in suitable locations is limited and is subject to increasing demand from other restaurant concepts and non-restaurant retailers.

You must comply with existing laws, regulations, and ordinances that apply generally to all businesses, such as the Americans with Disabilities Act, federal wage and hour laws and state law equivalents, the Affordable Care Act, the Occupational Safety and Health Act, anti-terrorism and anti-corruption laws (such as the Patriot Act and the Foreign Corrupt Practices Act), and data protection and privacy laws (such as credit card protection under the U.S. Fair and Accurate Credit Transactions Act, or “FACTA”). It is your sole responsibility to comply with all applicable laws, and to obtain and maintain all necessary licenses and permits required by public authorities. You should investigate these laws that may apply to the food and beverage industry and to all businesses in general.

Because your Restaurant serves food and beverages, you also must comply with all existing regulations concerning food service, nutrition, calorie content, and other federal or state regulations that apply specifically to the food and beverage service industry. For example, the Environmental Protection Agency, U.S. Food and Drug Administration, the U.S. Department of Agriculture, as well as state and local environmental and health departments and other agencies, have laws and regulations concerning the preparation of food and sanitary conditions of food and beverage establishments. State and local agencies may periodically conduct inspections for compliance with these requirements. Under the federal Clean Air Act and certain state laws, you may be required to comply with applicable statutory guidelines, such as localized quality standards for ozone, carbon monoxide and particulate matters. Certain provisions of such laws impose limits on emissions resulting from commercial food preparation.

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Item 2

BUSINESS EXPERIENCE

Co-Founder & Chairman: Brandon P. Landry

Brandon has served as Co-Founder and Chairman since our formation on June 22, 2021. Brandon has also served as Chief Executive Officer and Founder of: Walk-On's Enterprises Operations, LLC since its formation in September 2003; Walk-On's Enterprises Holdings, LLC since its formation in January 2014; Walk-On's Enterprises IP, LLC since its formation in January 2014; Walk-On's Enterprises Operations, LLC since its formation in January 2014; and, Walk-On's Marketing since its formation in April 2015, all of which are located in Baton Rouge, Louisiana.

Co-Founder, Chief Operating Officer & Brand Ambassador: Jacob Dugas

Jacob has served as Co-Founder, Chief Operating Officer & Brand Ambassador since our formation on June 22, 2021. From February 2019 until June 2021, Jacob was the Co-Founder and Operating Partner of our Parent Company, Smalls Holding. From September 2013 until February 2019, Jacob served as Construction Manager of Jacob's Engineering in Baton Rouge, Louisiana.

Owner in Parent Company: Drew Brees

Drew has been a beneficial Owner in our parent company, Smalls Holding, since its formation on August 24, 2018. Since April 2015, Drew has been an Owner of: Walk-On's Enterprises Holdings, LLC; Walk-On's Enterprises IP, LLC; Walk-On's Enterprises Operations, LLC; and, Walk-On's Marketing, all of which are located in Baton Rouge, Louisiana. Drew was also a professional football player for the New Orleans Saints of the National Football League from 2006 through 2020 in New Orleans, Louisiana.

President & CEO, General Counsel: Joe Lewis

Joe has served as our President & CEO and General Counsel since July 2021. From November 2020 to June 2021, Joe served as President & CEO and General Counsel of Twist Brands LLC, Color Me Mine LLC and Chesapeake Ceramics LLC. From August 2018 to June 2021, Joe served as President & CEO and General Counsel, and from April 2018 to August 2018, Chief Operating Officer & General Counsel, of Painting with a Twist, LLC in Mandeville, Louisiana. From February 2013 to April 2018, Joe served as Vice President & General Counsel of Smoothie King Franchises in Metairie, Louisiana.

Owner in Parent Company: Scott Fargason

Scott has been a beneficial owner in our parent company, Smalls Holding, since its formation on August 24, 2018. He served as our Chief Financial Officer from July 2021 to February 2022. Scott served as an advisor of internal controls and best practices to the executive team and operations management for SunTrust Bank in Atlanta, Georgia from March 2017 to December 2018. Scott has been a professor and faculty member of the Louisiana State University Business School since June 1995.

Chief Marketing Officer: Katherine LeBlanc

Katherine has served as our Chief Marketing Officer since our formation on June 22, 2021. She served as Chief Marketing Officer of Twist Brands LLC, Color Me Mine and Chesapeake Ceramics in Mandeville, Louisiana from November 2020 through June 2021. She served as Chief Marketing Officer of Painting with a Twist LLC from September 2018 to June 2021. From December 2017 to September 2018, Katherine served as the Director of Sales & Marketing for Dickie Brennan & Company, Inc. in New Orleans, Louisiana. From April 2016 to December 2017, Katherine served as the Director of Brand Marketing for Smoothie King Franchises, Inc. in Metairie, Louisiana.

Chief Development Officer: Richard Leveille

Richard has served as our Chief Development Officer since January 2022. From January 2019 to December 2021, Richard served as Chief Development Officer of Twist Brands and Painting with a Twist in Mandeville, Louisiana. From April 2018 to November 2018, Mr. Leveille served as Chief Development Officer of The Lost Cajun Enterprises in Covington, Louisiana. From April 2014 to April 2018, Mr. Leveille served as Vice President of Franchise Development of Floor Coverings International in Norcross, Georgia.

Item 3

LITIGATION

No litigation is required to be disclosed in this Item.

Item 4

BANKRUPTCY

Our President & CEO and General Counsel, Joe Lewis, was a principal officer of the following companies when they filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the Eastern District of Louisiana as a result of declining sales in light of the economic recession: (i) Sicily's, LLC, PO Box 353, Mandeville, LA 70470, filed on June 28, 2012, Case Number: 12-11945; (ii) Sicily's Covington, LLC, 301 N. Hwy 190, Covington, LA 70433, filed on June 22, 2012, Case Number: 12-11893; (iii) Sicily's NOLA I, LLC, 1753 Manhattan Blvd, Ste. T, Harvey, LA 70058, filed March 12, 2012, Case Number: 12-10717; and (iv) Sicily's NOLA II, LLC, 214 Belle Terre Blvd, Laplace, LA 70068, filed April 19, 2012, Case Number: 12-11192. Sicily's, LLC is the parent and management company of Sicily's Franchise Systems, LLC, the franchisor of Sicily's Italian Buffet restaurants (collectively, the "Sicily Bankruptcy"). Sicily's Franchise Systems, LLC did not file for bankruptcy. The other three entities operate individual Sicily's Italian Buffet restaurants. The companies filed separately but were consolidated into one administrative proceeding. The cases for Sicily's, LLC and Sicily's Covington, LLC were dismissed, and a plan of reorganization for Sicily's NOLA I, LLC and Sicily's NOLA II, LLC was confirmed on March 25, 2013. The assets of Sicily's NOLA I, LLC and Sicily's NOLA II, LLC were sold in 2016. On June 29, 2012, Mr. Lewis, our President & CEO and General Counsel, filed for bankruptcy under Chapter 7 of the U.S. Bankruptcy Code in the Eastern District of Louisiana under case number 11963. The bankruptcy was related to loan and lease obligations in the Sicily's bankruptcy and was discharged on October 10, 2012.

Other than as described above, no bankruptcy proceedings are required to be disclosed in this Item.

Item 5

INITIAL FEES

Franchise Agreement

Initial Franchise Fee

If we grant you a franchise for a Smalls Sliders Restaurant, then when you sign the Franchise Agreement, you must pay us a non-recurring initial franchise fee (the “Initial Franchise Fee”) in the amount of \$30,000. The Initial Franchise Fee is fully earned by us when paid and is not refundable under any circumstances, except as provided below in this Item 5. The Initial Franchise Fee is uniform as to all franchise owners purchasing a franchise for a Smalls Sliders Restaurant.

Development Agreement Rider

If we allow you to sign our Development Agreement Rider to the Franchise Agreement because you commit to develop a minimum number of Smalls Sliders Restaurants in a Development Area, we currently charge a development fee that you must pay in full when you sign the Development Agreement Rider. You will pay the full \$30,000 Initial Franchise Fee for the first Smalls Sliders Restaurant covered by that Franchise Agreement plus a fee of \$15,000 for each subsequent Smalls Sliders Restaurant you commit to develop. The balance of the Initial Franchise Fee (that is, the remaining \$15,000) for each Smalls Sliders Restaurant is due when you sign our then-current Franchise Agreement for that Smalls Sliders Restaurant. Such franchise agreement must be signed 6 months before the date by which you must develop your Smalls Sliders Restaurant or upon signing a lease agreement or purchasing property for your Smalls Sliders Restaurant, whichever occurs first. We and you will determine the number of Smalls Sliders Restaurants you must develop, and the dates by which you must develop them, before signing the Development Agreement Rider.

The development fee is not refundable under any circumstances. If you sign the Development Agreement Rider, pay the development fee, and then cannot find sites for Smalls Sliders Restaurants or choose not to perform for another reason (in which case the first Franchise Agreement and/or the Development Agreement Rider is terminated), we will keep the entire development fee and we will not return any money to you.

Grand Opening Campaign

In addition to your local advertising and promotion, you must spend a minimum of \$15,000 to advertise and promote your Restaurant during a grand opening period beginning 30 days prior to the scheduled opening of your Restaurant and ending 6 months after your Restaurant opens for business. You will comply with our guidelines on any grand opening advertising campaign, which may require that we collect all or some portion of this amount and spend it on your behalf. If collected by us or our affiliates, these amounts are fully earned and non-refundable.

Range of Pre-Opening Amounts Received During Prior Fiscal Year

During our last fiscal year, we charged a reduced Initial Franchise Fee of \$15,000 for our first initial group of “pioneer” franchise owners.

Item 6

OTHER FEES

Column 1 Type of Fee⁽¹⁾	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Continuing Service and Royalty Fee (“Royalty”)	6% of weekly Gross Sales ⁽²⁾	Payable weekly, but no later than the Monday following the reporting week which ends the immediately preceding Sunday or other day determined by us ⁽²⁾	“Gross Sales” means all revenue that you derive from operating your Restaurant, including, but not limited to, all amounts that you receive at or away from the Premises, and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions and all other income of every kind and nature related to your Restaurant, but (1) excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority and (2) reduced by the amount of any documented refunds, credits, allowances, and charge-backs your Restaurant in good faith gives to customers, which are approved by us in writing.
Brand Fund Contribution (“Fund Contribution”)	Up to 2% of weekly Gross Sales (currently 1% of weekly Gross Sales)	Payable weekly	Fund contributions are payable in the same manner as the Royalty. See Item 11 for a detailed discussion about the Brand Fund (the “Fund”).
Technology Contribution	Currently \$100/month	Payable on or before the 10 th day of each month (or such other date as we designate)	Technology Contribution payments are used to fund technology to improve our support to the System including digital and other modern ordering capabilities, platforms, “apps” and other now or hereafter developed infrastructure, tools, systems and analytics.

Column 1	Column 2	Column 3	Column 4
Type of Fee⁽¹⁾	Amount	Due Date	Remarks
Initial Training Fee	Then current training fee per person for our initial training program (currently, \$300 per person, per day, plus expenses)	As incurred	We provide initial training for you (or your managing owner) and the manager-level employee you appoint (the “General Manager”) at no additional cost (see Item 11). We will charge you an initial training fee for any trainee beyond the 2 attendees (see Item 11).
Conference Fee	Our then-current charge to attend any franchisee conference we schedule	As required	Required for each franchisee conference we schedule.
Transfer Fee	75% of our then-current Initial Franchise Fee if the transfer is to a new franchisee or 50% of our then-current Initial Franchise Fee if the transfer is to an existing franchisee.	Upon demand	Payable when you transfer the franchise or your ownership.
Transfer to Entity	Our actual costs	Upon demand	If you are transferring the Franchise Agreement to an entity that you control, you will not be required to pay a transfer fee but you must pay our actual costs.
Relocation	20% of the then-current Initial Franchise Fee we charge for new Small Sliders Restaurants	Upon demand	Applicable to relocation in the event your lease expires or is terminated without your fault, or if the site for the Premises is destroyed, condemned, or otherwise rendered unusable.
Renewal	Our then-current renewal fee, which will not exceed 20% of our then-current franchise fee	Upon signing a Successor Franchise Agreement	You must meet certain conditions to have the option to acquire a successor franchise.
Testing	The cost of inspection and testing	As incurred	This covers our costs and expenses for evaluating and testing new products or inspecting new suppliers you propose.
Audit	The cost of inspection or audit (including any mystery shopper program), which we	Upon invoice	Due if you do not give us reports, supporting records, or other required information.

Column 1	Column 2	Column 3	Column 4
Type of Fee⁽¹⁾	Amount	Due Date	Remarks
	estimate to be \$250 per instance.		
Interest on overdue amounts	4% above the prime rate of interest on the first day of each month or the maximum rate allowable by applicable law ⁽³⁾	As agreed	Due on all overdue amounts.
Insurance	You must reimburse our costs	As incurred	If you fail to obtain insurance, we may obtain insurance for you and you must reimburse us.
Insufficient Funds Processing Fee	\$250, plus our expenses	As incurred	Due if you have insufficient funds in your EDTA to cover a payment, or, if you pay by check, a check is returned for insufficient funds.
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Due when you do not comply with the Franchise Agreement.
Brand Damages	Will vary under circumstances ⁽⁴⁾	As incurred	Due only if we terminate the Franchise Agreement before it expires, in which case you must pay us for all Brand Damages related to the early termination.
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims from your Restaurant's operations and other damages we incur.
Management Fee	Direct out-of-pocket costs and expenses (plus \$500 per day)	As incurred	Due when we (or a third party we designate) manage your Restaurant after your or your managing owner's death or disability or upon your default or abandonment.
Administrative Fee	\$500 per day that we have the right to terminate the Franchise Agreement	As incurred	Due when you do not comply with the Franchise Agreement.

1/ Except for product and service purchases described in Item 8, and except as otherwise noted in this Item 6, all fees are imposed and collected by and payable to us or our affiliates. Except as noted above, all fees are uniform and nonrefundable.

2/ Before your Restaurant begins operating, you must sign and deliver to us the documents we require to authorize us to debit your business checking account automatically for the Royalty, Fund contributions, and other amounts due under the Franchise Agreement and for your

purchases from us and/or our affiliates (the “Electronic Depository Transfer Account” or “EDTA”). We will debit the EDTA for these amounts on their due dates. Funds must be available in the EDTA for withdrawal. We may require payment other than by automatic debit, and you must comply with our payment instructions.

If you do not report your Restaurant’s Gross Sales, we may debit your EDTA for 120% of the last Royalty and Fund contribution that we debited. If the amounts we debit are less than the amounts you actually owe us, then we will debit your EDTA for the remaining balance on the day we specify. If the amounts we debit are greater than the amounts you actually owe us, then we will credit the excess against the amounts that we otherwise would debit from your EDTA during the following month less a 10% administrative fee on the excess amount due to your failure to report.

- 3/ If there is no applicable legal maximum rate, interest will be calculated at the rate of 4% above the prime rate of interest on the first day of each month for the past due amount, as published in The Wall Street Journal.
- 4/ Brand Damages include all damages, costs, expenses, attorneys’ and experts’ fees directly or indirectly related to early termination, including lost Royalties, lost Fund contributions, lost profits, loss of goodwill and damage to our Marks and reputation, lost opportunities, travel and personnel costs, expenses that we may incur in developing or finding another franchise owner to develop a new Smalls Sliders Restaurant in the Territory, and any other lost payments or benefits we would have received for the balance of the term of the Franchise Agreement after the effective date of termination.

Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

COLUMN 1	Column 2	Column 3	Column 4	Column 5
TYPE OF EXPENDITURE	Amount	Method of Payment	When Due	To Whom Payment is to be made
Initial Franchise Fee (1)	\$30,000	Lump Sum	Upon signing Franchise Agreement (and, if applicable, Development Agreement Rider)	Us
Restaurant Building & Site Work(2)	\$637,645 to \$783,828	As Agreed	As Incurred	Building Manufacturer, Architect, Contractors
FF&E & Technology (3)	\$320,668 to \$326,439	As Agreed	As Incurred	Outside Suppliers

COLUMN 1	Column 2	Column 3	Column 4	Column 5
TYPE OF EXPENDITURE	Amount	Method of Payment	When Due	To Whom Payment is to be made
Signage & Menu Boards (4)	\$43,795 to \$64,224	As Agreed	As Incurred	Outside Suppliers
Pre-Opening Expenses (5)	\$30,000 to \$45,000	As Agreed	As Incurred	Outside Suppliers
Additional Funds – 3 months (6)	\$15,000 to \$30,000	As Incurred	As Incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT (7)	\$1,077,108 to \$1,279,491			

Explanatory Notes

* Except as otherwise provided, all amounts listed in the above table are nonrefundable. No separate initial investment is required when you sign the Development Agreement Rider.

1. Initial Franchise Fee: We describe the Initial Franchise Fee in Item 5.
2. Building & Site Work: It is your responsibility to identify a suitable Premises within the site selection area we designate in the Franchise Agreement (the “Site Selection Area”). The restaurant building and site work is our estimate of the cost of constructing a dual lane modular drive-thru restaurant which is manufactured, shipped and installed on the Premises. The size of the building will be approximately 800 square feet located upon a site of approximately 20,000 to 30,000 square feet. This estimate also includes due diligence, surveys, fees for architects and engineers, permit, and impact fees, which vary by your region and specific location; and other site development costs for on-site construction such as demolition, site preparation, foundation and parking lot renovation, which vary considerably, depending upon factors such as the condition of the Premises when possession is delivered to you by the seller or landlord, site-specific requirements, and material and labor costs variations due to your region and specific location. This estimate excludes any allowances for tenant improvements that you may receive from the landlord of the Premises. It is possible, however, that you might choose to buy, rather than rent, real estate. Real estate costs depend on location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of ownership interest you are buying. Rent depends on geographic location, size, local rental rates, businesses in the area, site profile, and other factors, and could be considerably higher in large metropolitan areas.
3. FF&E & Technology: This amount includes all furniture, fixtures and equipment used at your Restaurant as well as the Computer System (defined in Item 11), network security, camera system and audio/music system. See Item 11 for more information on our required technology specifications for the Computer System.
4. Signage & Menu Boards: This estimate includes your building signage, directional signage and menu boards. It also includes pole and monument signage if those are available to you.

5. **Pre-Opening Expenses:** Pre-opening expenses include such items as professional fees (legal and accounting) for lease review, organizational costs and accounting set up, insurance, uniforms, wages during training, travel, living and miscellaneous expenses while attending training, training inventory, rent and utility deposits, opening inventory and grand opening advertising.
6. **Additional Funds:** This item estimates your initial start-up expenses (other than the items identified separately in the table) for your first three months of operation. These expenses include general operating expenses, such as lease payments, inventory, payroll (but not a draw or salary for you), payroll expenses, utility costs, insurance, pest control, security, repairs and maintenance and complimentary sales and other costs, and any unforeseen incidental expenses. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as your management skill, experience, and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and the sales level reached during the initial period. We relied on our affiliate's experience operating the company-owned Smalls Sliders Restaurant to compile these estimates.
7. You should review these estimated figures carefully with a business advisor before deciding to acquire the franchise. These amounts are only estimates and your costs could vary considerably depending on the particular circumstances for your Restaurant. The total estimated initial investment does not include real estate and related costs. We are unable to estimate the cost of purchasing and developing a site for a Restaurant, as it will vary considerably depending on such factors as the location and size of the site and the local real estate market. These amounts do not include any estimates for debt service. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of financial institutions from which you request a loan.

The estimates above generally apply to new Smalls Sliders Restaurants. We based these estimates on our affiliates' experience developing, opening and operating Smalls Sliders Restaurants as well as our projections based on similar quick service restaurants. If we allow you to purchase an existing company-owned location, then the initial estimates may vary depending on the circumstances to require a greater or smaller investment than shown above in this Item; however, we do not anticipate that the estimated initial investment will cost significantly more than the estimates shown for a new franchise location.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Franchise Agreement

You must operate your Restaurant according to our System Standards. System Standards may regulate, among other things, the Proprietary Products, Menu Items, ingredients, recipes, types, models, and brands of equipment (including the Computer System), the prefabricated modular building used for constructing your Restaurant, fixtures, furniture, furnishings, and signs (collectively, "Operating Assets"); products, other equipment and supplies you must use in operating your

Restaurant; unauthorized and prohibited products, ingredients, recipes, equipment, and services; inventory requirements; and designated and approved suppliers of Operating Assets and other items.

In the case of Operating Assets, suppliers may be limited to us, our affiliates, and/or our designated third party suppliers, and you must buy those Operating Assets during the franchise term only from us, our affiliates, and/or our designated third party suppliers at the prices we and they decide to charge. We have the absolute right to limit the suppliers with whom you may deal. We restrict your sources of Operating Assets in order to protect our trade secrets, assure quality, assure a reliable supply of products that meet our standards, achieve better terms of purchase and delivery service, control usage of the Marks by third parties, and monitor the manufacture, packaging, processing, and sale of these items.

Neither we nor any of our affiliates are currently an approved supplier of any products or services. None of our officers currently owns an interest in any designated third-party supplier to the franchise network.

To maintain the quality of the goods and services that Smalls Sliders Restaurants sell (including Menu Items) and our System's reputation, we may condition your right to buy or lease goods and/or services (besides those described above that you may obtain only from us, our affiliates, and/or other specified exclusive sources) on their meeting our minimum standards and specifications and/or being acquired from suppliers that we approve. We will issue and modify standards and specifications based on our and our Smalls Sliders franchise owners' experience in operating Smalls Sliders Restaurants. Our standards and specifications may impose minimum requirements for production, performance, reputation, prices, quality, design, and appearance. Our confidential Operations Manual will identify our standards and specifications for the System. We will notify you and, where appropriate, the suppliers, of our standards and specifications. There might be situations where you can obtain items from any supplier who can satisfy our requirements and, therefore, would be an approved supplier.

If we institute any type of restrictive sourcing program (which we have already done for Proprietary Products and may do so for other items) and you want to use any item or service that we have not yet evaluated or to buy or lease from a supplier that we have not yet approved or designated, you first must send us sufficient information, specifications, and samples so that we can determine whether the item or service complies with System Standards or the supplier meets our approved supplier criteria. We list examples of our criteria for supplier approval in the following paragraph below in this Item, and we will make available our then current criteria to you, as necessary, upon request if we are asked to evaluate and approve a new supplier, item, or service for use with the System. We may require you or the supplier to reimburse us for our costs and expenses for the evaluation (see Item 6) and will decide within a reasonable time (no more than 120 days). We periodically will establish procedures for your requests and may limit the number of approved items, services, and/or suppliers as we think best.

Supplier approval might depend on product quality, delivery frequency and reliability, service standards, financial capability, customer relations, concentration of purchases with limited suppliers to obtain better prices and service, or other criteria. We and our affiliates have the right to receive payments or other material consideration from suppliers on account of their actual or prospective dealings with you and other franchise owners and to use all amounts that we and our affiliates receive without restriction (unless we and our affiliates agree otherwise with the supplier) for any purposes we and our affiliates deem appropriate. Supplier approval might be temporary until we evaluate the supplier in more detail. We may inspect a proposed supplier's facilities during and after the approval process to make sure that the supplier meets our standards. If it does not, we may revoke our approval

by notifying the supplier and you in writing. We have no obligation to approve any request for a new supplier, product, or service. We may charge you our actual costs of inspection and testing of products in connection with our evaluation and approval or disapproval of proposed suppliers.

Neither we nor our affiliates received any payments directly from franchise owners, or from suppliers based on franchise owner purchases, in respect of products or services during the prior fiscal year.

Insurance. Besides these purchases or leases, you must obtain and maintain, at your own expense, the insurance coverage that we periodically require and satisfy other insurance-related obligations underwritten by an insurance company having an A.M. Best's rating of A- or higher, a financial size of VII or better and is licensed to do business in the state where your Restaurant will be located. You currently must have comprehensive commercial general liability coverage (\$1 million per occurrence for bodily injury and property damage and \$2 million aggregate; \$2 million products and completed operations aggregate; automobile (\$1,000,000 combined single limit) for owned and hired, non-owned liability; umbrella liability (\$5,000,000 per occurrence and aggregate) with employer's liability, general liability, and automobile liability scheduled as underlying policies; property covering the Restaurant and personal property in an amount 100% of the full replacement cost of the Restaurant and personal property, and business income coverage covering 12 months of actual loss sustained; employment practices liability (\$1,000,000 per occurrence and aggregate limit); cyber insurance (\$1,000,000 per occurrence and aggregate limit); \$1 million personal and advertising injury limit; and \$100,000 damage to rented premises), and other policies containing the minimum liability coverage we specify, such as worker's compensation and employer's liability insurance (\$1,000,000 per accident for bodily injury, \$1,000,000 per employee for injury by disease, and \$1,000,000 aggregate for injury by disease), and any other coverage required by law or your lease. Premiums depend on the insurance carrier's charges, terms of payment, and your history. All insurance policies must name us and our affiliates, officers, partners, shareholders, members, directors, managers, agents, employees, successors and assignees as additional insured parties. If you fail to obtain or maintain required insurance coverage for your Restaurant, we may do so on your behalf and invoice you for reimbursement of our costs to arrange the missing coverage.

Advertising Materials. Before you use them, you must send us for review samples of all advertising, promotional, and marketing materials that we (or a supplier we may designate, at our option) have not prepared or previously approved. If you do not receive written notice of approval within 10 days after you submit materials to us, they are deemed disapproved. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved.

Smalls Sliders Restaurant Development. You are responsible for developing your Restaurant, and you must use the services of a licensed contractor. We may give you mandatory and suggested specifications and layouts for a Smalls Sliders Restaurant, including requirements for dimensions, design, image, interior layout, decor, and color scheme. These plans might not reflect the requirements of any federal, state, or local law, code, or regulation, including those arising under the Americans with Disabilities Act ("ADA") or similar rules governing public accommodations for persons with disabilities. You must prepare a site survey and all required construction plans and specifications for your Restaurant's site and make sure that they comply with the ADA and similar rules, other applicable ordinances, building codes, permit requirements, and lease requirements and restrictions. We may review and approve all final plans and specifications before you begin constructing your Restaurant and all revised or "as built" plans and specifications during construction. Our review is only to ensure your compliance with our design requirements. We may inspect your Restaurant during its development and during the franchise term.

Smalls Sliders Restaurant Site. Because of the work we do in connection with evaluating and planning markets, you are required to use our preferred real estate broker to assist you in locating a site for your Restaurant. You must submit, for our approval, all information and materials we request regarding any site at which you propose to operate a Smalls Sliders Restaurant. We have the right to approve your lease or sublease and to require that you sign our required form of Lease Addendum to any third-party lease you sign (attached as an exhibit to the Franchise Agreement). We may also enter into a master lease for the site of your Restaurant and sublease the Premises to you.

Collectively, the purchases and leases described above are approximately 90% of your overall purchases and leases in establishing your Restaurant and 95% of your overall purchases and leases in operating your Restaurant.

During the 2021 fiscal year, neither we nor our affiliates received any (i) revenue or other material consideration from selling items to Smalls Sliders Restaurant franchise owners, or (ii) rebates from any suppliers, but we may do so in the future. We anticipate that we will, but have no obligation to, deposit certain future amounts we receive from suppliers (as a result of purchases made by Smalls Sliders Restaurants from those suppliers) to the Fund for the general benefit of the Marks and the promotion of all Smalls Sliders Restaurants generally.

There currently are no purchasing or distribution cooperatives. We may negotiate purchase arrangements with suppliers (including price terms). We do not provide material benefits to Smalls Sliders Restaurant franchise owners (for example, renewal or granting additional franchises) based on their purchase of particular products or services or use of particular suppliers.

Development Agreement Rider

The Development Agreement Rider does not require you to buy or lease from us (or our affiliates), our designees, or approved suppliers, or according to our specifications, any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items. You must give us information and materials we request regarding each site at which you propose to operate a Smalls Sliders Restaurants so we can assess that site. The information and materials we may request is consistent with the information and materials we may request for site selection under the Franchise Agreement. (See Item 11)

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 AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	Sections 1.D, 2.A., and 2.B of Franchise Agreement; Section 6 of Development Agreement Rider	Items 7, 8, and 12

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
b. Pre-opening purchases/leases	Sections 2.A to 2.F and 8 of Franchise Agreement	Items 5, 7, 8, and 11
c. Site development and other pre-opening requirements	Section 2 of Franchise Agreement	Items 7, 8, and 11
d. Initial and ongoing training	Section 4 of Franchise Agreement	Items 6, 7, and 11
e. Opening	Section 2.F of Franchise Agreement; Section 3 of Development Agreement Rider	Item 11
f. Fees	Sections 2.B, 2.E, 3.A to 3.D, 3.F, 3.G, 4.A to 4.D, 8.C, 8.F, 9, 11.B, 12.C, 13.A, 14.C, 14.F, 15.D, 16.D, and 17.C of Franchise Agreement; Section 5 of Development Agreement Rider;	Items 5, 6, and 7
g. Compliance with standards and policies/operating manual	Sections 4.C, 4.D, and 8 of Franchise Agreement	Items 8 and 11
h. Trademarks and proprietary information	Sections 5 and 6 of Franchise Agreement; Section 4 of Development Agreement Rider	Items 13 and 14
i. Restrictions on products/services offered	Sections 1.D and 8 of Franchise Agreement; Section 4 of Development Agreement Rider	Items 8, 11, 12, and 16
j. Warranty and customer service requirements	Section 8 of Franchise Agreement	Items 8, 12, and 16
k. Territorial development and sales quotas	Sections 2, 3, and 6 of Development Agreement Rider	Items 12 and 17
l. Ongoing product/service purchases	Sections 2.E, 2.F, and 8 of Franchise Agreement	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	Sections 8 and 13 of Franchise Agreement	Items 8, 11, 16, and 17
n. Insurance	Section 8.F of Franchise Agreement	Items 7 and 8
o. Advertising	Section 9 of Franchise Agreement	Items 6, 7, 8, and 11
p. Indemnification	Section 16.D of Franchise Agreement; Section 10 of Development Agreement Rider	Item 6
q. Owner's participation/management/staffing	Sections 1.C, 4, 6, and 8 of Franchise Agreement	Items 11 and 15
r. Records and reports	Section 10 of Franchise Agreement	Not Applicable
s. Inspections and audits	Section 11 of Franchise Agreement	Items 6 and 11

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
t. Transfer	Section 12 of Franchise Agreement; Section 9 of Development Agreement Rider	Item 17
u. Renewal	Section 13 of Franchise Agreement	Item 17
v. Post-termination obligations	Section 15 of Franchise Agreement	Item 17
w. Non-competition covenants	Sections 7, 12, 15, and 16 of Franchise Agreement	Items 15 and 17
x. Dispute resolution	Section 17 of Franchise Agreement; Section 10 of Development Agreement Rider	Item 17
y. Other – Guaranty	Sections 1.C and 12.C of Franchise Agreement; Attachment to Franchise Agreement	Items 1 and 15

Item 10

FINANCING

We and our affiliates do not offer direct or indirect financing. Neither we nor our affiliate will guarantee your note, lease, or obligation.

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 Assistance

Before you open and begin operating your Restaurant, we (or an affiliate, as applicable) will:

1. Approve or disapprove each site that you propose according to our general criteria for selection of a Smalls Sliders Restaurant site. We anticipate that you will operate your Restaurant in a commercial space that you will lease. The site must meet our criteria for demographic characteristics; traffic patterns; parking; character of neighborhood; competition from, proximity to, and nature of other businesses; size; appearance; and other physical and commercial characteristics. You must submit and receive our approval of an acceptable site and open your Restaurant within 12 months after the Effective Date. (Franchise Agreement – Sections 1.D, 2.A and 2.B)

2. Approve your third-party lease for the Premises. The lease must be in form and substance we approve, and must include the provisions of our required lease addendum. You must promptly submit a proposed lease or purchase document for the Premises for our approval following our

approval of the site for the Premises. You must deliver to us the approved and fully-signed lease (including the provisions of the lease addendum) within 7 days after you sign the lease or purchase document for the Premises or, if earlier, before the date specified in any Development Agreement Rider that we and you sign. (Franchise Agreement – Section 2.B)

3. Designate the Site Selection Area and Protected Territory (as defined Item 12) for your Restaurant. (Franchise Agreement – Section 1.F)
4. Provide you mandatory and suggested specifications and layouts for a Smalls Sliders Restaurant including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs, furnishings, and color scheme. (Franchise Agreement – Section 2.C)
5. As discussed in Item 8, identify the Operating Assets, Menu Items, Proprietary Products and related products and services, recipes, ingredients, equipment and supplies that you must use to develop and operate your Restaurant, the minimum standards and specifications that you must satisfy, and the designated and approved suppliers from whom you must or may buy or lease these items (which may be limited to and/or include us, our affiliates, and/or other specified exclusive sources). (Franchise Agreement – Sections 2.A, 2.D, and 8)
6. Provide you access to one copy of the Operations Manual, the current table of contents of which is Exhibit G. As of the date of this Disclosure Document, the Operations Manual contains approximately 102 pages. (Franchise Agreement – Section 4.D)
7. Advise you on your Restaurant’s grand opening advertising program. (Franchise Agreement – Section 9.A)
8. Train you (or your managing owner) and your General Manager. (Franchise Agreement – Section 4.A) We describe this training later in this Item.
9. Designate a specific number of Smalls Sliders Restaurants you must develop and open at approved locations in the Area (if we grant you development rights). We also will supply to you our site selection criteria and may put you in contact with our preferred commercial real estate broker in your Area. (Development Agreement Rider – Sections 2, 3, and 6) (See Items 5, 12 and 15) Some of the assistance noted above may be performed during the term of a Development Agreement Rider but before the signing of a second or subsequent Franchise Agreement.

Ongoing Assistance

During your operation of your Restaurant, we (or an affiliate, as applicable) will:

1. Advise you regarding your Restaurant’s operation based on your reports or our inspections. We also will guide you on standards, specifications, and operating procedures and methods that Smalls Sliders Restaurants use; purchasing required and authorized Proprietary Products, Menu Items and Operating Assets and other products and services and arranging for their distribution to you; advertising and marketing materials and programs; employee training; and administrative, bookkeeping, and accounting procedures. We will guide you in our Operations Manual, bulletins, or other written materials; by electronic media; by telephone consultation; and/or at our office or your Restaurant. (Franchise Agreement – Section 4.C)

2. Give you, at your request (and our option), additional or special guidance, assistance, and training. (Franchise Agreement – Section 4) (See Item 6)
3. Continue to provide you access to one copy of the Operations Manual, which could include audiotapes, videotapes, compact disks, computer software, other electronic media, and/or written materials. The Operations Manual contains mandatory and suggested specifications, standards, operating procedures, and rules (“System Standards”) that we periodically require. We may modify the Operations Manual periodically to reflect changes in System Standards. (Franchise Agreement – Sections 4.D and 8)
4. Issue and modify System Standards for Smalls Sliders Restaurants. We periodically may modify System Standards, which may accommodate regional or local variations, and these modifications may require you to invest additional capital in your Restaurant and/or incur higher operating costs. (Franchise Agreement – Section 8) (See Item 16)
5. Establish, to the fullest extent allowed by applicable law, maximum, minimum, or other pricing requirements with respect to the prices you may charge for products and services. (Franchise Agreement – Section 8.G)
6. Inspect your Restaurant and observe your Restaurant’s operations to help you comply with the Franchise Agreement and all System Standards. (Franchise Agreement – Section 11.A)
7. Let you use our confidential information. (Franchise Agreement – Section 6)
8. Let you use our Marks. (Franchise Agreement – Section 5)
9. Periodically offer refresher training courses. (Franchise Agreement – Section 4.B) (See Item 6)

Brand Fund

Recognizing the value of advertising and marketing to the goodwill and public image of Smalls Sliders Restaurants, we have established a formal Brand Fund (the “Fund”) for advertising, marketing, and public relations programs and development of materials we deem appropriate. Under the Franchise Agreement, we have the right to require you to contribute up to 2% of your weekly Gross Sales to the Fund. We currently require you to contribute 1% of your Weekly Gross Sales to the Fund.

We may designate a separate entity as we deem appropriate in our sole discretion to operate and administer the Fund. Any such entity will have all of the rights and duties described here. You must contribute to the Fund the amounts that we periodically require. (See Item 6) Smalls Sliders Restaurants that we or our affiliates operate may but need not contribute to the Fund on the same basis as franchise owners. We have the right to collect for deposit into the Fund any advertising, marketing, or similar allowances paid to us by suppliers who deal with Smalls Sliders Restaurants and with whom we have agreed that we will so deposit these allowances.

We and/or an advertising agency that we designate will direct all programs that the Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Fund may pay for preparing and producing video, audio, and written materials and electronic media; costs associated with inbound marketing channels and providers (for example, Google, Facebook and Yelp); developing,

implementing, and maintaining an electronic commerce Website and/or related strategies; administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, and other media advertising; using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities. The Fund may advertise locally, regionally, and/or nationally in printed materials, on radio or television, and/or on the Internet, whatever we think best. The Fund periodically may give you samples of advertising, marketing, and promotional formats and materials at no cost. We or the Fund will sell you multiple copies of these materials at their direct cost of producing them, plus any related shipping, handling, and storage charges.

We will account for the Fund separately from our other funds and not use the Fund for its or our general operating expenses. However, we may use the Fund to pay the reasonable salaries and benefits of personnel who manage, administer and perform activities on behalf of the Fund, the Fund's other administrative costs, travel expenses of personnel while they are on Fund business, meeting costs, exposition and show costs, overhead relating to Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Fund and its programs, including conducting market research; public relations; preparing advertising, promotion, and marketing materials; and collecting and accounting for Fund contributions. We did not operate the Fund during our last fiscal year and the Fund is not currently audited.

The Fund is not our asset. The Fund also is not a trust. We have a contractual obligation to hold all Fund contributions for the benefit of the contributors and to use contributions only for their permitted purposes (described above). We do not have a fiduciary obligation to you for administering the Fund. The Fund may spend in any fiscal year more or less than the total Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, re-pay any amounts owed to us or others as borrowed by the Fund in prior periods, or invest any surplus for future use. We do not expect to use any of the Fund contributions specifically to develop materials and programs that will be used principally to solicit franchise owners. However, media, materials, and programs, including our Website, prepared using Fund contributions may describe our franchise program, reference the availability of franchises and related information, and process franchise leads. We will prepare an annual, unaudited statement of Fund collections and expenses and give it to you upon written request. We may have the Fund audited annually, at the Fund's expense, by an independent certified public accountant. We may incorporate the Fund or operate it through a separate entity when we think best. The successor entity will have all of the rights and duties described here.

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

We may at any time defer or reduce a franchise owner's Fund contributions and, upon 30 days' prior written notice to you, reduce or suspend Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Fund. If we terminate the Fund,

we will distribute all unspent monies to franchise owners, and to us and our affiliates, in proportion to their, and our, respective contributions during the preceding 12-month period. (Franchise Agreement – Section 9.B)

Your Local Advertising

In addition to your Fund contributions and your grand opening advertising obligation, you must, during the second month of the Term and in all subsequent months, spend a minimum of 2% of your Restaurant's prior month's Gross Sales to advertise and promote your Restaurant. The total sum of the Fund contribution level, minimum local advertising requirement and cooperative advertising requirement (if applicable) will not exceed 4% of your Restaurant's Gross Sales. You must participate at your own expense in all advertising, promotional and marketing programs that we require. You must send us monthly reports of your marketing expenditures.

Your local advertising and promotion must follow our guidelines. All advertising and promotional materials that you develop for your Restaurant must contain notices of our website's domain name in the manner we designate. You may not develop, maintain, or authorize any Website that mentions or describes you or your Restaurant or displays any of the Marks without our prior written approval. We alone may establish, maintain, modify or discontinue all internet, worldwide web and electronic commerce activities pertaining to the System, including through the use of a page or profile on a social media website such as Facebook, LinkedIn and Twitter. All advertising, promotion, marketing, and public relations must be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the policies that we periodically require. Before you use them, you must send us or our designated agency for review samples of all advertising, promotional, marketing, and public relations materials that we have not prepared or previously approved. Promotional material includes materials you provide on a Website or similar medium. If you do not receive written approval or disapproval within 10 days after we or our designated agency receives the materials, they are deemed to be disapproved. You may not use any advertising, promotional, marketing, or public relations materials that we have not approved or that we have disapproved.

You must list and advertise your Restaurant in at least one recommended classified telephone directory distributed within the Territory (in designated business classifications) and use an approved form of classified telephone directory advertisement. If other Smalls Sliders Restaurants are located within the directory's distribution area, we may require you to participate in a collective telephone directory advertisement with those Smalls Sliders Restaurants and pay your share. (Franchise Agreement – Section 9.C) (See Items 6, 8, and 9)

There is no obligation for us to maintain any advertising program or to spend any amount on advertising in your geographic area.

Cooperative Advertising Programs

We do not have any local or regional cooperative advertising programs, though we may establish such programs in the future. If we do, we will designate an advertising coverage area ("ACA") - local or regional - in which 2 or more Smalls Sliders Restaurants are located in order to establish a cooperative advertising program ("Cooperative Program") for that ACA. An ACA is the area covered by the particular advertising medium recognized in the industry. All franchise owners in the ACA will be required to participate. Each Smalls Sliders Restaurant operating in the ACA will have one vote, including Smalls Sliders Restaurants operated by us or our affiliates.

If a Cooperative Program is established for your ACA, you will be required to contribute up to 2% of your Restaurant's Gross Sales to the Cooperative Program weekly, monthly, or as otherwise specified by us. You will not be required to contribute more than 2% of your Restaurant's Gross Sales to the Cooperative Program unless 67% or more of the Smalls Sliders Restaurants operating in the ACA, including any Smalls Sliders Restaurants operated by us or our affiliates, vote to increase the contributions of all Smalls Sliders Restaurants operating in the ACA in excess of the two percent (2%). Any amounts you contribute to a Cooperative Program will count toward the percentage of Gross Sales you are required to spend to promote your Restaurant.

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

Computer System

You must obtain and use in your Restaurant a computer system containing the hardware and software we specify or that we recommend (the "Computer System"). The Computer System currently includes the required point-of-sale ("POS") system and related hardware and software from our designated vendor.

Currently, our required POS system is a PAR EverServe 600 with MSR and Brink Software. You must purchase and maintain a POS system consisting of at least three POS terminals. We estimate the initial investment for our standard POS system will cost approximately \$24,300, which includes monitors, cash register drawers, card readers, digital scanners, printers, tablets, and related hardware and software. The POS System also has a monthly subscription for the proprietary software and data security programs offered, hosting services, updates, remote polling communications, reporting and support, which we estimate to cost approximately \$495 per month.

You may purchase other equipment to be used at your Restaurant from any vendor so long as we have not designated a sole or approved vendor for a particular component and your Computer System for your Restaurant meets our overall specifications. We may modify the specifications for and components of the Computer System. You will be responsible for the costs of updating and implementing any changes we make to the Computer System.

You will be solely responsible for ongoing maintenance and upgrading of the Computer System (See Item 6). Other than the on-going monthly fee that you are required to pay for the POS system listed above, the third parties whose Computer System-related products you purchase or lease have no contractual rights or obligations to provide ongoing maintenance, repairs, upgrades or updates unless you obtain a service contract or a warranty that covers the product.

All software must meet the technical and security standards and specifications that we require for front of the house or back office software programs. You must conform to our technical and security standards which include software version updates, operating system updates, hardware upgrades, security broadband internet connectivity, and others. You may not install any software programs which are not approved by us on your POS System or back office computer. You must have broadband/high speed internet access within your Restaurant. You are responsible for maintaining all security standards associated with the Restaurant's local network. You will be required to use our payment card processor and gateway. You will be required to maintain POS network software updates, Windows operating system updates, Anti-Virus, Malware and any network device firmware. Currently, you must use our required network security provider at a cost we estimate to be approximately \$275 per month. You must meet those standards defined by the Payment Card Industry's ("PCI") Security Standards Council. You must comply with the FTC's Fair and Accurate Transactions Act.

To process credit cards, you must be certified PCI compliant. To be certified compliant, you must submit a passing PCI Vulnerability Assessment Scan report along with a copy of the most recent version of SAQ (as required by PCI Council regulations) before opening your Restaurant and at the frequency required in the current version of the PCI DSS standards. We may require you to participate in a data security program we designate. We may terminate your Franchise Agreement and/or suspend credit card processing at any Restaurant which does not comply with the current PCI compliance requirements.

We currently charge you a technology contribution of \$100 per month, which is used to fund technology to improve our support to the System including digital and other modern ordering capabilities, platforms, “apps” and other now or hereafter developed infrastructure, tools, systems and analytics. The Technology Contribution is subject to change in our sole discretion to meet these evolving needs.

The types of data to be generated or stored in the Computer System include sales, inventory, payroll, and customer information and other information that we may specify in the Operations Manual. We have independent, unlimited access to the information generated by the Computer System, and there are no contractual limitations on our right to do so. We may connect remotely to your Computer System. You must also have a functioning email address so that we can send you notices and otherwise communicate with you by this method.

We may change the Computer System at any time. There are no contractual limitations on the frequency and cost of this obligation. We need not reimburse you for any of these costs. We may require you to use proprietary software, for which you may pay an annual license fee. We or our affiliates may condition any license of proprietary software to you, or your use of technology that we or our affiliates develop or maintain, on your signing a software license agreement or similar document that we or our affiliates prescribe to regulate your use of, and our and your respective rights and responsibilities concerning, the software or technology. We or our affiliates may charge you a monthly, annual, or other license fee for any proprietary software or technology that we or our affiliates license to you and for other maintenance and support services that we or our affiliates provide during the franchise term.

Intranet

You must participate in our intranet system (“Intranet”) when one is developed. Through the Intranet, you will be able to access portions of our Operations Manual, training materials, corporate forms and have access to other resources. We will have independent access to the information and data that is electronically generated. We may in the future require you to install computerized management systems meeting our standards, as modified periodically in response to business, operations and marketing conditions.

Restrictions on Franchisee’s Use of Electronic Media

We restrict your right to use all electronic media including the internet in operating your Restaurant. You cannot conduct business over the internet or create your own website with which to conduct business without our express written consent. You must comply with our policies and restrictions respecting the use of social media or related social networking applications in connection with the operation of your Restaurant.

Opening

We estimate that it will be six to nine months after you sign the Franchise Agreement before you open and begin operating your Restaurant. The specific timetable for opening and operating your Restaurant depends on various factors, including the location of the Premises; the delivery schedule for equipment and supplies; completing training; and complying with local laws and regulations. You must notify us in writing at least 60 days before the day on which you propose to begin operating your Restaurant. You may not open or begin operating your Restaurant until: (1) we notify you in writing that your Restaurant and Premises meet our standards and specifications; (2) you (or your managing owner) and your other employees complete initial training to our satisfaction; (3) you pay the initial franchise fee and other amounts then due to us; and (4) you give us certificates or other evidence we require for all required insurance policies. In any case, you must open your Restaurant within 12 months from the Effective Date. (Franchise Agreement – Section 2.F)

Training

If this is your first Smalls Sliders Restaurants, then before your Restaurant opens for business, we will train you (or your managing owner) and the General Manager you appoint on operating a Smalls Sliders Restaurants either online (virtual) and/or at a training facility we designate (currently, Baton Rouge, Louisiana). We estimate that initial management training will take 7 days, excluding the days of on-site opening support (whether conducted online or in-person) we describe later in this Item (although the specific number of days depends on our opinion of your experience and needs). We will use the Operations Manual and various instructional materials as we conduct the initial management training program. If we determine that you (or your managing owner) and your General Manager cannot complete initial management training to our satisfaction, then we may terminate the Franchise Agreement. (Franchise Agreement – Section 4.A) If you do not satisfactorily complete the required initial management training during the normal time allotted, we may require you (or your managing owner) and/or your employees to attend additional training programs at our designated training facility in order to achieve the sufficient level of training we require. We may charge reasonable fees for such additional training, as well as for additional training programs we may require or offer during the franchise term. (See Item 6) You also must pay for all travel and living expenses that you and your employees incur and for your employees' wages and workers' compensation insurance while they attend such additional training at our training facility or the location we designate. (Franchise Agreement – Section 4.A)

Additional people beyond 2 attendees may attend initial management training, subject to our ability and capacity to accommodate these extra persons in any training session, if you pay our then current training charge for each additional person (currently, \$300 per person, per day). (See Item 6) You must pay for all travel and living expenses that you and your personnel incur, and for your personnel's wages and workers' compensation insurance while they train at our training facility or the location we designate. (Franchise Agreement – Section 4.A)

We or our designee conduct our initial management training program as frequently as we deem necessary whether conducted virtually online or at a designated training facility and/or at an operating Smalls Sliders Restaurants (except for the on-site support period around your Restaurant's opening that we will provide at the Premises). Initial management training must be completed to our satisfaction at least 2 weeks before your Restaurant opens. You (or your managing owner) and your General Manager must complete initial management training to our satisfaction before you may open and begin operating your Restaurant. As of the date of this Disclosure Document, our required initial training management program includes the following programming:

INITIAL MANAGEMENT TRAINING PROGRAM

Sliding Into Smalls Orientation Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Smalls Sliders Team Intro; Roles & Responsibilities and Resources	3	0	Online or at a location we designate in Baton Rouge, Louisiana
Thanks for Slidin Thru Service	2	0	Online or at a location we designate in Baton Rouge, Louisiana
We do One think successfully	2	0	Online or at a location we designate in Baton Rogge, Louisiana
Quality & Food Safety; Equipment & Vendors	2	0	Online or at a location we designate in Baton Rouge, Louisiana
Community & Marketing; Perception is Reality	2	0	Online or at a location we designate in Baton Rouge, Louisiana
Non-Negotiables	1	0	Online or at a location we designate in Baton Rouge, Louisiana
Smalls 1 Tour & Menu Tasting	0	2	Online or at a location we designate in Baton Rouge, Louisiana
Totals	12	2	14

In addition to the initial management training we outline above, we will, at our own cost, send at least 1 of our representatives to your Restaurant, for a period of approximately ten days, to provide on-site and/or virtual on-line support in connection with pre-opening and opening activities when your Restaurant is preparing to open for business. We may provide more representatives, or more days of on-site support, at the Premises during this period as we deem necessary. We solely determine the timing, scheduling and staffing of on-site support we provide according to this paragraph, including the calendar dates, times of our support, and whether we provide these days consecutively or intermittently. You must successfully complete all activities of this on-site support period to our satisfaction. If you request, and we agree to provide, additional or special guidance, assistance, or training during this on-site support period, then you will pay our then applicable charges, including our personnel's per diem charges and travel and living expenses.

OPERATIONAL TRAINING PROGRAM

Management Training Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Safety & Sanitation	1	1	Online or at a location we designate in Baton Rouge, Louisiana
Restaurant Opening/Closing	1	6	Online or at a location we designate in Baton Rouge, Louisiana
Product Preparation	1	3	Online or at a location we designate in Baton Rouge, Louisiana
New Hire Training	1	3	Online or at a location we designate in Baton Rouge, Louisiana
Outside Tablet/ Drive Thru Success	2	3	Online or at a location we designate in Baton Rouge, Louisiana
Point of Sale Training/ Resources	3	2	Online or at a location we designate in Baton Rouge, Louisiana
Equipment Assembly	1	4	Online or at a location we designate in Baton Rouge, Louisiana
Serving Frequent Sliders	3	0	Online or at a location we designate in Baton Rouge, Louisiana
Hospitality	3	3	Online or at a location we designate in Baton Rouge, Louisiana
On The Job Training	0	80	At your location before and after opening
Totals	16	105	121

Jacob Dugas our Chief Operating Officer, supervises and coordinates our training programs. Jacob has over 9 years of construction management experience, including over 3 years' experience in construction management, opening, training and day-to-day operations with our brand. Additional trainers include Alison Edginton with over 13 years of relevant experience, including California Pizza Kitchen and other restaurant concepts, and has been with our brand since December of 2020; Tyler Murphy with over 10 years of relevant experience, including Chick-fil-A, and has been with our brand

since March of 2021; and Cullen Rooney, with relevant experience with our brand since September of 2019.

The instructional materials for our required training programs currently include, or may include in the future, computer-based training courses and software, videos, handouts, the Operations Manual, and tests or other evaluations we may require you or your attendees to complete.

You (or your managing owner) and/or other previously trained and experienced employees must attend and complete to our satisfaction various training courses that we periodically provide either online or in-person at the times and locations we designate. We may charge reasonable registration or similar fees for these courses. Besides attending these courses, we may require you to attend an annual national meeting of all Smalls Sliders Restaurant franchise owners at a location we designate. You are responsible for all related travel and living expenses and wages incurred in connection with attending these courses and meetings.

If any audit discloses a failure by you to operate your Restaurant in accordance with the System Standards, then we may require you to undertake additional training at your Restaurant, and we will determine the duration of the training and the number of trainers in our sole discretion. If we require you to undertake this additional training, you will pay our then applicable charges, including our personnel's per diem charges and travel and living expenses.

Other personnel we designate may assist in our initial and other training programs, including other Smalls Sliders Restaurant representatives, or other Smalls Sliders Restaurant franchise owners or qualified managers or operators of Smalls Sliders Restaurants. The Franchise Agreement requires you to assist in future training programs for other franchise owners, upon our request and for which we will reimburse you for your associated expenses.

Item 12

TERRITORY

Franchise Agreement

Before you execute the Franchise Agreement, we will describe in Exhibit B of the Franchise Agreement the Site Selection Area. The Site Selection Area is described solely for the purpose of limiting the area within which you may seek a site location for your Restaurant. The exact size and boundaries of the Site Selection Area are determined in our sole judgment. Upon you securing a lease for the location we will designate a geographical area surrounding your Premises, to be described in the Franchise Agreement (the "Protected Territory"). We will determine the size, boundaries and population of the Protected Territory in our sole judgment, based upon factors including population density, street or walk by traffic patterns and natural geographic features, such as bodies of water, interstate highways and other features that normally define guest trip patterns.

Except as described below under "Development Agreement Rider", you have no options, rights of first refusal, or similar rights to acquire additional franchises within the Protected Territory or in contiguous territories. You may operate your Restaurant only from the Premises we approve within the Protected Territory and may not relocate the Premises without our approval. We will approve relocation only if the lease for the Premises expires or is terminated without your fault, or if the site for the Premises is destroyed, condemned, or otherwise rendered unusable, and the proposed substitute

site meets our criteria. You must locate a substitute site in the Protected Territory, and begin operating your Restaurant from a substitute site, within 180 days after you lose the right to occupy the Premises.

We and our affiliates retain certain rights within and outside the Protected Territory, as described below in this Item. Therefore, you will not receive an exclusive territory. You may face competition from other Smalls Sliders Restaurant franchise owners, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Except as limited below, as long as you are in full compliance with the Franchise Agreement, then we and our affiliates will not operate or grant a franchise for the operation of a Smalls Sliders Restaurant at a location in the Protected Territory during the term of your Franchise Agreement. Otherwise, we and our affiliates retain all rights with respect to Smalls Sliders Restaurant, the Marks, the sale of identical, similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire, including, but not limited to:

(1) the right to operate, and to grant others the right to operate Smalls Sliders Restaurants located anywhere outside the Territory under any terms and conditions we deem appropriate and regardless of proximity to your Restaurant;

(2) the right to establish and operate, and to grant to others the right to establish and operate businesses (including stand-alone Smalls Sliders Restaurants) offering similar or dissimilar products and services through similar or alternative channels of distribution, at locations inside or outside the Protected Territory under trademarks or service marks other than the Marks and on any terms and conditions we deem appropriate;

(3) the right to provide, offer and sell and to grant others the right to provide, offer and sell goods and services that are identical or similar to and/or competitive with those products and services provided at Smalls Sliders Restaurants (including products offered at an Smalls Sliders Restaurant), whether identified by the Marks or other trademarks or service marks, through alternative distribution channels (including, without limitation, the Internet or similar electronic media, any other form of electronic commerce and department stores) both inside and outside the Protected Territory and on any terms and conditions we deem appropriate;

(4) the right to establish and operate, and to grant to others the right to establish and operate, businesses offering dissimilar products and services, both inside and outside the Protected Territory under the Marks and on any terms and conditions we deem appropriate;

(5) the right to operate and grant others the right to operate Smalls Sliders Restaurants at “Non-Traditional Sites” within and outside the Protected Territory on any terms and conditions we deem appropriate. “Non-Traditional Sites” are sites that generate customer traffic flow which is independent from the general customer traffic flow of the surrounding area, including shopping malls, stadiums, arenas, major industrial or office complexes, hotels, school campuses, casinos, educational facilities, amusement parks and sports or entertainment venues;

(6) the right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at Smalls Sliders Restaurants, and franchising, licensing or creating similar arrangements with respect to these businesses once

acquired, wherever these businesses (or the franchise owners or licensees of these businesses) are located or operating (including in the Protected Territory); and

(7) the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at Smalls Sliders Restaurants, or by another business, even if such business operates, franchises and/or licenses Competitive Businesses in the Protected Territory.

We may exercise any of the retained rights without compensating you. Although we have the right to do so (as described above), neither we nor an affiliate currently operates, franchises, or has present plans to operate or franchise a business under a different trademark that sells or will sell goods or services similar to those you will sell in your Restaurant.

You may not use other channels of distribution to make sales at your Restaurant, such as the Internet or any other form of electronic commerce, catalog sales, telemarketing, or other direct marketing to make sales inside or outside the Protected Territory. You must advertise and solicit customers for your Restaurant only within the Protected Territory. You may not operate your Restaurant away from the Premises.

Continuation of your franchise and your territorial exclusivity does not depend on your achieving a certain sales volume, market penetration, or other contingency.

Development Agreement Rider

You may (if you qualify) develop and operate a number of Smalls Sliders Restaurants within the Develop Area. We and you will identify the Development Area in the Development Agreement Rider before signing it. The Development Area typically is defined as a physical geographic area, city, cities, counties or zip codes. We base the Development Area's size primarily on the number of Smalls Sliders Restaurants you agree to develop, population, demographics, and site availability. We and you will negotiate the number of Smalls Sliders Restaurants you must develop to keep your development rights and the dates by which you must develop them. We and you then will complete the schedule in the Development Agreement Rider before signing it. While the Development Agreement Rider is in effect, we (and our affiliates) will not establish or operate, or grant to others the right to establish or operate, other Smalls Sliders Restaurants, the physical premises of which are located within the Development Area. There are no other restrictions on us (or our affiliates). You must not develop or operate Smalls Sliders Restaurants outside the Development Area. We may terminate the Development Agreement Rider if you do not satisfy your development obligations when required. In addition, if you fail to comply with the terms of the Development Agreement Rider during its term, we may, at our option, elect to terminate only the exclusivity of the Development Area instead of terminating the Development Agreement Rider entirely. This means that during the remainder of the term of the Development Agreement Rider, we and our affiliates will have the right to establish and operate, and grant to others the right to establish and operate, Smalls Sliders Restaurants the physical premises of which are located within the Development Area and continue to engage, and grant to others the right to engage, in any activities that we (and they) desire within the Development Area without any restrictions. However, our termination of the exclusivity will be without prejudice to our right to later terminate the Development Agreement Rider for the same default or any other defaults under the Development Agreement Rider.

Despite the development schedule under the Development Agreement Rider, we may delay your development of additional Smalls Sliders Restaurants within the Development Area for the time period we deem best if we believe, when you apply for the next Smalls Sliders Restaurants, that you are not yet operationally, managerially, or otherwise prepared (due to the particular amount of time that has elapsed since you developed and opened your most recent Smalls Sliders Restaurant) to develop, open and/or operate the additional Smalls Sliders Restaurants according to our standards and specifications. We may delay additional development as long as the delay will not in our reasonable opinion cause you to breach your development obligations under the Development Schedule (unless we are willing to extend the schedule to account for the delay).

Except as described above, we may not alter your Development Area during the Development Agreement Rider’s term.

Item 13

TRADEMARKS

The table below consists of the Marks that we license to you as part of the franchise. You may not sublicense the Marks without our permission. The below list may not be an exhaustive list of all Marks owned by us or our affiliates.

MARK	REGISTRATION OR APPLICATION NUMBER	REGISTRATION OR APPLICATION DATE
Small Sliders	Reg. 5877500	October 8, 2019

We have registered, or applied for registration of, as applicable, the Mark listed above on the Principal Register of the United States Patent and Trademark Office (“USPTO”). No affidavits or renewal filings are yet due in connection with these registrations. No agreement limits our right to use or license the Mark.

Smalls Sliders IP has licensed us to use the System and Marks and to sublicense them to our franchise owners in a trademark, copyright, and know-how license agreement dated as of July 1, 2021. The trademark, copyright, and know-how license agreement allows us to use, and sublicense to our franchise owners the right to use, the Marks, System, and other intellectual property anywhere in the world. The trademark, copyright, and know-how license agreement provides for an indefinite term, unless earlier terminated by Small Sliders IP or us upon 120 days’ prior written notice to the other party. Smalls Sliders Restaurant franchise owners must cease using the System and Marks upon termination of the trademark, copyright, and know-how license agreement. No other agreement limits our right to use or license the Marks.

You must follow our rules when you use the Marks, including giving proper notices of trademark and service mark registration and obtaining fictitious or assumed name registrations required by law. You may not use any Mark in your corporate or legal business name; with modifying words, terms, designs, or symbols (except for those we license to you); in selling any unauthorized services or products; or as part of any domain name, homepage, electronic address, or otherwise in connection with a Website.

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

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and you may not communicate with any person other than us, our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We may take the action we deem appropriate (including no action) and control exclusively any litigation, USPTO proceeding, or other administrative proceeding arising from any infringement, challenge, or claim. You must assist us, as we direct, in protecting and maintaining our interests in any litigation or USPTO or other proceeding. At our option, we may defend and/or control the defense of any proceeding arising from your use of any Mark. We need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving the Marks; however, if you timely notify us and comply with our directions in response to a trademark infringement proceeding that disputes your authorized use of the Marks, then we will reimburse you for your damages and reasonable expenses you incur.

If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute trade or service marks, you must comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your direct expenses of changing your Restaurant's signs, for any loss of revenue due to any modified or discontinued Mark, any loss of goodwill associated with any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

Item 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents or pending patent applications are material to the franchise. We claim copyrights in the Operations Manual (which contains our trade secrets), advertising and marketing materials, and similar items used in operating Smalls Sliders Restaurants. We have not registered these copyrights with the United States Registrar of Copyrights, but we need not do so at this time to protect them. You may use these items only as we specify while operating your Restaurant (and must stop using them if we so direct you).

There currently are no effective adverse determinations of the USPTO, the United States Copyright Office, or any court regarding the copyrighted materials. No agreement limits our right to use or allow others to use the copyrighted materials. We do not actually know of any infringing uses of our copyrights that could materially affect your use of the copyrighted materials in any state.

We need not protect or defend copyrights, although we intend to do so if in the best interests of the System or all or some Smalls Sliders Restaurants, as we solely determine. We may control any action we choose to bring, even if you voluntarily bring the matter to our attention. We need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving a copyright.

Our Operations Manual and other materials contain our confidential information (some of which constitutes trade secrets under applicable law). This information includes, or may in the future include: training and operations materials; methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating Smalls Sliders Restaurants; marketing and advertising programs for Smalls Sliders Restaurants; any computer software or similar technology that is proprietary to us or the System; knowledge of specifications for and suppliers of Smalls Sliders Restaurants and other products and supplies; knowledge of the operating results and financial performance of Smalls Sliders Restaurants other than your Restaurant; and graphic designs and related intellectual property.

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

You may not use our confidential information in an unauthorized manner. You must take reasonable steps to prevent its improper disclosure to others. You agree to have our then current form of “Nondisclosure and Non-Competition Agreement” executed by all of the following persons: (i) your General Manager and any supervisory or other employees of yours who have received or will receive training from us, prior to their employment; (ii) if you are an entity, all your officers, directors, shareholders, partners, members and owners, and those of any entity directly or indirectly controlling you, at the same time the Franchise Agreement is signed, or at such time as they assume such status and (iii) you, your owners and your and your owners’ spouses. You agree to provide us copies of all executed Nondisclosure and Non-Competition Agreements no later than 10 days following their execution. We will be a third party beneficiary of each Nondisclosure and Non-Competition Agreement with independent enforcement rights.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

If you are a legal entity, you must appoint a shareholder, member, or partner (as applicable) to be your “Managing Owner,” responsible for overseeing and supervising your Restaurant’s operation. You must maintain a competent, conscientious, trained staff, including a fully-trained, full-time manager, which may be you (or your Managing Owner), who must act as the General Manager of your Restaurant with responsibility for direct supervision of your Restaurant. Your Restaurant must at all times be under the full-time direct, on-premises management of a General Manager we have approved. You (or your Managing Owner) and the General Manager are responsible for conducting day-to-day business activities at your Restaurant. You must at all times faithfully, honestly, and diligently perform your contractual obligations and use best efforts to promote and enhance your Restaurant. System Standards may regulate your Restaurant’s staffing levels, identifying your Restaurant’s personnel, and employee qualifications, training, dress, and appearance.

If you are a corporation, limited liability company, or partnership, your owners must personally guarantee your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the

covenant not to compete. The required form of “Guaranty and Assumption of Obligations” is attached to the Franchise Agreement.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell all goods and perform all services that we periodically require for Smalls Sliders Restaurants. You may not offer or sell any products or perform any services that we have not authorized. (See Item 8) Our System Standards may regulate: (i) required and/or authorized equipment, materials, supplies, ingredients, recipes, Menu Items, Proprietary Products and other products and services; and (ii) unauthorized and prohibited services, products, equipment, materials, supplies, ingredients and recipes. We periodically may change required and/or authorized services, the Menu Items and Proprietary Products or other products. There are no limits on our right to do so. (See Item 8)

You may conduct business only with customers at your Restaurant. Subject to applicable law, your Restaurant must only accept payments from customers in the form of credit and debit cards, mobile payments and any other methods of payment we may specifically authorize in writing. We do not restrict the customers whom you may serve at your Restaurant. You must advertise and solicit clients for your Restaurant only within the Territory and you may not operate your Restaurant outside the Territory. You may not operate your Restaurant, or offer the Proprietary Products, Menu Items or other products for sale from any physical location other than at the Premises.

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	Section 1.E of Franchise Agreement Development Agreement	10 years. Term of Development Agreement Rider depends on development obligations.
b. Renewal or extension of the term	Section 1.E and Section 13 of Franchise Agreement	If you are in full compliance, you may acquire 4 successor franchise terms of 5 years each, or as long as you have the right to maintain possession of the Premises,

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
		whichever is less. The successor franchises will be on our then current form of Franchise Agreement (which may contain materially different terms and conditions than your original franchise agreement).
	Development Agreement Rider	No renewal or extension of Development Agreement Rider.
c. Requirements for franchisee to renew or extend	Section 13 of Franchise Agreement	<p>To “renew,” you must be in full compliance with the Franchise Agreement; give us timely notice; pay us the renewal fee; maintain possession of the Premises or find acceptable substitute premises; remodel your Restaurant according to our then current standards (regardless of cost); and sign our then current Franchise Agreement, a release (if law allows), and other documents we use to grant franchises.</p> <p>The terms of our then current Franchise Agreement that you sign for renewal of the franchise may differ materially from any and all of those contained in the Franchise Agreement attached to this Disclosure Document, including reduced Territory and increased fees.</p>
d. Termination by franchisee	Not applicable under Franchise Agreement.	Not applicable under Franchise Agreement.
e. Termination by franchisor without cause	Not applicable under Franchise Agreement.	Not applicable under Franchise Agreement.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
f. Termination by franchisor with cause	Section 14.A of Franchise Agreement and Section 8 of Development Agreement Rider	We may terminate your franchise (and development rights) only if you or your owners commit one of several violations.
g. "Cause" defined-curable defaults	Section 14.A of Franchise Agreement	You have 72 hours to cure any health, safety or sanitation law, ordinance, or regulation regulating the operation of your Restaurant; 10 days to cure monetary defaults and failure to maintain required insurance; 30 days to cure operational defaults and other defaults not listed in (h) below; and 180 days to relocate the Premises to a new site we approve if you lose possession of the Premises.
h. "Cause" defined- non-curable defaults	Sections 14.A and 14.B of Franchise Agreement	Non-curable defaults include: misrepresentation in acquiring the franchise; failure to locate and submit to us a lease for a site within 120 days; failure to deliver a signed lease addendum within 7 days after its execution; failure to open and operate your Restaurant within the lesser of 150 days from receiving our approval on the lease or 270 days from signing the Franchise Agreement; failure to complete training; abandonment; unapproved transfers; conviction of a felony, crime involving moral turpitude, or other crime; dishonest or unethical conduct; making an unauthorized representation or warranty on our behalf; unauthorized use or disclosure of the Operations Manual or other confidential information; failure to pay vendors or suppliers; failure to pay taxes; understating Gross Sales; repeated defaults (even if cured); an assignment for the benefit of creditors; appointment of

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
		a trustee or receiver; violation of any anti-terrorism law; knowingly maintaining false books or records or submitting false reports; refusing to permit us to inspect your Restaurant or your books, records, or accounts; termination of any other agreement between you (or your owners or affiliates) and us (or our owners and affiliates) due to failure to comply with the agreement.
	Section 8 of Development Agreement Rider	We may terminate the Development Agreement Rider if you do not meet development schedule or other obligations; if the Franchise Agreement or any other franchise agreement between us and you (or your affiliated entity) is terminated by us for cause or by you for any or no reason; or we have delivered formal notice of default to you (or your affiliated entity) under the Franchise Agreement or another franchise agreement (whether or not default is cured).
i. Franchisee’s obligations on termination/nonrenewal	Section 15 of Franchise Agreement	Obligations include paying outstanding amounts; paying Brand Damages (if applicable); complete de-identification; assigning telephone and other numbers; and returning confidential information (also see (o) and (r) below)
j. Assignment of contract by franchisor	Section 12.A of Franchise Agreement	No restriction on our right to assign; we may assign without your approval.
k. “Transfer” by franchisee – defined	Section 12.B of Franchise Agreement	Includes transfer of Franchise Agreement, your Restaurant (or its profits, losses or capital appreciation), sale of Operating

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
		Assets, and ownership change in you or your owners.
l. Franchisor approval of transfer by franchisee	Section 12.B of Franchise Agreement and Section 9 of Development Agreement Rider	<p>No transfer without our prior written consent unless such transfer is a non-controlling share of ownership interests in you to a transferee who meets our then-current standards for Smalls Sliders Restaurant owners, you provide us notification of such transfer and you pay us a transfer fee.</p> <p>Your development rights under the Development Agreement Rider are not assignable at all.</p>
m. Conditions for franchisor approval of transfer	Section 12.C of Franchise Agreement	<p>New franchise owner qualifies (based on business experience, aptitude and financial resources); you pay us, our affiliates, and third party vendors all amounts due and submit all required reports; no default during 60-day period before transfer request or during period between request and transfer's proposed effective date; new franchise owner (and its owners and affiliates) are not in a Competitive Business; training completed; your landlord allows the transfer or sublease of your lease; you or transferee signs our then current Franchise Agreement and other documents; transfer fee paid; you sign release (if law allows); we approve material terms; you subordinate amounts due to you; you de-identify; and you correct existing Restaurant deficiencies of which we notify you on a punch-list (also see (r) below).</p>

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
n. Franchisor’s right of first refusal to acquire franchisee’s business	Section 12.G of Franchise Agreement	We may match any offer for your Restaurant or an ownership interest in you.
o. Franchisor’s option to purchase franchisee’s business	Section 15.E of Franchise Agreement	We have the option to purchase your Restaurant’s operating assets upon termination or expiration of the franchise term or if we or a significant portion of our assets are purchased or acquired during the franchise term.
p. Death or disability of franchisee	Section 12.E of Franchise Agreement	Your or your managing owner’s representative must assign the franchise or an ownership interest in you to an approved party within 6 months; substitute management must be appointed within 15 days; we may assume management of your Restaurant and collect a Management Fee plus our costs and expenses if your Restaurant is not being managed properly.
q. Non-competition covenants during the term of the franchise	Section 7 of Franchise Agreement	No diverting business; no ownership interest in, performing services for, or lending money to, Competitive Businesses anywhere (“Competitive Business” means any restaurant or other food service business which derives more than 10% of its revenue from selling hamburgers or sliders of any kind or any business granting franchises or licenses to others to operate such a business); no engagement in activities that may injure goodwill of the Marks.
r. Non-competition covenants after the franchise is terminated or expires	Section 15.D of Franchise Agreement	No direct or indirect ownership interest in, or performing services for, competing business for 2 years at the Premises where your Restaurant is located; within the Territory; within a 15 mile radius of the Territory; or within 15 miles of

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
		any other Smalls Sliders Restaurant in operation or under construction as of date Franchise Agreement expires or is terminated
s. Modification of the agreement	Section 17.J of Franchise Agreement	No modifications except by written agreement signed by both us and you, but we may change Operations Manual and System Standards.
t. Integration/merger clause	Section 17.L of Franchise Agreement	Only the terms of the Franchise Agreement are binding (subject to state law). However, nothing in the Franchise Agreement or any related agreement is intended to disclaim our representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Sections 17.E and 17.F of Franchise Agreement	Subject to the requirement to mediate certain disputes, we and you must arbitrate all disputes in the city where our then current principal business address is located (currently, Baton Rouge, Louisiana)
v. Choice of forum	Section 17.H of Franchise Agreement	Subject to mediation and arbitration requirements, litigation generally must be in the state or federal court of competent jurisdiction located closest to our then current principal business address (currently, Baton Rouge, Louisiana) (subject to state law)
w. Choice of law	Section 17.G of Franchise Agreement	Except for Federal Arbitration Act and other federal law, Louisiana law governs (subject to state law)

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Item 18

PUBLIC FIGURES

Drew Brees, the former quarterback for the New Orleans Saints, is an owner in a company that holds a membership interest in our corporate parent, Smalls Holdings. Drew has no direct investment in us. As one of the beneficial owners of our corporate parent, Drew is involved in brand development, expansion, public relations and advertising of the System. Other than benefits received in connection with his ownership in a company that holds a membership interest in our corporate parent, Drew receives no compensation or other benefit from us or our corporate parent in exchange for his involvement in those activities. Except as stated above, no public figure appears in the franchise name or symbol, endorses or recommends the franchise to prospective franchisees, is involved in our actual management or control, or has invested in us.

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 had 1 affiliate-owned Smalls Slider Restaurant in Baton Rouge, Louisiana (the “Affiliate Restaurant”) during our last 2 fiscal years. Table 1 below provides the Affiliate Restaurant’s annual Gross Sales during the 12-month periods from (i) January 1 – December 31, 2021, and (ii) January 1 – December 31, 2020 (the “Reporting Periods”).

Table 1 – Gross Sales Per Month During Reporting Period

Reporting Period	Affiliate Restaurant’s Gross Sales
January 1 – December 31, 2020	\$1,293,932
January 1 – December 31, 2021	\$2,395,834

Table 2 below provides certain operating costs achieved by the Affiliate Restaurant during the Reporting Periods as well as those costs expressed as a percentage of Gross Sales.

Table 2 – Certain Operating Costs

	2020	2021
Total Food Costs (2)	\$452,278 or 35.95%	\$855,246 or 35.7%
Paper Costs (3)	\$66,788 or 5.16%	\$102,050 or 4.26%
Direct Labor-Hourly (4)	\$285,365 or 22.05%	\$436,587 or 18.22%
Employer Payroll Taxes	\$27,574 or 2.13%	\$47,980 or 2.0%
Payroll Processing Fees	\$933 or .07%	\$2,276 or 0.10%

	2020	2021
Occupancy Costs (5)	\$76,715 or 5.93%	\$85,632 or 3.57%
Pest Control	\$1,747 or .14%	\$1,809 or 0.08%
Restaurant Supplies (6)	\$39,583 or 3.06%	\$82,879 or 3.46%
Credit Card Fees	\$29,497 or 2.28%	\$52,657 or 2.2%
Licenses & Permits	\$1,272 or .10%	\$2,000 or 0.08%
Gift Card Expense	\$270 or .02%	\$326 or 0.01%
General Liability Insurance	\$11,312 or .87%	\$14,890 or 0.62%
Workers Comp Insurance	\$5,811 or .45%	\$8,904 or 0.37%
Utilities (7)	\$28,537 or 2.21%	\$41,547 or 1.73%

Notes to Tables 1 and 2

1. “Gross Sales” has the same definition as in Section 3.E of the Franchise Agreement. Specifically, “Gross Sales” means all revenue that derived from operating the Affiliate Restaurant, including, but not limited to, all amounts that received at or away from the Premises, and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions and all other income of every kind and nature related to your Restaurant, but (1) excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority and (2) reduced by the amount of any approved documented refunds, credits, allowances, and charge-backs the Affiliate Restaurant in good faith gave to customers. The Gross Sales above include Mobile Trailer Sales of \$1,879.60 in 2021 and \$1,723.00 in 2020.
2. Food costs include direct food, beverage and other food costs.
3. Paper costs include the paper and packaging for meals provided to guests.
4. Each Restaurant must staff at least 6 employees for any given shift, which must include an assistant manager. These figures do include an hourly assistant manager, but do not include salary or bonuses paid to a General Manager.
5. Occupancy costs include rent, common area maintenance and property taxes paid for the Premises.
6. Restaurant supplies include cleaning supplies, gloves, linens, uniforms, towels and other miscellaneous supplies.
7. Utilities include electricity, gas, telephone and internet, water and trash services.
8. These costs do not include all operating costs that your Restaurant may incur, such as accounting, advertising, bonuses, debt service, employee meal discounts, General Manager compensation, health insurance, royalties, your technology contribution, bank service charges, recruiting expenses, repairs & maintenance, POS software & subscription services, labor scheduling software, charitable contributions, your Brand Fund contribution, travel and other costs you may incur.

We have not audited the information presented above, nor have we independently verified this information. Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request.

Some outlets have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.

Other than the preceding financial performance representation, we do not make any financial performance representations. 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: Joe Lewis at 7516 Bluebonnet Blvd., Suite 173, Baton Rouge, Louisiana 70810 and (504) 723-0363; the Federal Trade Commission; and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary
For years 2019 to 2021

Column 1	Column 2	Column 3	Column 4	Column 5
Outlet Type	Year	Outlets at the Start of Year	Outlets at the End of Year	Net Change
Franchised	2019	0	0	0
	2020	0	0	0
	2021	0	0	0
Company Owned	2019	0	1	+1
	2020	1	1	0
	2021	1	2	+1
Total Outlets	2019	1	1	0
	2020	1	1	0
	2021	1	2	+1

Table 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2019 to 2021

Column 1	Column 2	Column 3
State	Year	Number of Transfers
All States	2019	0
	2020	0
	2021	0
Totals	2019	0
	2020	0
	2021	0

Table 3
Status of Franchised Outlets
For years 2019 to 2021

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminat ions	Col. 6 Non- Renewals	Col. 7 Reacquired By Franchisor	Col. 8 Ceased Operations - Other Reasons	Col. 9 Outlets at End of the Year
All States	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Totals	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0

Table 4
Status of Company-Owned Outlets
For years 2019 to 2021

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired From Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of the Year
Louisiana	2019	0	1	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	1	0	0	0	2
Totals	2019	0	1	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	1	0	0	0	2

Table 5
Projected Openings as of December 31, 2022

Column 1 State	Column 2 Franchise Agreements Signed but Outlets Not Opened	Column 3 Projected New Franchised Outlets In The New Fiscal Year	Column 4 Projected New Company-Owned Outlets In The New Fiscal Year
Louisiana	3	6	0
Totals	3	6	0

As of the date of this Disclosure Document, and as currently reflected in Exhibit I attached, we do not have any franchise owners operating Smalls Sliders Restaurants or former franchise owners that have departed our franchise network during our prior fiscal year. Therefore, no franchise owners had an outlet terminated, canceled, transferred, or not renewed, or otherwise voluntarily or involuntarily ceased to do business under our franchise agreement, during our last fiscal year or who have not communicated with us within 10 weeks of this Disclosure Document's issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last 3 fiscal years, no current or former franchise owners have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchise owner in our franchise system.

There are currently no trademark-specific franchise owner organizations associated with the franchise system.

Item 21

FINANCIAL STATEMENTS

Exhibit F contains our audited financial statements as of September 30, 2021 and our unaudited financial statements as of December 31, 2021. We have not been in business for three years or more and cannot include all the financial statements required by the FTC Rule for our last three fiscal years. We formed our business on June 22, 2021. Our fiscal year end is September 30.

Item 22

CONTRACTS

The following agreements are exhibits:

- (a) Exhibit C Franchise Agreement
- (b) Exhibit D Development Agreement Rider
- (c) Exhibit E State Addenda to Franchise Agreement
- (d) Exhibit H Sample Form of General Release
- (e) Exhibit J Franchise Owner Disclosure Questionnaire

Item 23

RECEIPTS

Our and your copies of the receipt to this Disclosure Document are located at the last 2 pages of this Disclosure Document.

EXHIBIT A - List of State Administrators

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

<p>CALIFORNIA Commissioner Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677</p>	<p>MICHIGAN Michigan Attorney General’s Office Consumer Protection Div., Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 373-7117</p>
<p>HAWAII Commissioner of Securities Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 (808) 586-2722</p>	<p>MINNESOTA Commissioner of Commerce Department of Commerce, Securities Unit 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1500</p>
<p>ILLINOIS Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p>	<p>NEW YORK New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8236</p>
<p>INDIANA Secretary of State Franchise Section 302 West Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681</p>	<p>NORTH DAKOTA North Dakota Securities Department 600 East Boulevard Avenue, State Capitol Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712</p>
<p>MARYLAND Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360</p>	<p>OREGON Oregon Division of Finance and Corporate Securities 350 Winter Street NE, Room 410 Salem, Oregon 97301-3881 (503) 378-4387</p>

<p>RHODE ISLAND Department of Business Regulation Securities Division Bldg. 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527</p>	<p>VIRGINIA State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051</p>
<p>SOUTH DAKOTA Division of Insurance Securities Regulation 124 South Euclid Avenue, Suite 104 Pierre, South Dakota 57501 (605) 773-3563</p>	<p>WASHINGTON Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, S.W. Tumwater, Washington 98501 (360) 902-8760</p>
<p>WISCONSIN Office of the Commissioner Wisconsin Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, WI 53705 (608) 261-9555</p>	

EXHIBIT B - List of State Agents for Service of Process

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

<p>CALIFORNIA Commissioner Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677</p>	<p>MICHIGAN Michigan Department of Labor and Economic Growth Corporations Division, Bureau of Commercial Service P.O. Box 30054 Lansing, Michigan 48909 (517) 373-7117</p>
<p>HAWAII Commissioner of Securities Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 (808) 586-2722</p>	<p>MINNESOTA Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1500</p>
<p>ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p>	<p>NEW YORK New York Secretary of State New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 (518) 474-4770</p>
<p>INDIANA Secretary of State Franchise Section 200 West Washington Street Indianapolis, Indiana 46204 (317) 232-6531</p>	<p>NORTH DAKOTA North Dakota Securities Commissioner 600 East Boulevard Avenue, State Capitol Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712</p>
<p>MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360</p>	<p>OREGON Oregon Division of Finance and Corporate Securities 350 Winter Street NE, Room 410 Salem, Oregon 97301-3881 (503) 378-4387</p>

<p>RHODE ISLAND Director of Department of Business Regulation Department of Business Regulation Securities Division Bldg. 68-2 John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9500</p>	<p>VIRGINIA Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733</p>
<p>SOUTH DAKOTA Division of Insurance Director of the Securities Regulation 124 South Euclid Avenue, Suite 104 Pierre, South Dakota 57501 (605) 773-4823</p>	<p>WASHINGTON Director of Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, S.W. Tumwater, Washington 98501 (360) 902-8760</p>
<p>WISCONSIN Commissioner of Securities Wisconsin Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, WI 53705 (608) 266-8557</p>	

EXHIBIT C – Franchise Agreement

SMALLS SLIDERS FRANCHISING LLC
FRANCHISE AGREEMENT

FRANCHISE OWNER

DATE OF AGREEMENT

SMALLS SLIDERS ADDRESS

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EXHIBITS

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EXHIBIT B SUMMARY OF KEY TERMS
EXHIBIT C FRANCHISE ADDENDUM TO LEASE AGREEMENT
EXHIBIT D NONDISCLOSURE AND NON-COMPETITION AGREEMENT
EXHIBIT E ELECTRONIC TRANSFER AUTHORIZATION FORM

GUARANTY AND ASSUMPTION OF OBLIGATIONS

SMALLS SLIDERS FRANCHISING LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this “Agreement”) is made and entered into by and between **SMALLS SLIDERS FRANCHISING LLC**, a limited liability company organized under the laws of Louisiana located at 7516 Bluebonnet Blvd #173, , Baton Rouge, Louisiana 70810 (“we,” “us,” or “our”), and _____, whose principal business address is _____ (“you” or “your”) as of the date signed by us and set forth opposite our signature on this Agreement (the “Effective Date”).

1. PREAMBLES, ACKNOWLEDGMENTS, AND GRANT OF FRANCHISE.

A. PREAMBLES.

(1) We and our affiliates have, over a considerable time period and with considerable effort, developed (and continue to develop and modify) a system and franchise opportunity for the operation of restaurants offering a limited menu of made-to-order sliders, fries, sauces, milkshakes, beverages and other ancillary food products as authorized from time-to-time (collectively, “Menu Items”). Menu Items are prepared according to our specified recipes, procedures and products, including all food and beverage items, ingredients, condiments and other products, services and equipment (collectively, the “Proprietary Products”) which now comprise, or in the future may comprise, part of the System (defined below) or our trade secrets which are developed by and are proprietary to us or our affiliates. These retail businesses operate under the “Smalls Sliders” name and other Marks (as defined below) (“Smalls Sliders Restaurants”) and have distinctive business formats, methods, procedures, signage designs, layouts, standards, and specifications, and the Marks, all of which we may improve, further develop, or otherwise modify at any time and from time to time (collectively, the “System”).

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

(3) We grant to persons who meet our qualifications, and are willing to undertake the investment and effort, a franchise to own and operate a Smalls Sliders Restaurant using the System and offering the Menu Items and related products and services we authorize.

(4) As a franchise owner of a Smalls Sliders Restaurant, you will comply with this Agreement and all System Standards (defined in Subsection 4.D) in order to maintain the high and consistent quality that is critical to attracting and maintaining customers for Smalls Sliders Restaurants.

(5) You have applied for a franchise to own and operate a Smalls Sliders Restaurant.

B. ACKNOWLEDGMENTS.

You acknowledge:

(1) That you have independently investigated the Smalls Sliders Restaurant franchise opportunity and recognize that, like any other business, the nature of the business a Smalls Sliders Restaurant conducts may, and probably will, evolve and change over time.

(2) That an investment in a Smalls Sliders Restaurant involves business risks that could result in the loss of a significant portion or all of your investment.

(3) That your business abilities and efforts are vital to your success.

(4) That attracting customers for your Restaurant (as defined in Subsection D below) will require you to make consistent marketing efforts in your community through various methods and channels.

(5) That retaining customers for your Smalls Sliders Restaurant will require you to have a high level of customer service and adhere strictly to the System and our System Standards and that you are committed to maintaining System Standards.

(6) That you have not received from us, and are not relying upon, any representations or guarantees, express or implied, as to the potential volume, sales, income, or profits of a Smalls Sliders Restaurant.

(7) That in all of their dealings with you, our officers, directors, employees, and agents act only in a representative, and not in an individual, capacity and that business dealings between you and them as a result of this Agreement are deemed to be only between you and us.

(8) That you have represented to us, to induce our entry into this Agreement, that all statements you have made and all materials you have given us are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the franchise.

(9) That you and your guarantors have received as one document at one time a copy of the form of this Agreement, the exhibits hereto, and the applicable complete Franchise Disclosure Document not less than fourteen (14) days prior to the earlier of: (i) the date on which this Agreement or any other agreement relating thereto was executed, and (ii) the payment of any consideration by or on behalf of you relating to this Agreement, and the franchise associated therewith (except, where applicable, any deposit permitted under applicable law).

(10) That you have read this Agreement and our Franchise Disclosure Document and understand and accept that this Agreement's terms and covenants are reasonably necessary for us to maintain our high standards of quality and service, as well as the uniformity of those standards with respect to every Smalls Sliders Restaurant, and to protect and preserve the goodwill of the Marks.

(11) That we will restrict your sources of Proprietary Products and have the right to restrict your sources of other goods and services as well, as provided in various sections of this Agreement, including Section 8 below.

(12) That we have not made any representation, warranty, or other claim regarding this Smalls Sliders Restaurant franchise opportunity, other than those made in this Agreement and our Franchise Disclosure Document, and that you have independently evaluated this opportunity, including by using your business professionals and advisors, and have relied solely upon those evaluations in deciding to enter into this Agreement.

(13) That you have been afforded an opportunity to ask any questions you have and to review any materials of interest to you concerning the Smalls Sliders Restaurant franchise opportunity.

(14) That you have been afforded an opportunity, and have been encouraged by us, to have this Agreement and all other agreements and materials we have given or made available to you reviewed by an attorney and have either done so or waived your right to do so.

C. **CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP.**

If you are at any time a corporation, limited liability company, general or limited partnership, or other form of business entity (each, an “Entity”), then you agree and represent that:

(1) You will have the authority to execute, deliver, and perform your obligations under this Agreement and all related agreements and are duly organized or formed and validly existing in good standing under the laws of the state of your incorporation or formation;

(2) Your organizational documents, operating agreement, or partnership agreement, as applicable, will recite that this Agreement restricts the issuance and transfer of any ownership interests in you, and all certificates and other documents representing ownership interests in you will bear a legend referring to this Agreement’s restrictions;

(3) **Exhibit A** to this Agreement completely and accurately describes all of your owners and their interests in you as of the Effective Date;

(4) Each of your owners during the Term (as defined in Subsection 1.E below) and any Renewal Term (as defined in Subsection 1.E below) will execute the Guaranty and Assumption of Obligations in the form attached to this Agreement undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us. Subject to our rights and your obligations under Section 12, you and your owners agree to promptly sign and deliver to us revisions to **Exhibit A** to reflect any permitted changes in the information that **Exhibit A** now contains;

(5) You will appoint a shareholder, member, or partner, as applicable, to be your “Managing Owner,” who will be responsible for overseeing and supervising the

operation of the Smalls Sliders Restaurant. The Managing Owner as of the Effective Date is identified in **Exhibit A**. You may not change the Managing Owner without our prior written consent; and

(6) The Restaurant operated hereunder and other Smalls Sliders Restaurants, if applicable, will be the only businesses you operate, unless otherwise approved by us in writing, (although your owners may have other, non-competitive business interests).

D. **GRANT OF FRANCHISE.**

You have applied for a franchise to own and operate a Smalls Sliders Restaurant at a location we approve, which will be identified on **Exhibit B** (the “Premises”). Subject to this Agreement’s terms, we grant you a franchise (the “Franchise”) to operate a Smalls Sliders Restaurant (the “Restaurant”) at the Premises, and to use the System in its operation, for the Term. You may use the Premises only for the Restaurant. You agree at all times faithfully, honestly, and diligently to perform your obligations under this Agreement and to use your best efforts to promote the Restaurant. You will not have the right to provide delivery to offsite locations without our consent, which we may withhold for any reason or no reason in our sole judgment, including the ability to reasonably withhold our consent to allowing you to deliver or cater to customers located in another franchisee’s assigned territory.

E. **TERM AND RENEWAL.**

(1) **Term.** This Agreement shall be effective and binding on the Effective Date and will expire ten (10) years from the date the Restaurant opens.

(2) **Renewal Term.** You will have the right, but not the obligation, to enter into Successor Franchise Agreements (as defined in Subsection 13.A below) for up to four (4) additional consecutive franchise terms following the Term (each, a “Renewal Term”). The duration of each Renewal Term will be five (5) years, provided that you have complied with the conditions and procedures for renewal in Section 13 of this Agreement in connection with the first Renewal Term, and that you comply in the future with the conditions and procedures for renewal in the Successor Franchise Agreement (as applicable) with respect to the possible second Renewal Term.

F. **YOUR TERRITORIAL RIGHTS.**

Before this Agreement is executed, we will describe in **Exhibit B** a particular geographic area surrounding the Premises (the “Site Selection Area”). The Site Selection Area is described solely for the purpose of limiting the area within which you may seek a site location for your Smalls Sliders Restaurant. The exact size and boundaries of the Site Selection Area shall be determined in our sole judgment. Upon you securing a lease for the location we will designate a geographical area surrounding your Premises, to be described in **Exhibit B** (the “Protected Territory”). Provided that you are in full compliance with this Agreement, and except as provided in Subsection 1.G below, we and our affiliates will not operate or grant a franchise for the operation of another Smalls Sliders Restaurant at a location within the Protected Territory during the Term.

G. RIGHTS WE RESERVE.

Except as expressly limited by Subsection 1.F above, we and our affiliates retain all rights with respect to Smalls Sliders Restaurants, the Marks, the sale of identical, similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire. Specifically, but without limitation, we reserve the following rights:

(1) the right to operate, and to grant others the right to operate Smalls Sliders Restaurants located anywhere outside the Protected Territory under any terms and conditions we deem appropriate and regardless of proximity to the Restaurant;

(2) the right to establish and operate, and to grant to others the right to establish and operate businesses offering similar or dissimilar products and services through similar or alternative channels of distribution, at any locations inside or outside the Protected Territory under trademarks or service marks other than the Marks and on any terms and conditions we deem appropriate;

(3) the right to provide, offer and sell and to grant others the right to provide, offer and sell products and services that are identical or similar to and/or competitive with those products and services provided at Smalls Sliders Restaurants, whether identified by the Marks or other trademarks or service marks, through alternative distribution channels (including, without limitation, any other form of electronic commerce and supermarkets) both inside and outside the Protected Territory and on any terms and conditions we deem appropriate;

(4) the right to establish and operate, and to grant to others the right to establish and operate, businesses offering dissimilar products and services, both inside and outside the Protected Territory under the Marks and on any terms and conditions we deem appropriate;

(5) the right to operate, and to grant others the right to operate Smalls Sliders Restaurants at “Non-Traditional Sites” within and outside the Protected Territory on any terms and conditions we deem appropriate. “Non-Traditional Sites” are sites that generate customer traffic flow which is independent from the general customer traffic flow of the surrounding area, including, without limitation, military bases, shopping malls, airports, stadiums, arenas, major industrial or office complexes, hotels and resorts, schools, campuses, train stations, travel plazas, casinos, hospitals, educational facilities, amusement parks, and sports or entertainment venues;

(6) the right to acquire the assets or ownership interests of one or more businesses providing products and services the same as or similar to those provided at Smalls Sliders Restaurants, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Protected Territory); and

(7) the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing

products and services the same as or similar to those provided at Smalls Sliders Restaurants, or by another business, even if such business operates, franchises and/or licenses competitive businesses in the Protected Territory.

H. **MODIFICATION OF SYSTEM.**

Because complete and detailed uniformity under many varying conditions might not be possible or practical, you acknowledge that we specifically reserve the right and privilege, as we deem best, to vary System Standards (defined below) for any franchise owner based upon the peculiarities of any condition that we consider important to that franchise owner's successful operation. You have no right to require us to grant you a similar variation or accommodation.

2. **SITE SELECTION, LEASE OF PREMISES, AND DEVELOPMENT AND OPENING OF THE RESTAURANT.**

A. **SITE SELECTION.**

If we have approved a location for the Restaurant before the execution of this Agreement, the Premises will be set forth on **Exhibit B**. If we and you have not agreed upon an approved location for the Restaurant before signing this Agreement, then you are responsible for selecting the site for the Restaurant. Because of the work we do in connection with evaluating and planning markets, you are required to use our preferred real estate broker to assist you in locating a site for your Restaurant. You agree to obtain our written approval of the Restaurant's proposed site before signing any lease, sublease, or other document for the site. We will use reasonable efforts to help analyze your market area, to help determine site feasibility, and to assist in designating the location, although we will not conduct site selection activities for you.

You agree to send us a description of the proposed site, including a summary of the items listed above, along with a letter of intent or other evidence confirming your favorable prospects for obtaining the proposed site. We will use reasonable efforts to approve or disapprove the proposed site after receiving your written proposal. Notwithstanding our time to review and approve or disapprove any site you propose, you must have submitted and received our approval of an acceptable site, signed an approved lease and open your Restaurant no later than twelve (12) months after the Effective Date, or we may terminate this Agreement (at our option) pursuant to Section 14 below. Upon our approval of a site, and after you secure the site, we will insert its address into **Exhibit B**, and it will be the Premises. You may operate the Restaurant only at the Premises.

You acknowledge and agree that, if we suggest, approve, or give you information regarding a site for the Premises, our action is not a representation or warranty of any kind, express or implied, of the site's suitability for a Smalls Sliders Restaurant or any other purpose. Our action indicates only that we believe that the site meets our then acceptable criteria. Applying criteria that has appeared effective with other sites and premises might not accurately reflect the potential for all sites and premises, and demographic and/or other factors included in or excluded from our criteria could change, altering the potential of a site and premises. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if a site and premises we suggest or approve for the location of a Smalls Sliders Restaurant fails to meet your expectations.

Accordingly, you acknowledge and agree that your acceptance of the Franchise pursuant to this Agreement is based on your own independent investigation of the site's suitability for the Premises.

B. LEASE OF PREMISES.

You must submit a proposed lease, sublease or other rental agreement for the Premises (each a "Lease") for our review. Any and all Leases that you propose or enter into must: (i) be in a form and contain substance we approve, and (ii) include our form of addendum to lease agreement attached hereto as **Exhibit C** (the "Lease Addendum") containing certain required terms and provisions applicable to the Lease. You must deliver to us fully-signed copies of the Lease and Lease Addendum, as approved by us, within seven (7) days after their execution. You also agree to sign, and have the landlord sign, any other document(s) we deem necessary to record our interest in the Premises in public real estate indices and elsewhere to protect our interests.

You acknowledge that our approval of the Lease (including the Lease Addendum, for purposes of the remainder of this Subsection 2.B) does not constitute a guarantee, warranty, or representation of any kind, whether express or implied, as to the Lease's fairness or suitability, your ability to comply with its terms, or the success or profitability of a Smalls Sliders Restaurant operated at the Premises. Our approval of the Lease indicates only that we believe that the Premises and the Lease terms meet our then acceptable criteria. We do not, by virtue of approving the Lease, assume any liability or responsibility to you or to any third party. You may not modify the Lease if any proposed modification would impact our rights as a third-party beneficiary of provisions of the Lease.

If the Lease expires or is terminated without your fault, or if the site for the Premises is destroyed, condemned, or otherwise rendered unusable, we will allow you to relocate the Restaurant to a new site acceptable to us in your current Protected Territory. You must locate a substitute site, and begin operating the Restaurant from that substitute site, within one hundred eighty (180) days after you lose the right to occupy the Premises. Any relocation will be at your sole expense, and we may charge you an amount equal to twenty percent (20%) of the then-current initial franchise fee we charge to a new Smalls Sliders Restaurant franchise owner to cover the costs we incur and for our services in connection with any relocation of the Restaurant.

We reserve the right (but we have no obligation) to enter into a master lease for the Premises (or a substitute site you propose), whether directly or through an affiliate, and sublease the Premises (or any substitute site you propose) to you upon mutually agreeable terms regarding fees, rent and deposits. You acknowledge that any master lease that we or our affiliate may enter into for the Premises (or a substitute site you propose) shall neither give rise to any liability on our part (or that of our affiliates), nor shall such master lease be construed as an express or implied warranty to you regarding the viability, profitability or merit of the Premises (or a substitute site you propose) for your Restaurant. You further acknowledge that you shall not be a third party beneficiary of the master lease and that we do not make any representations or guarantees regarding the commercial terms of the master lease, including, but not limited to, the rent. If we or our affiliate sublease the Premises (or a substitute site you propose) to you, you agree to execute our then current form of sublease, as may be modified or amended by us.

C. THE RESTAURANT'S DEVELOPMENT.

You are responsible for developing the Restaurant. Unless pre-approved by us in writing, the Restaurant must be a single modular drive-thru restaurant that is manufactured, shipped and installed on the Premises by our pre-approved supplier. We will give you mandatory and suggested specifications and layouts for a model Smalls Sliders Restaurant, including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs, furnishings, and color scheme. These plans might not reflect the requirements of any federal, state, or local law, code, or regulation, including those arising under the Americans with Disabilities Act (the "ADA") or similar rules governing public accommodations for persons with disabilities. It is your responsibility to prepare a site survey and all required construction plans and specifications to suit the Premises and to make sure that these plans and specifications comply with the ADA and similar rules governing public accommodations for persons with disabilities, other applicable ordinances, building codes, permit requirements, and Lease requirements and restrictions.

You agree to allow our modular building manufacturer or architect to send directly to us construction plans and specifications for review before you begin constructing the Restaurant and all revised or "as built" plans and specifications during construction. We may require you to use an approved or designated architect and/or general contractor (which may include or be limited to us and/or our affiliates) to design and construct the Restaurant, and we reserve the right to require you to submit to us all contractor bids you receive related to the Restaurant for the purpose of recording and benchmarking total construction costs for the future benefit of other franchisees and all Smalls Sliders Restaurants. Any general contractor or other builders you use must maintain builder's and/or contractor's insurance (as applicable), lien insurance, and performance and completion bonds in forms and amounts acceptable to us, pursuant to Subsection 8.F below. Because our review is limited to ensuring your compliance with our design requirements, it might not assess compliance with federal, state, or local laws and regulations, including the ADA. Accordingly, you recognize and acknowledge that compliance with these laws is your responsibility. We may inspect the Premises while you are developing the Restaurant.

You agree to do the following, at your own expense, to develop the Restaurant at the Premises:

- (1) secure all financing required to develop and operate the Restaurant;
- (2) obtain all required building, utility, sign, health, sanitation, business, and other permits and licenses;
- (3) construct all required improvements to the Premises and decorate the Restaurant according to approved plans and specifications;
- (4) obtain all customary contractors' sworn statements and partial and final waivers of lien for construction, remodeling, decorating, and installation services;
- (5) purchase or lease, and install, if applicable, according to our specifications, all required fixtures, furniture, equipment (including a required or recommended computer, facsimile, point-of-sale, and other electronic information systems and all equipment components and software necessary for you to accept and process our gift and loyalty cards

and participate in our gift card, customer loyalty, affinity, and similar programs), furnishings, and signs (collectively, “Operating Assets”) for the Restaurant; and

(6) purchase an opening inventory of authorized and approved Proprietary Products, other products, materials, and supplies to operate the Restaurant.

D. OPERATING ASSETS.

You agree to use in operating the Restaurant only those Operating Assets that we approve for Smalls Sliders Restaurants as meeting our specifications and standards for quality, design, appearance, function, and performance. You agree to place or display at the Premises (interior and exterior) only the signs, emblems, lettering, logos, and display materials that we approve at any time and from time to time. You agree to purchase or lease approved brands, types, or models of Operating Assets only from suppliers we designate or approve (which may include or be limited to us and/or our affiliates).

E. COMPUTER SYSTEM.

You agree to obtain and use the computer hardware and/or operating software (including point-of-sale equipment and software and accounting software) we specify at any time and from time to time (the “Computer System”). We may modify specifications for and components of the Computer System. You also agree to maintain a functioning e-mail address. Our modification of specifications for the Computer System, and/or other technological developments or events, might require you to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service and support for the Computer System. Although we cannot estimate the future costs of the Computer System or required service or support, and although these costs might not be fully amortizable over this Agreement’s remaining Term, you agree to incur the costs of obtaining the computer hardware and software comprising the Computer System (or additions and modifications) and required service or support. We have no obligation to reimburse you for any Computer System costs. Within sixty (60) days after you receive notice from us, you agree to obtain the Computer System components that we designate and to ensure that your Computer System, as modified, is functioning properly.

You agree that we or our affiliates may condition any license of proprietary software to you, or your use of technology that we or our affiliates develop or maintain, on your signing a software license agreement or similar document that we or our affiliates prescribe to regulate your use of, and our and your respective rights and responsibilities with respect to, the software or technology. We, our affiliates, or designated suppliers may charge you a monthly or other fee for any proprietary software or technology that we or they license to you and for other maintenance and support services that we or they may require you to receive during the Term.

Despite the fact that you agree to buy, use, and maintain the Computer System according to our standards and specifications, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer System; (2) the manner in which your Computer System interfaces with our and any third party’s computer system; and (3) any and all consequences if the Computer System is not properly operated, maintained, and upgraded.

The Computer System shall interface with our information technology systems and be electronically linked to us or our designee to enable us (or our designee) to poll such Computer System on a daily or other basis at such times and in such manner as established by us or our designee, with or without notice, and to retrieve such transaction information, including without limitation sales, sales mix, food usage, paper usage, inventory, and other operations data as we and/or our designee deem appropriate. If for any reason polling is not practicable or prohibited by applicable law, we may require you to download such information into machine readable information compatible with the system operated by us, our affiliates, or our agents and to deliver such information to us by such method and at such temporal frequency as we may reasonably require.

You hereby consent to us obtaining, using and disclosing to third parties (including, without limitation, franchisees, prospective franchisees, financial institutions, legal and financial advisors), for any purpose or as may be required by law, any financial or other information contained in or resulting from information, data, materials, statements and reports received by us or disclosed to us, whether by means of the Computer System or otherwise, in accordance with this Agreement. You will obtain such consents from third parties, including your customers, as are necessary in order to give effect to the foregoing.

All software must meet the technical and security standards and specifications that we require for front of the house or back office software programs. You must conform to our technical and security standards which include software version updates, operating system updates, hardware upgrades, security broadband internet connectivity, and others. You may not install any software programs which are not approved by us on your Computer System. You must have broadband/high speed internet access within your Restaurant. You are responsible for maintaining all security standards associated with the Restaurant's local network. You will be required to use our payment card processor and gateway. You will be required to maintain POS network software updates, Windows operating system updates, Anti-Virus, Malware and any network device firmware. You must meet those standards defined by the Payment Card Industry's ("PCI") Security Standards Council. You must comply with the FTC's Fair and Accurate Transactions Act.

To process credit cards, you must be certified PCI compliant. To be certified compliant, you must submit a passing PCI Vulnerability Assessment Scan report along with a copy of the most recent version of SAQ (as required by PCI Council regulations) before opening your Restaurant and at the frequency required in the current version of the PCI DSS standards. We may require you to participate in a data security program we designate. We may terminate your Franchise Agreement and/or suspend credit card processing at any Restaurant which does not comply with the current PCI compliance requirements

Additionally, you must (i) subscribe to any third-party on-line ordering or delivery services (which may require you or the third party to provide the delivery services) that we have approved and may be available to provide services in your area

F. THE RESTAURANT OPENING.

You must notify us in writing at least sixty (60) days prior to the opening of the Restaurant. We reserve the right to inspect (or designate a third party to inspect) the Restaurant at any time prior to opening. You agree not to open the Restaurant until:

(1) we notify you in writing that the Restaurant meets our standards and specifications (although our acceptance is not a representation or warranty, express or implied, that the Restaurant complies with any engineering, licensing, environmental, labor, health, building, fire, sanitation, occupational, landlord's, insurance, safety, tax, governmental, or other statutes, rules, regulations, requirements, or recommendations nor a waiver of our right to require continuing compliance with our requirements, standards, or policies);

(2) you (or your Managing Owner) and your other employees satisfactorily complete training;

(3) you pay any amounts then due to us; and

(4) you give us certificates for all required insurance policies, or such other evidence of insurance coverage and payment of premiums as we may request.

3. FEES.

A. INITIAL FRANCHISE FEE.

In consideration of our granting you the Franchise, you agree to pay us a nonrecurring and, except as specifically provided in this Agreement, nonrefundable initial franchise fee (the "Initial Franchise Fee") equal to the amount identified on Exhibit B. This fee is due, and fully earned by us, when you sign this Agreement.

B. CONTINUING SERVICE AND ROYALTY FEE.

You agree to pay us, in the manner provided below (or as the Operations Manual otherwise prescribes), a weekly Continuing Service and Royalty Fee (the "Royalty") equal to six percent (6%) of the Restaurant's Gross Sales (defined in Subsection 3.E below). On or before Monday of each week, you agree to send us on a form we approve (or as we otherwise direct) a signed statement of the Restaurant's Gross Sales for the preceding week. Each weekly statement of Gross Sales must be accompanied by the Royalty due for the preceding week, if not already otherwise paid for that week pursuant to this Agreement.

C. BRAND FUND CONTRIBUTION.

You agree to contribute to the Fund (as defined in Subsection 9.B below) in the amounts that we prescribe at any time and from time to time, not to exceed two percent (2%) of the Restaurant's Gross Sales per week, payable in the same manner as the Royalty. The Fund contributions will be administered and used as set forth in Subsection 9.B below.

D. TECHNOLOGY CONTRIBUTION

On or before the (10th) day of each month, or such other weekly or monthly date as we designate, during the term of this Agreement, you will pay to us or our designee our then-current

technology contribution (currently \$100/month) (the "Technology Contribution"). The purpose of the Technology Contribution is to fund technology to improve our support to the System. You acknowledge that it is vital for the Smalls Sliders System to feature digital, and other modern ordering capabilities, platforms, "apps" and other now or hereafter developed infrastructure, tools, systems and analytics, and that these capabilities are constantly evolving and require continued investment and innovation in a competitive environment. The Technology Contribution is subject to change in Franchisor's sole discretion to meet these evolving needs.

E. DEFINITION OF "GROSS SALES".

As used in this Agreement, the term "Gross Sales" means all revenue that you derive from operating the Restaurant, including, but not limited to, all amounts that you receive at or away from the Premises, and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions and all other income of every kind and nature related to the Restaurant, but (1) excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority and (2) reduced by the amount of any documented refunds, credits, allowances, and charge-backs the Restaurant in good faith gives to customers, which are approved by us in writing.

F. LATE FEES AND INTEREST.

All amounts which you owe us or our affiliate for any reason, will bear interest accruing as of their original due date at the maximum interest rate permitted by law. If there is no applicable legal maximum rate, interest will be calculated at the rate of four percent (4%) above the prime rate of interest on the first day of each month for the past due amount, as published in The Wall Street Journal. We may debit your bank account automatically for late fees and interest. You acknowledge that this Subsection 3.F is not our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, the Restaurant.

G. APPLICATION OF PAYMENTS.

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

H. METHOD OF PAYMENT.

Before the Restaurant opens, you agree to sign and deliver to us the document we require (the current form of which is set forth in **Exhibit E**) to authorize us to debit your business checking account automatically for the Royalty, Fund contributions, and other amounts due under this Agreement and for your purchases from us and/or our affiliates (the "Electronic Depository Transfer Account" or "EDTA"). We will debit the EDTA for these amounts on their due dates. You agree to ensure that funds are available in the EDTA to cover our withdrawals. If there are insufficient funds in the EDTA to cover any such amount owed (or, if you are paying by check and a check is returned for insufficient funds), you must pay us, on demand, a processing fee of Two Hundred Fifty Dollars (\$250), plus reimbursement of our additional administrative expenses

and charges. If there are insufficient funds in the EDTA, or if your check is returned for insufficient funds, then we may require you to make all subsequent payments to us by a certified or cashier's check.

If you fail to report the Restaurant's Gross Sales, we may debit your EDTA for one hundred twenty percent (120%) of the last Royalty and Fund contribution that we debited (together with the late fee noted in Subsection 3.F above). If we discover, once we have determined the Restaurant's true and correct Gross Sales, that the amounts we debited from your EDTA are less than the amounts you actually owe us, then we will debit your EDTA for the remaining balance on the day we specify. Conversely, if we discover that the amounts we debited from your EDTA are greater than the amounts you actually owe us, then we will credit an amount equal to: (i) the excess against the amounts we otherwise would debit from your EDTA during the following week, (ii) less a ten percent (10%) administrative fee on that excess amount that we will retain for having to conduct this process due to your failure to report.

We may require you to pay any amounts due under this Agreement or otherwise by means other than automatic debit (*e.g.*, by check) whenever we deem appropriate, and you agree to comply with our payment instructions.

4. TRAINING AND ASSISTANCE.

A. INITIAL TRAINING.

(1) If this is your first Restaurant, then before the Restaurant is scheduled to open for business, we will train you (or, if you are an Entity, your Managing Owner) and the manager-level employee you appoint (your "Manager") on the material aspects of operating a Smalls Sliders Restaurant. These persons must begin and complete the initial training (excluding the on-site support phase described below in this Subsection 4.A) to our satisfaction on dates established by us before the Restaurant's scheduled opening date.

(2) We will provide the initial training program either online (virtual) and/or at a designated training facility of our choice and/or at an operating Smalls Sliders Restaurant, except for the on-site support phase around opening that we will provide at the Premises (as discussed below in this Subsection 4.A).

(3) We will provide initial training for no additional fee for your two (2) attendees specified above in this Subsection 4.A. Additional people beyond two (2) attendees may attend initial training (subject to our capacity and ability to accommodate additional persons in the training session) if you pay our then current training charge for each additional person. We reserve the right to refuse to provide training to you or any of your proposed attendees for whom we have not received the relevant training fee. In addition to the initial training program fees. You agree to pay for all travel and living expenses that you (or your Managing Owner) and any of your personnel incur, all accrued wages, and related workers' compensation insurance while these persons train at a designated training facility of our choice and/or at an operating Smalls Sliders Restaurant.

(4) You (or your Managing Owner) and your Manager must satisfactorily complete initial training. If we determine that you (or your Managing Owner) and your

Manager cannot complete initial training to our satisfaction, we may terminate this Agreement.

(5) When the Restaurant is preparing to open for business, we will, either online and/or at our own cost, send at least one (1) of our representatives to the Restaurant for the duration and hours we determine in our sole judgment may be needed to provide on-site support in connection with pre-opening and opening activities. We reserve the right to provide more online training, representatives, or more on-site support, at the Premises during this period as we deem necessary. For avoidance of doubt, we solely determine the timing, scheduling and staffing of on-site support we provide according to this subparagraph, including the calendar dates and times of our support. You must successfully complete all activities of this online and/or on-site support period to our satisfaction. If you request, and we agree to provide, additional or special guidance, assistance, or training during this on-site support period, then you agree to pay our then applicable charges, including our personnel's per diem charges and travel and living expenses.

B. ONGOING TRAINING.

We may require you (or your Managing Owner) and/or other previously trained and experienced employees to attend and complete satisfactorily various training courses that we periodically choose to provide either online or in-person at the times and locations that we designate. We may charge reasonable registration or similar fees for these courses. Besides attending these courses, you agree to attend an annual meeting of all Smalls Sliders Restaurants franchise owners at a location we designate, if we organize and plan (at our option) such a meeting. You agree to pay all costs to attend these online or in-person training courses and meetings.

We require that any Managers you hire or appoint after your Restaurant opens for business satisfactorily complete our initial and ongoing training programs as established by us either before or after the date on which you hire or appoint the Manager. We may charge reasonable fees for training Managers, not to exceed our then-current fees for such training (currently \$300). You agree to pay all travel and living expenses which you and your employees incur during all training courses and programs.

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

C. GENERAL GUIDANCE AND CONSULTATION SERVICES.

We will advise you at any time and from time to time regarding the Restaurant's operation based on your reports or our inspections and will guide you with respect to: (1) standards, specifications, and operating procedures and methods that Smalls Sliders Restaurants use; (2) purchasing required and authorized Operating Assets, Proprietary Products, Menu Items, and other items and arranging for their distribution to you; (3) advertising and marketing materials and

programs; (4) employee training; and (5) administrative, bookkeeping, accounting, and inventory control procedures.

We will guide you in our operations manual (the “Operations Manual”); in bulletins or other written materials; by electronic media; by telephone consultation; and/or at our office or the Restaurant. If you request, and we agree to provide (subject to our availability), additional or special guidance, assistance, or training, you agree to pay our then applicable charges, including our personnel’s per diem charges and travel and living expenses.

If you request, and we agree to provide (subject to our availability) either (i) additional guidance, assistance, or training, or (ii) specialized Consultation Services, then you agree to pay our then applicable charges, including our personnel’s per diem charges and travel and living expenses. For purposes of this Agreement, “Consultation Services” may include any advice related to the operation of your Restaurant, on-site reviews of your operations and additional training as needed, on-site training for you (or your Managing Owner), Managers, or any of your other personnel, and other specialized assistance.

D. OPERATIONS MANUAL.

We will provide you access during the Term to one (1) copy of our online Operations Manual, which may also include audiotapes, videotapes, compact disks, computer software, other electronic media, and/or written materials. The Operations Manual contains mandatory and suggested specifications, standards, operating procedures, and rules (“System Standards”) that we periodically prescribe for operating a Smalls Sliders Restaurant and information on your other obligations under this Agreement. We may modify the Operations Manual periodically, in our sole judgment, to reflect changes in System Standards. For purposes of this Agreement, all written instructions or communications we or our affiliates provide to all, or a substantial number of, Smalls Sliders Restaurant franchise owners concerning aspects or modifications to the System shall be deemed part of the Operations Manual.

The online Operations Manual shall be deemed the current version, and if there is a dispute over its contents, our online master copy, including any related written instructions or communications set forth above, of the Operations Manual controls. You agree that the Operations Manual’s contents are confidential and that you will not disclose the Operations Manual to any person other than Restaurant employees who need to know its contents. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Operations Manual.

We will post some or all of the Operations Manual on a restricted Website or extranet to which you will have access. (For purposes of this Agreement, “Website” means an interactive electronic document contained in a network of computers linked by communications software, including, without limitation, the internet and World Wide Web home pages). If we do so, you agree to monitor and access the Website or extranet for any updates to the Operations Manual or System Standards. Any passwords or other digital identifications necessary to access the Operations Manual on a Website or extranet will be deemed to be part of Confidential Information (defined in Section 6 below).

E. **DELEGATION OF PERFORMANCE.**

You agree that we have the right to delegate the performance of any portion or all of our obligations under this Agreement to third-party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Agreement.

5. **MARKS.**

A. **OWNERSHIP AND GOODWILL OF MARKS.**

Our affiliate, Smalls Sliders IP, LLC, owns and has licensed the Marks to us to use, and to sublicense others to use, in connection with the franchising, development, and operation of Smalls Sliders Restaurants. Therefore, you agree and acknowledge that the Marks are ours (or our affiliate's) exclusive property, and that we are granting you a license (or sublicense, as applicable) to use the Marks in connection with the Restaurant's development and operation. Your right to use the Marks is derived only from this Agreement and is limited to your operating the Restaurant according to this Agreement and all System Standards we prescribe during the Term. Your unauthorized use of the Marks is a breach of this Agreement and infringes our and/or our affiliate's rights in the Marks. You acknowledge and agree that your use of the Marks and any goodwill established by that use are exclusively for our and/or our affiliate's benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the Restaurant under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional proprietary trade and service marks we authorize you to use. You may not at any time during or after the Term and any Renewal Term contest, or assist any other person in contesting, the validity, or our and/or our affiliate's ownership, of the Marks.

B. **LIMITATIONS ON YOUR USE OF MARKS.**

You agree to use the Marks as the Restaurant's sole identification, except that you agree to identify yourself as its independent owner in the manner we prescribe. You may not use any Mark (1) as part of any corporate or legal business name, (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you), (3) in selling any unauthorized services or products, (4) as part of any domain name, homepage, electronic address, or otherwise in connection with a Website (other than our Website), or (5) in any other manner that we have not expressly authorized in writing.

You may not use any Mark in advertising the transfer, sale, or other disposition of the Restaurant or an ownership interest in you without our prior written consent, which we will not unreasonably withhold. You agree to display the Marks prominently as we prescribe at the Restaurant and on forms, advertising, supplies, and other materials we designate. You agree to use the notices of trade and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

C. **NOTIFICATION OF INFRINGEMENTS AND CLAIMS.**

You agree to notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and not to communicate with any person other than us, our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We may take the action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office ("USPTO") proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. You agree to sign any documents and take any other reasonable action that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in any litigation or USPTO or other proceeding or otherwise to protect and maintain our interests in the Marks.

D. **DISCONTINUANCE OF USE OF MARKS.**

If, in our sole judgment, it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute trade or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your direct expenses of changing the Restaurant's signage, for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

Our rights in this Subsection 5.D apply to any and all of the Marks (and any portion of any Mark) that we authorize you to use in this Agreement. We may exercise these rights at any time and for any reason, business or otherwise, that we think best. You acknowledge both our right to take this action and your obligation to comply with our directions.

E. **INDEMNIFICATION FOR USE OF MARKS.**

We agree to reimburse you for all damages and reasonable expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement if you have timely notified us of, and comply with our directions in responding to, the proceeding. At our option, we may defend and control the defense of any proceeding arising from your use of any Mark under this Agreement.

6. **CONFIDENTIAL INFORMATION.**

We possess (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law (the "Confidential Information"), relating to developing and operating Smalls Sliders Restaurants, including (without limitation):

- (1) site selection criteria and layouts, designs and other plans and specifications for Smalls Sliders Restaurants;
- (2) ingredients, recipes and related information concerning any food items as part of the Menu Items;
- (3) training and operations materials and manuals;

(4) methods, formats, specifications, standards, systems, procedures, food preparation techniques, sales and marketing techniques, knowledge, and experience used in developing and operating Smalls Sliders Restaurants;

(5) marketing, promotional and advertising research and programs for Smalls Sliders Restaurants;

(6) knowledge of specifications for and suppliers of Operating Assets, Proprietary Products, and other products and supplies, including supplier pricing and related terms;

(7) any computer software or similar technology which is proprietary to us or the System, including, without limitation, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;

(8) knowledge of the operating results and financial performance of Smalls Sliders Restaurants other than the Restaurant;

(9) graphic designs and related intellectual property;

(10) customer solicitation, communication and retention programs, along with data and information used or generated in connection with those programs;

(11) all data and other information generated by, or used in, the operation of the Restaurant, including customer names, addresses, phone numbers, pricing and other information supplied by any customer (such as credit card information or personal information), and any other information contained at any time and from time to time in the Computer System or that visitors to the Restaurant (including you and your personnel) provide to the Website for the network of Smalls Sliders Restaurants;

(12) future business plans relating to Smalls Sliders Restaurants and the Smalls Sliders Restaurants franchise opportunity, including expansion and development plans; and

(13) any other information that we reasonably designate as confidential or proprietary.

You acknowledge and agree that you will not acquire any interest in Confidential Information, other than the right to use it as we specify in operating the Restaurant during the Term and any Renewal Term, and that Confidential Information is proprietary, includes our trade secrets, and is disclosed to you only on the condition that you agree, and you in fact do agree, that you:

(a) will not use Confidential Information in any other business or capacity;

(b) will keep each item deemed to be part of Confidential Information absolutely confidential, both during the Term and any Renewal Term and then thereafter for as long as the item is not generally known in the food-service industry;

(c) will not sell, trade or otherwise profit in any way from the Confidential Information (including by selling or assigning any customer names, addresses, phone numbers, e-mail contact information, or related data), except using methods that we may have authorized or approved in our sole judgment;

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

(e) will adopt and implement reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including, without limitation, restricting its disclosure to Restaurant personnel and others and using non-disclosure and non-competition agreements with those having access to Confidential Information. We have the right to regulate the form of agreements that you use and to be a third party beneficiary of those agreements with independent enforcement rights. The current form of Nondisclosure and Non-Competition Agreement is attached as **Exhibit D**; and

(f) will notify us within twenty-four (24) hours of any unauthorized use or disclosure of Confidential Information (whether by you or any Restaurant employees or personnel).

Confidential Information does not include information, knowledge, or know-how which you can demonstrate lawfully came to your attention before we provided it to you directly or indirectly; which, at the time we disclosed it to you, already had lawfully become generally known in the food-service industry through publication or communication by others (without violating an obligation to us); or which, after we disclose it to you, lawfully becomes generally known in the food-service industry through publication or communication by others (without violating an obligation to us). However, if we include any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one of the exclusions provided in this paragraph is fulfilled.

All ideas, concepts, techniques, or materials relating to a Smalls Sliders Restaurant, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent that any item does not qualify as a “work made-for-hire” for us, by this paragraph you hereby assign ownership of that item, and all related rights to that item, to us, hereby waive all moral rights in that item, and hereby agree to take whatever action (including signing assignment or other documents) we request to evidence our ownership or to help us obtain intellectual property rights in the item (including signing assignment or other documents, and causing your owners, employees and contractors to do the same). You may not use any such idea, concept, technique or material in connection with the Restaurant without our prior approval.

7. EXCLUSIVE RELATIONSHIP.

You acknowledge that we have granted you the Franchise in consideration of and reliance upon your agreement to deal exclusively with us. You therefore agree that, during the Term and any Renewal Term, neither you, any of your owners, nor any of your or your owners’ spouses will:

- (a) have any direct or indirect controlling or non-controlling interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business, wherever located or operating (except that equity ownership of less than two percent (2%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);
- (b) perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business, wherever located or operating;
- (c) divert or attempt to divert any actual or potential business or customer of the Restaurant to a Competitive Business;
- (d) directly or indirectly loan any money or other thing of value to, or guarantee any other person’s loan to, any Competitive Business or any owner, director, officer, manager, employee or agent of any Competitive Business, wherever located or operating;
or
- (e) engage in any other activity which, in our sole opinion, might injure the goodwill of the Marks and System.

The term “Competitive Business” means (i) any restaurant or other food-service business which derives more than ten percent (10%) of its revenue from selling hamburgers or sliders of any kind or (ii) any business granting franchises or licenses to others to operate the type of business specified in subparagraph (i) (other than a Smalls Sliders Restaurant operated under a franchise agreement with us).

You agree to have all of the following persons sign, and you will submit to us executed copies of, our then current form of Nondisclosure and Non-Competition Agreement from all of the following persons: (i) your Manager and any supervisory or other employees who have received or will receive training from us, prior to their employment; (ii) if you are an Entity, all your officers, directors, shareholders, partners, members and owners, and those of any Entity directly or indirectly controlling you, concurrent with the execution of this Agreement, or at such time as they assume such status; and (iii) all of the persons enumerated in this Section 7 and Subsection 15.D below. You agree to provide us copies of all executed Nondisclosure and Non-Competition Agreements no later than ten (10) days following their execution.

8. SYSTEM STANDARDS.

A. CONDITION AND APPEARANCE OF THE RESTAURANT.

You agree that:

- (1) you will maintain the condition and appearance of the Restaurant, its Operating Assets and the Premises in accordance with System Standards and consistent with the image of a Smalls Sliders Restaurant and in observing the highest standards of cleanliness, sanitation, efficient, courteous service and pleasant ambiance, and in that connection will take, without limitation, the following actions during the Term: (1)

thorough cleaning, repainting and redecorating of the interior and exterior of the Premises at intervals we prescribe; (2) interior and exterior repair of the Premises; and (3) repair or replacement of damaged, worn out or obsolete Operating Assets;

(2) you will place or display at the Premises (interior and exterior) only those signs (including neon), emblems, designs, artwork, lettering, logos, and display and advertising materials that we at any time and from time to time approve;

(3) if at any time we determine, in our reasonable judgment, the general state of repair, appearance or cleanliness of the Premises of the Restaurant or its fixtures, furnishings, equipment or signs does not meet our System Standards, we have the right to notify you, specifying the action you must take to correct the deficiency. If (i) within twenty-four (24) hours after you received our notice in the case of a deficiency of a health, safety, or sanitary law, ordinance or regulation or (ii) within ten (10) days after you received our notice in the case of any other deficiencies, you do not correct the deficiency, we have the right, in addition to all other remedies, to enter the Premises or the Restaurant and do any required maintenance or refurbishing on your behalf. You must reimburse us on demand for all costs and expenses we incur in connection with such maintenance and refurbishment; and

(4) once every five (5) years, but no later than the fifth (5th) anniversary of the Effective Date, on notice from us, you shall remodel, expand, redecorate, reequip and/or refurbish the Premises and the Restaurant at your expense to reflect changes in the operations of Smalls Sliders Restaurants which we prescribe and require of new franchisees. You shall diligently complete such renovation within a reasonable time after commencing the work.

B. RESTAURANT MENU, SPECIFICATIONS, STANDARDS AND PROCEDURES.

You agree that: (1) the Restaurant will offer for sale all Menu Items and other products and services that we specify at any time and from time to time, and, with respect to any food items, will only use ingredients, recipes and methods of food preparation we have specified or approved; (2) the Restaurant will offer and sell approved products and services only in the manner we have prescribed; (3) you will not offer for sale or sell at the Restaurant, the Premises or any other location any products or services we have not approved in advance; (4) all products will be offered and sold only at retail and from the Premises (subject to off-site marketing or sales activities we must specifically approve) and you will not offer or sell any products at wholesale or on the internet; (5) you will discontinue selling and offering for sale any products or services that we at any time decide (in our sole judgment) to disapprove in writing; and (6) you will advertise to, and solicit customers for, the Restaurant only within the Protected Territory and will not operate the Restaurant away from the Premises, except that you may cater or deliver Menu Items to customers within the Protected Territory with our prior written approval.

If we approve you to offer delivery and/or catering services in connection with the Restaurant, you must make accommodations for delivery and/or catering services in compliance with our System Standards set forth in the Operations Manual or otherwise in writing by us,

including without limitation, utilizing only the specified designated delivery and/or catering service providers we identify, making available the Menu Items identified as appropriate for delivery and/or catering (and only those designated Menu Items), and limiting the delivery and/or catering services to any delivery and/or catering area we specify to you in writing. You acknowledge and agree that any delivery and/or catering area we specify is not exclusive and we may engage, and/or allow other franchisees and third parties to engage, in any activities we desire within the delivery and/or catering area without any restrictions (including allowing other Smalls Sliders Restaurant franchisees and delivery and/or catering service providers to provide delivery and/or catering services in the delivery and/or catering area). You further acknowledge and agree that any delivery and/or catering area we specify is nothing more than the geographic boundaries in which you may deliver and/or cater those Menu Items approved for delivery and/or catering from the Restaurant, and no other rights are granted to you whatsoever.

C. **APPROVED PRODUCTS, SERVICES, DISTRIBUTORS AND SUPPLIERS.**

We have developed or may develop standards and specifications with respect to certain products and services and with respect to certain types, models and brands of required Operating Assets, Menu Items, Proprietary Products, and related products, ingredients, materials and supplies. We reserve the right at any time and from time to time to approve specifications or suppliers and distributors of the above or other products and services that meet our reasonable standards and requirements. If we do so, you agree to purchase only such products and services meeting those specifications, and if we require it, only from distributors and other suppliers we have approved, including or limited to ourselves or our affiliates.

We may limit the number of approved distributors or suppliers (collectively “suppliers”) with whom you may deal, designate sources that you must use, and/or refuse any of your requests for any reason, including that we have already designated an exclusive source (which might be us or our affiliate) for a particular item or service.

We and our affiliates may mark up and profit on the sale of goods or services to you and/or receive payments, rebates, or other material consideration from suppliers on account of such suppliers’ dealings with us, you and other franchise owners, and may keep or use any amounts so received without restriction and for any purpose we and our affiliates deem appropriate. We may concentrate purchases with one or more suppliers or distributors to obtain lower prices or the best advertising support or services. Approval of a supplier or distributor may be conditioned on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our continued evaluation of the supplier or distributor at any time and from time to time.

If you would like to purchase any items from any unapproved supplier or distributor, you must submit to us a written request for approval of the proposed supplier or distributor. We have the right to inspect the proposed supplier’s or distributor’s facilities, and to require product samples from the proposed supplier or distributor to be delivered at our option either directly to us or to any independent, certified laboratory which we designate for testing. Either you or the proposed supplier or distributor must pay us a fee (not to exceed the reasonable cost of the inspection,

including reasonable costs to cover employee compensation and travel expenses, and the actual cost of the test) to make the evaluation. We have no obligation to approve any new supplier, product, or service you propose. We reserve the right to periodically re-inspect the facilities and products of any approved supplier or distributor and to revoke our approval if the supplier or distributor does not continue to meet any of our criteria.

We and our affiliates have developed, or may develop, specially formulated and prepared Proprietary Products for use in the operation of Smalls Sliders Restaurants. You must use only the recipes, techniques and Proprietary Products which meet our current requirements and specifications in the preparation of any food items that we require as part of the Menu Items served and sold by your Restaurant. You may only use those containers, cartons, bags, boxes, napkins, and other paper goods and packaging with our Marks or other design specifications which meet our current requirements and quality standards for Smalls Sliders Restaurants. We reserve the right to require you to purchase Proprietary Products we and/or our affiliates develop from us, our affiliates or a designated third party supplier.

D. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES.

You must secure and maintain in force all required licenses, permits and certificates relating to the operation of the Restaurant and must operate the Restaurant in full compliance with all applicable laws, ordinances and regulations, including, without limitation, government regulations relating to occupational hazards, health, food safety, menu labeling, worker's compensation and unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales and service taxes. All advertising and promotion by you must be completely factual and must conform to the highest standards of ethical advertising. The Restaurant must in all dealings with its customers, suppliers, us and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which may be injurious to our business and the goodwill associated with the Marks and other Smalls Sliders Restaurants. You must notify us in writing within five (5) days of the commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect your operation or financial condition or that of the Restaurant and of any notice of violation of any law, ordinance, or regulation relating to the Restaurant.

E. MANAGEMENT OF THE RESTAURANT/CONFLICTING INTERESTS.

The Restaurant must at all times be under the full-time direct, on-premises supervision of you (or your Managing Owner), or your Manager, either of whom must have successfully completed the initial training program that we describe above in this Agreement. You shall take such steps as are necessary to ensure that any and all of the Restaurant's employees preserve good customer relations; render competent, prompt, courteous, and knowledgeable service; and meet such minimum standards as we may establish from time to time in the Operations Manual or otherwise in writing. You and your employees shall handle all customer complaints, refunds, returns, and other adjustments in a manner that will not detract from the name and goodwill of the Marks, the System or us.

We reserve the right to approve or disapprove of any Manager you appoint. If we disapprove of any Manager you propose, you must promptly appoint a replacement Manager satisfactory to us. If your relationship with a Manager terminates for any reason, then you must promptly appoint a replacement Manager that meets our approval. Even if you appoint a Manager for day-to-day operations, you (or your Managing Owner) must remain active in overseeing the Restaurant's ongoing business activities.

Besides you (or your Managing Owner) or the Manager, the Restaurant must at all times have a sufficient number of personnel on staff to operate the Restaurant in accordance with our then current System Standards.

You (or your Managing Owner) must keep us informed at all times of the identity of the Manager, and ensure that such personnel are competent and proficient in their duties. You (or your Managing Owner) are solely responsible for all employment decisions for the Restaurant, including hiring, firing, remuneration, personnel policies, training, benefits, and maintaining supervision and discipline, regardless of whether you received advice from us on any of these subjects.

F. **INSURANCE.**

During the Term you must maintain the following categories of insurance coverage in force at your sole expense, all containing the minimum liability coverage we prescribe at any time and from time to time in the Operations Manual (unless otherwise indicated below):

(1) Broad form comprehensive public liability, general liability, product liability, and contractual liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in connection with the Restaurant's operation;

(2) All risk or special form coverage on your Premises, including boiler and machinery coverage extending to all improvements and alterations, trade fixture, and business personal property having adequate limits to replace all that is damaged as caused by, or occurring in connection with, the Restaurant's operation;

(3) Business interruption insurance to cover the rent of the Premises, previous profit margins, maintenance of competent personnel and other fixed expenses for the duration of the interruption to your Restaurant's operation;

(4) If any vehicle is used in connection with the operation of the Restaurant, automobile liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in connection with the Restaurant's operation;

(5) Worker's compensation and employer's liability insurance (in amounts authorized by statute), unemployment insurance and state disability insurance (as required by governing law) for your employees;

(6) In connection with any construction, refurbishment, and/or remodeling of the Restaurant, builder's and/or contractors' insurance (as applicable), lien insurance, and performance and completion bonds in forms and amounts acceptable to us;

(7) Umbrella liability insurance in excess of that provided by employer's liability and general liability;

(8) Insurance coverage of such type, nature and scope sufficient to satisfy your indemnification obligations under Subsection 16.D below; and

(9) Any additional insurance required by your lessor or master lessor.

We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage (including reasonable excess liability insurance, employment practices liability insurance, and cyber insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. Required coverage must contain the following (i) a severability of interest clause for all named insureds, with no cross-liability for exclusion; (ii) insurers' waiver of subrogation against us and all named insureds, and (iii) a waiver of rights of recovery against us.

These insurance policies must name us, any affiliates we designate, and the Indemnified Parties (as defined in Subsection 16.D below) as additional named insureds for claims arising from the Restaurant's operation and provide for thirty (30) days' prior written notice to us of a policy's material modification, cancellation or expiration. These insurance policies must be primary to and without right of contribution from any other insurance policy purchased by us or any other Indemnified Party; must not limit or reduce coverage for you if there is a claim by us or any one or more of the other Indemnified Parties; and must extend to and provide indemnity for all of your indemnification obligations to us and the other Indemnified Parties under this Agreement. You agree not to reduce the policy limits, restrict coverage, cancel or otherwise alter or amend your insurance policies without our prior written consent. If there is a claim by us or any one or more of the other Indemnified Parties against you, you must, upon our request, assign to us all rights which you then have or thereafter may have with respect to the claim against the insurer(s) providing the coverages described above.

You must provide us with copies of your Certificates of Insurance or other evidence we require evidencing the required coverages no later than ten (10) days before you commence operations at your Restaurant. You must furnish us, on an annual basis, copies of your Certificates of Insurance or other evidence we require of your maintaining this insurance coverage and paying premiums. You must furnish us the original policies evidencing all such insurance coverages within five (5) days of our written request. You agree to renew all policies and documents, and to furnish us copies of renewal Certificates of Insurance or other evidence we require of your maintaining this insurance coverage and paying premiums prior to the expiration date of the policy.

If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may (but need not) obtain such insurance for you and the Restaurant on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and

expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining such insurance. If we obtain such insurance for you and the Restaurant on your behalf, you must furnish all information necessary to obtain and maintain such insurance within fifteen (15) days of our request.

G. PRICING.

We reserve the right, to the fullest extent allowed by applicable law, to establish maximum, minimum, or other pricing requirements with respect to the prices you may charge for products and services. These rights may include (without limitation) prescribing the maximum and/or minimum retail prices which you may charge customers for the products and/or services offered by your Restaurant; recommending retail prices; advertising specific retail prices for some or all products or services sold at your Restaurant; requiring you to participate in marketing, promotional and related campaigns which may directly or indirectly impact your retail prices; and, otherwise mandating, directly or indirectly, the maximum and/or minimum retail prices which your Restaurant may charge the public for the products and services it offers. We may engage in any such activity either periodically or throughout the Term. Further, we may engage in such activity only in certain geographic areas (cities, states, regions) and not others, or with regard to certain subsets of franchisees and not others. You acknowledge that the prices we prescribe or suggest may or may not optimize the revenues or profitability of your Restaurant and you irrevocably waive any and all claims arising from the establishment or suggestion of your Restaurant's retail prices.

H. DISCOUNTS, GIVEAWAYS AND OTHER PROMOTIONS.

You agree to offer and participate in any required discounts, giveaways and other promotions at your sole cost and expense, in accordance with our specifications. You further agree to honor the discounts, giveaways and other promotions offered by other Smalls Sliders Restaurant franchise owners under any such program we establish, as long as such compliance does not contravene any applicable law, rule or regulation.

I. COMPLIANCE WITH SYSTEM STANDARDS.

You acknowledge and agree that operating and maintaining the Restaurant according to System Standards are essential to preserve the goodwill of the Marks and all Smalls Sliders Restaurants. Therefore, you agree at all times to operate and maintain the Restaurant according to all of our System Standards, as we periodically modify and supplement them, even if you believe that a System Standard, as originally issued or subsequently modified, is not in the System's or the Restaurant's best interests. Although we retain the right to establish and periodically modify System Standards that you have agreed to maintain, you retain the right to and responsibility for the day-to-day management and operation of the Restaurant and implementing and maintaining System Standards at the Restaurant.

As examples, and without limitation, System Standards may regulate any one or more of the following, in addition to the items described in Subsections 8.A through 8.H above:

- (1) purchase, storage, preparation, handling, and packaging procedures and techniques for Menu Items and Proprietary Products; and inventory requirements for

Proprietary Products and other products, services and supplies so that the Restaurant may operate at full capacity;

(2) terms and conditions of the sale and delivery of, and terms and methods of payment for, Proprietary Products, other products, and services that you obtain from us and affiliated and unaffiliated suppliers; and our and our affiliates' right not to sell you any Proprietary Products, or other products or to provide you with services, or to do so only on a "cash-on-delivery" or other basis, if you are in default under any agreement with us;

(3) sales, marketing, advertising, promotional and loyalty programs and materials and media, including required signage and brochures for the Restaurant, social media Websites, used in these programs ("social media" includes personal blogs, common social networks like Facebook, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools);

(4) use and display of the Marks at the Restaurant and on vehicles, napkins, boxes, bags, wrapping paper, labels, forms, paper and plastic products, and other supplies;

(5) issuing and honoring gift certificates;

(6) staffing levels for the Restaurant; identifying the Restaurant's personnel; and employee qualifications, training, dress, and appearance (although you have sole responsibility and authority concerning employee selection and promotion, hours worked, rates of pay and other benefits, work assigned, and working conditions);

(7) days and hours of operation;

(8) participation in market research and testing and product and service development programs and preparation of reports and other relevant information we may request regarding the market research, as well as participation in, and dues assessed for, advisory councils;

(9) accepting credit and debit cards, other payment systems, and check verification services;

(10) product sampling, including requirements regarding quantity and frequency;

(11) catering and delivery services and on-line customer ordering (to the extent we allow you to engage in these activities), including using only delivery sources dedicated to your Restaurant;

(12) bookkeeping, accounting, data processing, and recordkeeping systems and forms; formats, content, and frequency of reports to us of sales, revenue, financial performance, and condition; and giving us copies of tax returns and other operating and financial information concerning the Restaurant;

(13) use of social media in connection with your Restaurant's operation or otherwise referencing the Marks and System; and

(14) any other aspects of operating and maintaining the Restaurant that we determine to be useful to preserve or enhance the efficient operation, image, or goodwill of the Marks and Smalls Sliders Restaurants.

You agree that you are obligated to comply with all System Standards we prescribe in the Operations Manual, or otherwise communicate to you in writing or another tangible form during the Term (for example, via System extranet or Website), as we periodically modify them.

J. MODIFICATION OF SYSTEM STANDARDS.

We periodically may modify System Standards, which may accommodate regional or local variations, and these modifications may obligate you to invest additional capital in the Restaurant and/or incur higher operating costs. You agree to implement any changes in System Standards within the time period we request, whether they involve refurbishing or remodeling the Premises or any other aspect of the Restaurant, buying new Operating Assets, adding new Menu Items and services, or otherwise modifying the nature of your operations, as if they were part of this Agreement as of the Effective Date.

K. INTRANET.

You must participate in our intranet system ("Intranet") when one is developed. Through the Intranet, you will be able to access portions of our Operations Manual, training materials, corporate forms and have access to other resources. We will have independent access to the information and data that is electronically generated. We may in the future require you to install computerized management systems meeting our standards, as modified periodically in response to business, operations and marketing conditions.

9. MARKETING.

A. GRAND OPENING ADVERTISING.

You agree to spend a minimum of Fifteen Thousand Dollars (\$15,000) to advertise and promote the Restaurant, on activities to be agreed upon and approved by us in advance, during a grand opening period beginning thirty (30) days before the scheduled opening of the Restaurant and ending six (6) months after your Restaurant opens for business. You agree to strictly comply with our guidelines for this grand opening advertising program.

B. BRAND FUND.

Recognizing the value of advertising and marketing to the goodwill and public image of Smalls Sliders Restaurants, we have established a Brand Fund (the "Fund") for general brand recognition, advertising, marketing, and public relations programs and development of materials we deem appropriate. You agree to contribute to the Fund the amount we require as set forth in Subsection 3.C above.

We have the right to collect for deposit into the Fund any advertising, marketing, or similar allowances paid to us by suppliers who deal with Smalls Sliders Restaurants and with whom we have agreed that we will so deposit these allowances. (These payments are different from those which are not designated by suppliers to be used exclusively for advertising or similar purposes, and which we and our affiliates therefore may use for any purposes we and they deem appropriate, as provided in Subsection 8.C above.)

We will direct all programs that the Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining an electronic commerce Website, including to advertise on the Website, apps and/or related technology development and strategies; administering regional and multi-regional marketing and advertising programs, including, without limitation, purchasing trade journal, direct mail, and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, culinary research and development, and other advertising, promotion, and marketing activities.

We will account for the Fund separately from our other funds and not use the Fund for any of our general operating expenses. However, we may use the Fund to pay the reasonable salaries and benefits of personnel who manage, administer and perform activities on behalf of the Fund, the Fund's other administrative costs, travel expenses of personnel while they are on Fund business, meeting costs, overhead relating to Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Fund and its programs, including, without limitation, conducting market research, public relations, preparing advertising, promotion, and marketing materials, and collecting and accounting for Fund contributions.

The Fund will not be our asset. Although the Fund is not a trust, we will hold all Fund contributions for the benefit of the contributors and use contributions only for the purposes described in this Subsection 9.B. We do not owe any fiduciary obligation to you for administering the Fund or any other reason. The Fund may spend in any fiscal year more or less than the total Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, pay back outstanding principal amounts borrowed in prior years from us or third parties, or invest any surplus for future use. We will use all interest earned on Fund contributions to pay costs before using the Fund's other assets.

We will prepare an annual, unaudited statement of Fund collections and expenses and give you the statement upon written request. We reserve the right, in our sole determination, to have the Fund audited annually at the Fund's expense by an independent certified public accountant. We may incorporate the Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified in this Subsection 9.B.

We intend the Fund to maximize recognition of the Marks and patronage of Smalls Sliders Restaurants. Although we will try to use the Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all Smalls Sliders Restaurants, we need not ensure that Fund expenditures in or affecting any geographic area are

proportionate or equivalent to Fund contributions by Smalls Sliders Restaurants operating in that geographic area or that any Smalls Sliders Restaurant benefits directly or in proportion to its Fund contribution from the development of advertising and marketing materials or the placement of advertising and marketing.

We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Fund contributions at the Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Fund. Except as expressly provided in this Subsection 9.B, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Fund.

We may at any time defer or reduce contributions of a Smalls Sliders Restaurant franchise owner and, upon thirty (30) days' prior written notice to you, reduce or suspend Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Fund. If we terminate the Fund, we will distribute all unspent monies to our franchise owners, and to us and our affiliates, in proportion to their, and our, respective Fund contributions during the preceding twelve (12) month period.

C. **BY YOU.**

In addition to your grand opening obligation in Subsection 9.A above and your Fund contribution obligations in Subsection 9.B above, you agree to spend, during the second month of the Term and in all subsequent months, the following minimum amount to advertise and promote your Restaurant: (i) two percent (2%) of the Restaurant's Gross Sales as long as your then current Fund contribution does not exceed two percent (2%) of Gross Sales (including if we have not yet instituted the Fund); or (ii) the difference between four percent (4%) of Gross Sales and your then required Fund contribution, if your Fund contribution then exceeds two percent (2%) of Gross Sales. For avoidance of doubt, the total sum of the Fund contribution level, the minimum local advertising requirement provided for under this Subsection 9.C, and the cooperative advertising requirement provided for under Subsection 9.D below (if applicable), shall not exceed a total of four percent (4%) of Gross Sales at any time during the Term. Within thirty (30) days after the end of each month, you agree to send us, in the manner we prescribe, an accounting of your expenditures for local advertising and promotion during the preceding month.

Your local advertising and promotion must follow our guidelines. All advertising and promotional materials that you develop for your Restaurant must contain notices of our Website's domain name in the manner we designate. You may not develop, maintain, or authorize any Website or social media account that mentions or describes you or the Restaurant or displays any of the Marks without our prior written approval in each instance. You agree that your advertising, promotion, and marketing will be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe at any time and from time to time.

Before you use them, you agree to send us or our designated agency for approval samples of all advertising, promotional, and marketing materials which we have not prepared or previously disapproved including, but not limited to, press releases and interviews for publication in any media. If you do not receive written approval within fifteen (15) days after we or our designated

agency receives the materials, they are deemed to be disapproved. You may not use any advertising, promotional, or marketing materials that we have not approved or that we have (or were deemed) disapproved.

D. COOPERATIVE ADVERTISING PROGRAMS.

We may designate an advertising coverage area (“ACA”) - local or regional - in which two (2) or more Smalls Sliders Restaurants are located in order to establish a cooperative advertising program (“Cooperative Program”) for that ACA. An ACA is the area covered by the particular advertising medium recognized in the industry. All franchise owners in the ACA will be required to participate. Each Smalls Sliders Restaurant operating in the ACA will have one vote, including Smalls Sliders Restaurants operated by us or our affiliates.

If a Cooperative Program is established for your ACA, you will be required to contribute up to two percent (2%) of your Restaurant’s Gross Sales to the Cooperative Program weekly, monthly, or as otherwise specified by us. You will not be required to contribute more than two percent (2%) of your Restaurant’s Gross Sales to the Cooperative Program unless sixty-seven percent (67%) or more of the Smalls Sliders Restaurants operating in the ACA, including any Smalls Sliders Restaurants operated by us or our affiliates, vote to increase the contributions of all Smalls Sliders Restaurants operating in the ACA in excess of the two percent (2%). Any amounts you contribute to a Cooperative Program will count toward the percentage of Gross Sales you are required to spend under Subsection 9.C to promote your Restaurant.

10. RECORDS, REPORTS, AND FINANCIAL STATEMENTS.

You agree to establish and maintain at your own expense a bookkeeping, accounting, and recordkeeping system conforming to the requirements and formats we prescribe at any time and from time to time. We may require you to use a Computer System to maintain certain sales data and other information and to report such information to us via a website or other means. You agree to give us in the manner and format that we prescribe at any time and from time to time:

- (a) within five (5) days after the end of each week, a report on the Restaurant’s Gross Sales during the preceding week;
- (b) within thirty (30) days after the end of each calendar quarter, the operating statements, financial statements, statistical reports, purchase records, and other information we request regarding you and the Restaurant covering the previous calendar quarter and the fiscal year to date, and you must certify these statements are true and correct;
- (c) within sixty (60) days following the end of each fiscal year during the Term, annual profit and loss and source and use of funds statements and a balance sheet for the Restaurant as of the end of the prior calendar year;
- (d) within thirty (30) days following your filing of tax returns for the Restaurant, exact copies of federal and state income tax returns, sales tax returns, and any other forms, records, books, and other information we periodically require relating to the Restaurant and the Franchise;

- (e) any other reports and records we may request in writing.

You agree to verify and sign each report and financial statement in the manner we prescribe. We may disclose data derived from these reports, although we will not without your consent (unless required by law) disclose your identity in any materials that we circulate publicly. Moreover, we may, as often as we deem appropriate (including on a daily basis), access the Computer System and retrieve all information relating to the Restaurant's operation.

You agree to preserve and maintain all records in a secure location at the Restaurant or your business office for at least three (3) years (including, but not limited to, sales checks, purchase orders, invoices, payroll records, customer lists, check stubs, sales tax records and returns, cash receipts and disbursement journals, and general ledgers).

11. INSPECTIONS AND AUDITS.

A. OUR RIGHT TO INSPECT THE RESTAURANT.

To determine whether you and the Restaurant are complying with this Agreement and all System Standards, we and our designated agents or representatives may at all times and without prior notice to you: (1) inspect the Restaurant; (2) photograph the Restaurant and observe and videotape the Restaurant's operation for consecutive or intermittent periods we deem necessary; (3) remove samples of any products and supplies; (4) interview the Restaurant's personnel and customers; and (5) inspect and copy any books, records, and documents relating to the Restaurant's operation. You agree to cooperate with us fully. If we exercise any of these rights, we will not interfere unreasonably with the Restaurant's operation. You acknowledge that any evaluation or inspection that we or our designated agents or representatives conduct is conducted in order to protect our interests in the System and Marks and is not intended to exercise, and does not constitute, in whole or in part, control over the day-to-day operation of the Restaurant and you agree to never contend otherwise.

B. OUR RIGHT TO AUDIT.

We may at any time during your business hours, and without prior notice to you, examine your (if you are an Entity) and the Restaurant's business, bookkeeping, and accounting records, sales and income tax records and returns, and other records. You agree to cooperate fully with our representatives and independent accountants in any audit. If any audit discloses a failure by you to operate the Restaurant in accordance with the System Standards, then we may require you to undertake additional training at the Restaurant. We shall determine the duration of the training and the number of trainers in our sole discretion. You agree to pay us an amount equal to Three Hundred Dollars (\$300) per trainer per day plus all travel and living expenses which our trainers incur during such additional training. If any audit discloses an understatement of the Restaurant's Gross Sales, you agree to immediately pay us the amount of the understatement, plus our service charges and interest (to be calculated as set forth in Subsection 3.F above) on the understated amounts from the date originally due until the date of payment. Furthermore, if an examination is necessary due to your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if our audit reveals a Royalty or Fund contribution understatement exceeding two percent (2%) of the amount that you actually reported

to us for the period examined, you agree to reimburse us for the costs of the examination, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

If we conduct an examination which reveals a Royalty or Fund contribution understatement exceeding two percent (2%) of the amount that you actually reported to us for any week within the period examined, or for the entire period of examination, you agree to immediately pay us the additional amount due as shown by the examination plus interest (to be calculated as set forth in Subsection 3.E above). You also agree to immediately reimburse us for the costs of an examination for the entire period of the examination, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees. Such understatement shall be a material breach of this Agreement and, in addition to our other remedies and rights under this Agreement and applicable laws, we shall have the right to terminate this Agreement immediately upon notice to you, without opportunity to cure.

12. **TRANSFER.**

A. **BY US.**

You acknowledge that we maintain a staff to manage and operate the System and that staff members can change as employees come and go. You represent that you have not signed this Agreement in reliance on any particular shareholder, director, officer, member or employee remaining with us in that capacity. We may change our ownership or form and/or assign this Agreement or any interest therein and any other agreement to a third party without restriction or notice to you. After our assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any performance or other obligations under this Agreement.

B. **BY YOU.**

You understand and acknowledge that the rights and duties this Agreement creates are personal to you (or, if you are an Entity, to your owners) and that we have granted you the Franchise in reliance upon our perceptions of your (or your owners') individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, none of the following may be transferred without our prior written approval: (i) this Agreement (or any interest in this Agreement); (ii) the Restaurant (or any right to receive all or a portion of the Restaurant's profits or losses or capital appreciation related to the Restaurant); (iii) all or substantially all of the assets of the Restaurant; (iv) any ownership interest in you (regardless of its size); or (v) any ownership interest in any of your owners (if such owners are legal entities). A transfer of the Restaurant's ownership, possession, or control, or substantially all of its assets, may be made only with a transfer of this Agreement. Any transfer without our approval is a breach of this Agreement and has no effect.

In this Agreement, the term "transfer" includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition. An assignment, sale, gift, or other disposition includes the following events:

- (a) transfer of ownership of capital stock, a partnership or membership interest, or another form of ownership interest;
- (b) merger or consolidation or issuance of additional securities or other forms of ownership interest;
- (c) any sale of a security convertible to an ownership interest;
- (d) transfer of an interest in you, this Agreement, the Restaurant or all or substantially all of its assets, or your owners in a divorce, insolvency, or entity dissolution proceeding or otherwise by operation of law;
- (e) if you, one of your owners, or an owner of one of your owners dies, a transfer of an interest in you, this Agreement, the Restaurant or all or substantially all of its assets, or your owner by will, declaration of or transfer in trust, or under the laws of intestate succession; or
- (f) pledge of this Agreement (to someone other than us) or of an ownership interest in you or your owners as security, foreclosure upon the Restaurant, or your transfer, surrender, or loss of the Restaurant's possession, control, or management. You may grant a security interest (including a purchase money security interest) in the Restaurant's assets (not including this Agreement) to a lender that finances your acquisition, development, and/or operation of the Restaurant without having to obtain our prior written approval as long as you give us ten (10) days' prior written notice.

C. **CONDITIONS FOR APPROVAL OF TRANSFER.**

If you (and your owners) are fully complying with this Agreement, then, subject to the other provisions of this Section 12, we will approve a transfer that meets all of the requirements in this Subsection 12.C.

If you are an entity, your owners may transfer a non-controlling ownership interest in you or your owners (determined as of the date on which the proposed transfer will occur) if: (i) the proposed transferee and its direct and indirect owners (if the transferee is an Entity) are of good character and otherwise meet our then applicable standards for Smalls Sliders Restaurants franchise owners (including no ownership interest in or performance of services for a Competitive Business); (ii) you give us prior written notice of the transfer at least sixty (60) days before the proposed transfer, and later provide us final documentation of the consummated transfer; and (iii) you reimburse us, upon our demand at any time, for any costs we incur in connection with the proposed transfer (regardless of whether the proposed transfer actually transpires).

For any other proposed transfer (including a transfer of this Agreement, a transfer of a controlling ownership interest in you or one of your owners, or a transfer that is one of a series of transfers (regardless of the time period over which these transfers take place) which in the aggregate transfer this Agreement or a controlling ownership interest in you or one of your owners), all of the following conditions must be met before or concurrently with the effective date of the transfer:

(1) the transferee has sufficient business experience, aptitude, and financial resources to operate the Restaurant;

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

(3) neither the transferee nor its owners (if the transferee is an Entity) or affiliates have an ownership interest (direct or indirect) in or perform services for a Competitive Business;

(4) the transferee (or its managing owner) satisfactorily completes our training program;

(5) your lessor consents in writing to the transfer of the Lease or sublease of the Premises to the transferee (or, if we are subleasing the Premises to you under a sublease, the master lessor consents in writing to the transfer of the sublease to the transferee and the transferee agrees in writing to assume your obligations under the sublease);

(6) any applicable agency or host or authority with jurisdiction over the Premises (such as an airport or an educational institution, if any) approves the transfer of this Agreement to the transferee;

(7) the transferee shall (if the transfer is of this Agreement), or you shall (if the transfer is of a controlling ownership interest in you or one of your owners), sign our then current form of franchise agreement and related documents (including, without limitation, our then current form of Nondisclosure and Non-Competition Agreement and our then current form of Guaranty and Assumption of Obligations, if applicable), any and all of the provisions of which may differ materially from any and all of those contained in this Agreement, including the Royalty and the Fund contributions, provided, however, that the execution of the new franchise agreement will terminate this Agreement (except for your guarantees, the post-termination obligations under this Agreement, and all other rights and obligations that survive termination or expiration of this Agreement), and the term of the new franchise agreement signed will expire on the expiration of this Agreement, unless we and the transferee otherwise agree in writing;

(8) you or the transferee pays us a transfer fee equal to the following: (a) if the proposed transfer is to an owner who is not an existing Smalls Sliders Restaurants franchise owner: seventy-five percent (75%) of the then-current initial franchise fee we charge to a new Smalls Sliders Restaurant franchise owner, or (b) if the proposed transfer is to an existing Smalls Sliders Restaurants franchise owner: fifty percent (50%) of the then-current initial franchise fee we charge to a new Smalls Sliders Restaurants franchise owner;

(9) you (and your transferring owners) sign a general release, in a form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, members, employees, and agents;

(10) we have determined that the purchase price and payment terms will not adversely affect the transferee's operation of the Restaurant;

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

(12) (a) you have corrected any existing deficiencies of the Restaurant of which we have notified you on a punchlist or in other communications, and/or (b) the transferee agrees (if the transfer is of this Agreement) to upgrade, remodel, expand and/or refurbish the Restaurant and to add or replace services, vehicles, equipment, Operating Assets and/or Proprietary Products, in accordance with our then current requirements and specifications for Smalls Sliders Restaurants within the time period we specify following the effective date of the transfer (we will advise the transferee before the effective date of the transfer of the specific actions that it must take and the time period within which such actions must be taken);

(13) you and your transferring owners (and your and your owners' spouses) will not, for two (2) years beginning on the transfer's effective date, engage in any of the activities proscribed in Subsection 15.D below; and

(14) you and your transferring owners will not directly or indirectly at any time or in any manner (except with respect to other Smalls Sliders Restaurants you own and operate) identify yourself or themselves or any business as a current or former Smalls Sliders Restaurant or as one of our franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of a Smalls Sliders Restaurant in any manner or for any purpose; or utilize for any purpose any trade name, trade or service mark, or other commercial symbol that suggests or indicates a connection or association with us.

We may review all information regarding the Restaurant that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us or we have made regarding the Restaurant. In addition, you agree to reimburse us, upon our demand at any time before or after the intended effective date of the proposed transfer, for any costs we incur in connection with any proposed transfer that is subject to the immediately preceding conditions (1) through (14), regardless of whether the proposed transfer actually transpires.

D. **TRANSFER TO A WHOLLY-OWNED CORPORATION OR LIMITED LIABILITY COMPANY.**

Despite Subsection 12.C above, if you are fully complying with this Agreement, you may transfer this Agreement to a corporation or limited liability company which conducts no business other than the Restaurant and, if applicable, other Smalls Sliders Restaurants, in which you maintain management control, and of which you own and control one hundred percent (100%) of the equity and voting power of all issued and outstanding ownership interests, provided that all of

the Restaurant's assets are owned, and the Restaurant's business is conducted, only by that single corporation or limited liability company. The corporation or limited liability company must expressly assume all of your obligations under this Agreement. Transfers of ownership interests in the corporation or limited liability company are subject to the conditions of Subsection 12.C above that otherwise apply to non-controlling transfers. You agree to remain personally liable under this Agreement as if the transfer to the corporation or limited liability company did not occur.

E. **YOUR DEATH OR DISABILITY.**

(1) **Transfer Upon Death or Disability.** Upon your or your Managing Owner's death or disability, your or the Managing Owner's executor, administrator, conservator, guardian, or other personal representative must transfer your interest in this Agreement, or the Managing Owner's ownership interest in you, to a third party (which may be your or the Managing Owner's heirs, beneficiaries, or devisees). That transfer must be completed within a reasonable time, not to exceed six (6) months from the date of death or disability, and is subject to all of the terms and conditions in this Section 12. A failure to transfer your interest in this Agreement or the Managing Owner's ownership interest in you within this time period is a breach of this Agreement.

The term "disability" means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent you or the Managing Owner from supervising the Restaurant's management and operation.

(2) **Operation Upon Death or Disability.** Upon your or the Managing Owner's death or disability, your or the Managing Owner's executor, administrator, conservator, guardian, or other personal representative must within a reasonable time, not to exceed fifteen (15) days from the date of death or disability, appoint a manager. The manager must complete our standard training program at your expense. A new Managing Owner acceptable to us also must be appointed for the Restaurant, and that new Managing Owner must complete our standard training program, within sixty (60) days after the date of death or disability.

If, in our judgment, the Restaurant is not being managed properly any time after your or the Managing Owner's death or disability, we may, but need not, assume the Restaurant's management (or appoint a third party to assume its management). All funds from the Restaurant's operation while it is under our (or the third party's) management will be kept in a separate account, and all expenses will be charged to this account. We may charge you (in addition to the Royalty, Fund contributions, and other amounts due under this Agreement) Five Hundred Dollars (\$500) per day, plus our (or the third party's) direct out-of-pocket costs and expenses, if we (or a third party) assume the Restaurant's management under this subparagraph. We (or a third party) have a duty to utilize only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations the Restaurant incurs, or to any of your creditors for any products, other assets, or services the Restaurant purchases, while we (or a third party) manage it.

F. **EFFECT OF CONSENT TO TRANSFER.**

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

G. **OUR RIGHT OF FIRST REFUSAL.**

If you (or any of your owners) at any time determine to sell or transfer for consideration an interest in this Agreement and the Restaurant, or an ownership interest in you (except to or among your current owners, which is not subject to this Subsection 12.G), in a transaction that otherwise would be allowed under Subsections 12.B and C above, you (or your owners) agree to obtain from a responsible and fully disclosed buyer, and send us, a true and complete copy of a bona fide, executed written offer (which may include a letter of intent) relating exclusively to an interest in you or in this Agreement and the Restaurant. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in a dollar amount, and the proposed buyer must submit with its offer an earnest money deposit equal to five percent (5%) or more of the offering price.

The right of first refusal process will not be triggered by a proposed transfer that would not be allowed under Subsections 12.B and C above. We may require you (or your owners) to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

We may, by written notice delivered to you or your selling owner(s) within forty-five (45) days after we receive both an exact copy of the offer and all other information we request, elect to purchase the interest offered for the price and on the terms and conditions contained in the offer, provided that:

- (1) we may substitute cash for any form of payment proposed in the offer (such as ownership interests in a privately-held entity);
- (2) our credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes, we or our designee may provide promissory notes with the same terms as those offered by the proposed buyer);
- (3) we will have an additional sixty (60) days to prepare for closing after notifying you of our election to purchase; and
- (4) we must receive, and you and your owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the ownership interests in a legal entity, as applicable, including, without limitation, representations and warranties regarding: (a) ownership and condition of and title to ownership interests and/or assets; (b) liens and encumbrances relating to ownership

interests and/or assets; and (c) validity of contracts and the liabilities, contingent or otherwise, of the entity whose assets or ownership interests are being purchased.

If we exercise our right of first refusal, you and your selling owner(s) agree that, for two (2) years beginning on the closing date, you and they will be bound by the non-competition covenant contained in Subsection 15.D below. We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Subsection 12.G.

If we do not exercise our right of first refusal, you or your owners may complete the sale to the proposed buyer on the original offer's terms, but only if we otherwise approve the transfer in accordance with, and you (and your owners) and the transferee comply with the conditions in, Subsections 12.B and C above. This means that, even if we do not exercise our right of first refusal (whether or not it is properly triggered as provided above), if the proposed transfer otherwise would not be allowed under Subsections 12.B and C above, you (or your owners) may not move forward with the transfer at all.

If you do not complete the sale to the proposed buyer within sixty (60) days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the terms of the sale (which you agree to tell us promptly), we or our designee will have an additional right of first refusal during the forty-five (45) day period following either the expiration of the sixty (60) day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our or our designee's option.

13. EXPIRATION OF THIS AGREEMENT.

A. YOUR RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE.

If you meet certain conditions, then you will have the option to acquire four (4) additional consecutive successor Renewal Terms. Each of the Renewal Terms will be five (5) years in duration. The qualifications and conditions for the first Renewal Term are described below. The qualifications and conditions for the second Renewal Term will be described in the form of franchise agreement signed upon the expiration of this Agreement.

When this Agreement expires:

(1) if you (and each of your owners) have substantially complied with this Agreement during the Term; and

(2) if you (and each of your owners) are, both on the date you give us written notice of your election to acquire a successor franchise (as provided in Subsection 13.B below) and on the date on which the Renewal Term of the successor franchise would commence, in full compliance with this Agreement and all System Standards; and

(3) provided that (a) you maintain possession of and agree (regardless of cost) to remodel and/or expand the Restaurant, add or replace improvements, services, vehicles, equipment, Operating Assets and/or Proprietary Products, and otherwise modify the Restaurant as we require to comply with System Standards then applicable for new Smalls Sliders Restaurants, or (b) at your option, you secure a substitute premises that we approve

and you develop those premises according to System Standards then applicable for Smalls Sliders Restaurants,

then you have the option to acquire a Renewal Term of five (5) years commencing immediately upon the expiration of this Agreement, plus a possible three other Renewal Terms of an additional five (5) years thereafter if you comply with our terms and conditions of renewal under each Successor Franchise Agreement. For each Renewal Term, you agree to sign the form of franchise agreement we then use to grant franchises for Smalls Sliders Restaurants (modified as necessary to reflect the fact that it is for a successor franchise), which may contain provisions that differ materially from any and all of those contained in this Agreement (each, a “Successor Franchise Agreement”). You must pay us our then-current renewal fee upon signing a Successor Franchise Agreement in connection with your purchase of a successor Franchise for each Renewal Term.

If you (and each of your owners) are not, both on the date you give us written notice of your election to acquire a successor franchise and on the date on which the Renewal Term commences, in full compliance with this Agreement and all System Standards, then you acknowledge that we need not grant you a successor franchise, whether or not we had, or chose to exercise, the right to terminate this Agreement during the Term under Subsection 14.B.

B. GRANT OF A SUCCESSOR FRANCHISE.

You agree to give us written notice of your election to acquire a successor franchise no more than twelve (12) months and no less than nine (9) months before this Agreement expires. We agree to give you written notice of our decision (“Our Notice”):

- (1) to grant you a successor franchise;
- (2) to grant you a successor franchise on the condition that you correct existing deficiencies of the Restaurant or in your operation of the Restaurant; or
- (3) not to grant you a successor franchise because (i) you and/or your owners having received two (2) or more separate written notices of default from us during the twenty-four (24) month period preceding you providing us written notice of your election to acquire a successor franchisor; or (ii) you were not in full compliance with this Agreement and all System Standards on the date you gave us written notice of your election to acquire a successor franchise. If applicable, Our Notice will:
 - (a) describe the remodeling, expansion, improvements, and/or modifications required to bring the Restaurant into compliance with then applicable System Standards for new Smalls Sliders Restaurants; and
 - (b) state the actions you must take to correct operating deficiencies and the time period in which you must correct these deficiencies.

If we elect not to grant you a successor franchise, Our Notice will describe the reasons for our decision. If we elect to grant you a successor franchise, your right to acquire a successor franchise is subject to your full compliance with all of the terms and conditions of this Agreement

through the date of its expiration, in addition to your compliance with the obligations described in Our Notice.

If Our Notice states that you must cure certain deficiencies of the Restaurant or its operation as a condition to our granting you a successor franchise, we will give you written notice of our decision not to grant a successor franchise, based upon your failure to cure those deficiencies. If you fail to notify us of your election to acquire a successor franchise within the prescribed time period, we need not grant you a successor franchise.

C. **AGREEMENTS/RELEASES.**

If you satisfy all of the other conditions for a successor franchise, you and your owners agree to execute a Successor Franchise Agreement and any ancillary agreements we then customarily use in granting franchises for Smalls Sliders Restaurants (modified as necessary to reflect the fact that it is for a successor franchise), which may contain provisions that differ materially from any and all of those contained in this Agreement. You and your owners further agree to sign our current form of general release of any and all claims against us and our affiliates, shareholders, officers, directors, members, employees, agents, successors, and assigns. We will consider your or your owners' failure to sign these agreements and releases and to deliver them to us for acceptance and execution within thirty (30) days after their delivery to you to be an election by you not to acquire a successor franchise for the first Renewal Term of five (5) years.

14. **TERMINATION OF AGREEMENT.**

A. **BY US.**

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

- (1) you (or any of your owners) have made or make any material misrepresentation or omission in acquiring the Franchise or operating the Restaurant;
- (2) you do not deliver a fully-signed copy of any signed Lease that includes our prescribed Lease Addendum within seven (7) days after their execution;
- (3) you do not open the Restaurant for business within the time period prescribed in Subsection 2.A of this Agreement;
- (4) you (or your Managing Owner) and your Manager do not satisfactorily complete the initial training program;
- (5) you abandon or fail actively to operate the Restaurant for three (3) or more consecutive business days, unless such abandonment or failure is for a purpose we approve or because of casualty or government order;
- (6) you (or your owners) make or attempt to make any transfer in violation of Section 12;

(7) you (or any of your owners) are or have been convicted by a trial court of, or plead or have pleaded no contest to, a felony, crime or other offense involving moral turpitude, or any other crime or offense which we reasonably believe adversely affects the System's reputation or the goodwill associated with the Marks;

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

(9) you (or any of your owners) engage in any dishonest, unethical, unfavorable or offensive conduct which, in our opinion, adversely affects the Restaurant's or System's reputation or the goodwill associated with the Marks, or if you violate our policies relating to ethical or professional conduct, in our sole discretion, including but not limited to, unprofessional, insulting or harassing communications toward our employees, affiliates, vendors, customers or the general public, and you have been given written notice of violating these policies on two previous occasions;

(10) you make any representation or warranty on our behalf that has not been specifically authorized in writing by us;

(11) you lose the right to occupy the Premises and fail (a) to begin immediately to look for a substitute site that we approve or (b) to locate a substitute site that we approve, and to begin operating the Restaurant from that substitute site, within the time period prescribed in Subsection 2.B of this Agreement;

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

(13) you violate any health, safety, or sanitation law, ordinance, or regulation, or operate the Restaurant in an unsafe manner, and do not begin to cure the violation immediately, and correct the violation within forty-eight (48) hours, after you receive notice from us or any other party;

(14) you interfere with our right to inspect the Restaurant, or observe or videotape its operation, as provided in Section 11;

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

(16) you fail to pay when due any amounts owed to vendors, suppliers or the landlord for the Premises;

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

(18) you understate the Restaurant's Gross Sales three (3) times or more during the Term or by more than five percent (5%) on any one occasion;

(19) you (or any of your owners) (a) fail on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you; or (b) fail on two (2) or more separate occasions within any six (6) consecutive month period to comply with the same obligation under this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you;

(20) you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee, or liquidator of all or the substantial part of your property; the Restaurant is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee, or liquidator of you or the Restaurant is not vacated within thirty (30) days following the order's entry;

(21) you or any of your owners fail to comply with Section 19 of this Agreement, or your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities;

(22) you knowingly maintain false books or records, or submit any false reports to us;

(23) you refuse to permit us to inspect the Restaurant's books, records, or accounts upon request;

(24) you (or any of your owners or affiliates) are in default or breach of the Lease and you do not correct the default or breach within the applicable cure period provided under the Lease, if any;

(25) we (or any of our owners or affiliates) terminate any other agreement between you (or any of your owners and affiliates) and us (or any of our owners or affiliates) due to your (or any of your owners' or affiliates') failure to comply with the terms of such agreement; or

(26) you (or any of your owners) fail to comply with any other provision of this Agreement or any System Standard and do not correct the failure within thirty (30) days after we deliver written notice of the failure to you; and

B. OUR ALTERNATE REMEDIES UPON YOUR DEFAULT.

In addition to, and without limiting, our other rights and remedies under this Agreement, any other agreement or applicable law, upon the occurrence of any event giving rise to our right to terminate this Agreement under the preceding Subsection 14.B, we may instead elect, at our sole option and upon delivering providing you written notice, to take any or all of the following actions without terminating this Agreement:

(1) temporarily or permanently reduce the size of the Protected Territory, in which case the restrictions on us or our affiliates under Section 1 above will not apply in any geographic area removed from the preceding territorial boundaries;

(2) temporarily remove information concerning the Restaurant from any Website or extranet operated for the network of Smalls Sliders Restaurants, and/or restrict your or the Restaurant's participation in other programs or benefits offered on or through any such Website or extranet;

(3) require you to engage a third party accounting firm we approve to conform to the bookkeeping, accounting, reporting and recordkeeping system requirements and formats we prescribe;

(4) require you to pay us Five Hundred Dollars (\$500) for each day the condition giving rise to our right to terminate continues to exist to help offset our increased administrative expenses associated with your failure to comply with the terms of this Agreement;

(5) suspend your and the Restaurant's right to participate in any advertising, marketing, promotional, or public relations programs that we or the Fund provide, authorize, or administer; or

(6) assume, or appoint a third party to assume, management of the Restaurant in the manner provided in Subsection 14.E below.

C. **CROSS DEFAULT.**

Any default or breach by you (or any of your owners), or your affiliate (or any of your owner's affiliates) of any other agreement with us or our affiliate will be considered an event of default under this Agreement, and any default or breach by you (or any of your owners) of this Agreement will be considered an event of default or breach by you under any and all agreements between us or our affiliate and you (or any of your owners), or your affiliate (or any of your owner's affiliates). If the nature of the default under any other agreement would have been considered an event of default under this Agreement, then we or our affiliate will have the right to terminate all other agreements between us or our affiliate and you (or any of your owners), or your affiliate (or any of your owner's affiliates) in accordance with the termination provisions of this Agreement.

D. **FAILURE TO CURE MAY BE DEEMED TERMINATION BY YOU.**

Your failure to cure timely any breach by you of this Agreement about which we have provided you notice (and opportunity to cure, if applicable) pursuant to Subsection 14.B above, including but not limited to your failure to pay overdue Royalties, Fund contributions, or any other amounts due and owing to us or our affiliates under this Agreement, may be irrevocably deemed a unilateral rejection and termination by you of this Agreement and all related agreements between you and us or our affiliates, even if we ultimately issue a formal notice of such termination, and you shall never contend or complain otherwise.

E. **ASSUMPTION OF MANAGEMENT.**

We have the right (but not the obligation), under the circumstances described below, to enter the Premises and assume the Restaurant's management (or to appoint a third party to assume its management) for any period of time we deem appropriate. If we (or a third party) assume the Restaurant's management under subparagraphs (1) and (2) below, you agree to pay us (in addition to the Royalty, Fund contributions, and other amounts due under this Agreement) Five Hundred Dollars (\$500) per day, plus our (or the third party's) direct out-of-pocket costs and expenses, if we (or a third party) assume the Restaurant's management under this Subsection 14.E.

If we (or a third party) assume the Restaurant's management, you acknowledge that we (or the third party) will have a duty to utilize only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations the Restaurant's incurs, or to any of your creditors for any supplies, products, or other assets or services the Restaurant's purchases, while we (or the third party) manage it.

We (or a third party) may assume the Restaurant's management under the following circumstances: (1) if you abandon or fail actively to operate the Restaurant; (2) if you fail to comply with any provision of this Agreement or any System Standard and do not cure the failure within the time period we specify in our notice to you; or (3) if this Agreement expires or is terminated and we are deciding whether to exercise our option to purchase the Restaurant under Subsection 15.E below.

Any exercise of our rights under subparagraphs (1) or (2) above in this Subsection 14.E will not affect our right to terminate this Agreement under Subsection 14.B above.

15. **OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT.**

A. **PAYMENT OF AMOUNTS OWED TO US.**

(1) Immediately upon termination or expiration of this Agreement, and on any later date that we determine the amounts due to us, you shall pay us all Royalties, Fund contributions, interest, and all other amounts owed to us (and our affiliates) which then are unpaid.

(2) If this Agreement is terminated before its Term expires pursuant to Subsections 14.B, 14.D, or 14.E above, then you acknowledge and confirm that we will suffer and incur substantial damages because this Agreement did not continue for the Term's full length. Accordingly, you agree to pay us for all damages, costs, expenses, attorneys' and experts' fees directly or indirectly related thereto, including, without limitation, lost Royalties, lost Fund contributions, lost profits, loss of goodwill and damage to our Marks and reputation, lost opportunities, travel and personnel costs, expenses that we may incur in developing or finding another franchisee to develop a new Smalls Sliders Restaurant in the Protected Territory, and any other lost payments or benefits we would have received for the balance of the Term after the effective date of termination (collectively, "Brand Damages"). You further acknowledge and agree that your obligation to pay Brand Damages resulting from early termination shall be in addition to (not in lieu

of) your post-termination obligations to pay other amounts due as of the date of termination (as contemplated under the preceding Subsection (1) above) and to otherwise comply with the entirety of Section 15 hereof, and that the Brand Damages shall not be deemed a penalty for early termination but instead reasonable compensation to us for your failure to perform under this Agreement during the remainder of the Term.

(3) Your foregoing payment obligations arising under Subsections (1) and (2) above will give rise to, and remain until paid in full, a lien in our favor: (i) against any and all assets, property, furnishings, equipment, signs, fixtures and inventory owned by you or the Restaurant at the time of termination or expiration; and (ii) against any payment obligation you may allege we have to you, any of your money we are holding, or any other amounts of yours which are otherwise in our possession on or after the effective date of termination or expiration. Our rights and your obligations under this Subsection 15.A shall survive termination or expiration of this Agreement until they are satisfied or later expire by their terms.

B. MARKS.

When this Agreement expires or is terminated:

(1) you may not directly or indirectly at any time or in any manner (except with other Smalls Sliders Restaurants you own and operate) identify yourself or any business as a current or former Smalls Sliders Restaurant or as one of our current or former franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of a Smalls Sliders Restaurant in any manner or for any purpose; or use for any purpose any trade name, trade or service mark, or other commercial symbol that indicates or suggests a connection or association with us;

(2) you agree to discontinue the use of any Website and social media used in connection with the Restaurant or otherwise referring to the Marks, your Restaurant or Smalls Sliders Restaurants.

(3) you agree, at your expense, to take the action required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(4) you agree, at your expense, to deliver to us within thirty (30) days all signs, sign-faces, sign-cabinets, marketing materials, forms, and other materials containing any Mark or otherwise identifying or relating to a Smalls Sliders Restaurant that we request and allow us, without liability to you or third parties for trespass or any other claim, to enter the Premises and remove these items from the Restaurant;

(5) if we do not have or do not exercise an option to purchase the Restaurant under Subsection 15.E below, you agree promptly and at your own expense to make the alterations we specify in our Operations Manual (or otherwise) to distinguish the Restaurant clearly from its former appearance and from other Smalls Sliders Restaurants in order to prevent public confusion;

(6) you agree to notify within five (5) days the telephone company, all telephone directory publishers and all online listings (e.g., Google and Yelp) of the termination or expiration of your right to use any telephone, facsimile, or other numbers, telephone directory listings and email addresses associated with any Mark; to authorize the transfer of these numbers and directory listings to us or at our direction; and/or to instruct the telephone company to forward all calls made to your numbers to numbers we specify. If you fail to do so, we may take whatever action and sign whatever documents we deem appropriate on your behalf to effect these events; and

(7) you agree to give us, within thirty (30) days after the expiration or termination of this Agreement, evidence satisfactory to us of your compliance with these obligations.

C. **CONFIDENTIAL INFORMATION.**

You agree that, when this Agreement expires or is terminated, (1) you will immediately cease using any of our Confidential Information (including computer software or similar technology and digital passwords and identifications that we have licensed to you or that otherwise are proprietary to us or the System) in any business or otherwise; (2) return to us all copies of the Operations Manual and any other confidential materials that we have provided you for your use during the Term; and (3) immediately deliver to us all training or other manuals furnished to you (including the Operations Manual and any supplements to the Operations Manual), computer software and database material, customer lists, records and files, documents, instructions, display items, advertising and promotional material, any and all materials, signs and related items which bear our Marks or slogans and insignias and designs, advertising contracts, forms and other materials or property of ours, and any copies of them in your possession which relate to the operation of the Restaurant. You may retain no copy or record of any of these items, except for your copy of this Agreement, any correspondence between the parties and any other documents which you reasonably need for compliance with any provision of law. You agree that the foregoing items, materials, customer lists, files, software and other similar items are at all times considered to be our property for all purposes.

D. **COVENANT NOT TO COMPETE.**

(1) Upon

(a) our or your termination of this Agreement according to its terms and conditions,

(b) your termination of this Agreement without cause, or

(c) expiration of this Agreement (if we offer, but you elect not to acquire, a successor franchise, or if we do not offer you a successor franchise due to your failure to satisfy the conditions for a successor franchise set forth in Section 13),

you and your owners agree that, for two (2) years beginning on the earlier of the effective date of termination or expiration of this Agreement, neither you nor any of your owners will have any

direct or indirect interest (e.g., through a spouse) as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, representative, or agent in any Competitive Business (as defined in Section 7 above) located or operating:

- (i) at the Premises;
 - (ii) within the Protected Territory;
 - (iii) within a fifteen (15) mile radius of the Protected Territory;
- or

(iv) within fifteen (15) miles of any other Smalls Sliders Restaurant in operation or under construction on the later of the effective date of the termination or expiration of this Agreement or the date on which all persons restricted by this Subsection 15.D begin to comply with this Subsection 15.D.

(2) The restrictions above in this Subsection 15.D also apply after transfers, as provided in Subsection 12.C(13) above. If any person restricted by this Subsection 15.D refuses voluntarily to comply with these obligations, the two (2) year period for that person will commence with the entry of a court order enforcing this provision. The two (2) year period will be tolled, if applicable, for the period during which a restricted person is in breach of this Subsection 15.D and will resume when that person begins or resumes compliance. You and your owners expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Subsection 15.D will not deprive you of your personal goodwill or ability to earn a living.

E. **OUR RIGHT TO PURCHASE CERTAIN ASSETS OF THE RESTAURANT.**

Upon either party's termination of this Agreement, or upon expiration of this Agreement without renewal, we shall have the right and option, but not the obligation, to purchase the modular building, equipment, furnishings, and accessories from the Restaurant at a purchase price equal to its then-current book value determined using the straight-line method of depreciation. If we elect to exercise this option, we will deliver written notice to you of our election within thirty (30) days after the date of termination or expiration of this Agreement. We will have the right to inspect the equipment, furnishings, and accessories at any time during this thirty (30) day period. If we elect to purchase the equipment, furnishings, and accessories, we will be entitled to, and you must provide, all customary warranties and representations relating to the equipment, furnishings, and accessories to be purchased, including, without limitation, representations and warranties as to the maintenance, function and condition of the equipment, furnishings, and accessories and your good title to those items (including that you own each item free and clear of any liens and encumbrances), the validity of contracts and agreements, and the liabilities affecting the equipment, furnishings, and accessories, contingent or otherwise. You and your owners further agree to execute general releases, in a form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees, agents, successors and assigns. You shall deliver

the equipment to us within fifteen (15) days of receipt of our written notice to you of our election to purchase.

Regardless of whether or not we exercise our right to purchase the equipment, furnishings, and accessories under this Subsection 15.E, we shall have the option, exercisable upon written notice to you within thirty (30) days after the date of termination or expiration of this Agreement, to repurchase some or all (at our option) of the Menu Items and Proprietary Products and other products then owned by you. We have the unrestricted right to assign this option to purchase. The purchase price of all inventory (in full, unopened case-loads) will be as agreed upon by the parties, provided that the purchase price shall not exceed the prices paid by you for such Menu Items and Proprietary Products and other products (less any freight and insurance charges). All purchase prices are freight-on-board (“F.O.B.”) our premises. We may set off against the purchase price any and all amounts you then owe to us, if applicable.

F. CONTINUING OBLIGATIONS.

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

16. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

A. INDEPENDENT CONTRACTORS.

You and we understand and agree that this Agreement does not create a fiduciary relationship between you and us, that you and we are and will be independent contractors, and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. You agree to identify yourself conspicuously in all dealings with customers, suppliers, public officials, Restaurant’ personnel, and others as the Restaurant’s owner under a franchise we have granted and to place notices of independent ownership on the forms, business cards, stationery, advertising, and other materials we require at any time and from time to time.

None of your employees or other personnel will be considered to be our employees or personnel. Neither you nor any of your employees or personnel whose compensation you pay may in any way, directly or indirectly, expressly or by implication, be construed to be our employee or personnel for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state, provincial, or federal governmental agency. We will not have the power to hire or fire your employees or personnel. You expressly agree, and will never contend otherwise, that our authority under this Agreement to certify certain of your employees or personnel for qualification to perform certain functions for the Restaurant does not directly or indirectly vest in us the power to hire, fire or control any such employee. You acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities and elements of the Restaurant and that under no circumstance shall we do so or be deemed to do so. You further acknowledge and agree, and will never contend otherwise, that the various

requirements, restrictions, prohibitions, specifications and procedures of the System which you are required to comply with under this Agreement, whether set forth in the Operations Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of the Restaurant, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of the Restaurant.

B. NO LIABILITY FOR ACTS OF OTHER PARTY.

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

C. TAXES.

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

D. INDEMNIFICATION.

You agree to indemnify, defend, and hold harmless us, our affiliates, and our and their respective affiliates, shareholders, members, managers, directors, partners, officers, employees, agents, successors, and assignees (the "Indemnified Parties") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the Restaurant's operation, employment matters in connection with the Restaurant, the business you conduct under this Agreement, or your breach of this Agreement, including, without limitation, those alleged to be or found to have been caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by our gross negligence or willful misconduct in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction. You agree to give us and the Indemnified Parties written notice of any action, suit, proceeding, claim, demand, inquiry or investigation that could be the basis for a claim for indemnification by any of the Indemnified Parties within three (3) days of your actual or constructive knowledge of it. The Indemnified Parties shall have the right, in their sole discretion to: (i) retain counsel of their own choosing to represent them with respect to any claim; and (ii) control the response thereto and the defense thereof, including the right to enter into settlements or take any other remedial, corrective, or other actions. You agree to give your full cooperation to the Indemnified Parties in assisting the Indemnified Parties with the defense of any such claim, and to reimburse the Indemnified Parties for all of their costs and expenses in defending any such claim, including court costs and reasonable attorneys' fees, within ten (10) days of the date of each invoice delivered by the Indemnified Parties to you enumerating such costs, expenses and attorneys' fees.

For purposes of this indemnification, “claims” include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants’, arbitrators’, attorneys’, and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced.

This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement’s expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its or their losses and expenses, in order to maintain and recover from third parties fully a claim against you under this subparagraph. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this subparagraph. Your or any of the other Indemnified Parties’ undertaking of defense and/or settlement will in no way diminish your obligation to indemnify us and the other Indemnified Parties and to hold us and any of the Indemnified Parties harmless.

17. ENFORCEMENT.

A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.

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

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

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

B. WAIVER OF OBLIGATIONS.

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of ten (10) days' prior written notice.

We and you will not waive or impair any right, power, or option this Agreement reserves (including, without limitation, our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) because of any custom or practice at variance with this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including, without limitation, any System Standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other Smalls Sliders Restaurants; the existence of franchise agreements for other Smalls Sliders Restaurants which contain provisions different from those contained in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement, or accord and satisfaction. We are authorized to remove any legend or endorsement, which then will have no effect.

Neither we nor you will be liable for loss or damage or be in breach of this Agreement if our or your failure to perform our or your obligations results from: (1) compliance with the orders, requests, regulations, or recommendations of any federal, state, or municipal government; (2) acts of God; (3) fires, strikes, embargoes, war, acts of terrorism or similar events, or riot; or (4) any other similar event or cause. Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payments of amounts owed at the time of the occurrence or payment of Royalties or Fund contributions due afterward.

C. COSTS AND ATTORNEYS' FEES.

If we incur costs and expenses due to your failure to pay when due amounts owed to us, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement, you agree, whether or not we initiate a formal legal proceeding, to reimburse us for all of the costs and expenses that we incur, including, without limitation, reasonable accounting, attorneys', arbitrators', and related fees.

D. RIGHTS OF PARTIES ARE CUMULATIVE.

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

E. **MEDIATION.**

Except as otherwise provided herein, if a dispute arises out of or relates to this Agreement, the breach hereof, the rights and obligations of the parties hereto, or the making, interpretation, or performance of either party under this Agreement, the parties agree first to try in good faith to settle the dispute by mediation administered by non-binding mediation administered by the American Arbitration Association (“AAA”) in accordance with its Commercial Mediation Rules before resorting to arbitration or litigation in accordance with the terms of this Agreement. Such mediation shall take place before a sole mediator at a location we designate in the city in which our then current principal business address is located (currently, Baton Rouge, Louisiana). The parties shall each bear all of their own costs of mediation; provided, however, the fees of the mediator shall be divided equally between you and us. All aspects of the mediation, including statements made and documents produced within the mediation, will be confidential in nature and will not be admissible in any subsequent arbitration or other legal proceeding. If the matter is not settled by mediation within thirty (30) days of the commencement of the mediation, or such further period as the parties shall agree in writing, the matter shall be referred to arbitration as described in Subsection 17.F below. The parties hereto agree that mediation shall not be required with respect to: (a) any claim or dispute involving any payment obligation of us that is more than thirty (30) days past due; (b) any claim or dispute involving actual or threatened disclosure or misuse of our Confidential Information; (c) any claim or dispute involving the ownership, validity, or use of the Marks; (d) any claim or dispute involving the insurance or indemnification provisions of this Agreement; (e) any claim or dispute involving a non-curable default; (f) any claim or dispute involving your failure to comply with our System Standards; or (g) any action by us to enforce the covenants set forth in Section 7 or Subsection 15.D of this Agreement.

The object of any mediation subject to this Subsection 17.E is to assist the parties in reaching a mutually acceptable resolution of the dispute. Such mediation will, in all circumstances, be consistent with the rights and obligations created by this Agreement and will not be premised on the derogation or diminution of those rights or disregard of those rights.

F. **ARBITRATION.**

Subject to the parties’ obligation to mediate certain controversies, disputes and claims pursuant to Subsection 17.E above, we and you agree that all controversies, disputes, or claims between us and our affiliates, and our and their respective shareholders, officers, directors, agents, and/or employees, and you (and/or your owners, guarantors, affiliates, and/or employees) arising out of or related to:

- (1) this Agreement or any other agreement between you and us or your or our respective affiliates;
- (2) our relationship with you;
- (3) the scope and validity of this Agreement or any other agreement between you and us or any provision of such agreements (including the validity and scope of the arbitration obligations under this Subsection 17.F, which the parties acknowledge is to be determined by an arbitrator and not a court); or

(4) any System Standard;

must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association. The arbitration proceedings will be conducted by one arbitrator and, except as this Subsection 17.F otherwise provides, according to the then current commercial arbitration rules of the American Arbitration Association. All proceedings will be conducted at a suitable location chosen by the arbitrator in the city in which our then current principal business address is located (currently, Baton Rouge, Louisiana). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Except as expressly provided otherwise in the remainder of this Section 17, judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, provided that the arbitrator may not declare any Mark generic or otherwise invalid or, except as expressly provided in Subsection 17.I below, award any punitive or exemplary damages against either party (we and you hereby waiving to the fullest extent permitted by law, except as expressly provided in Subsection 17.I below, any right to or claim for any punitive or exemplary damages against the other). All aspects of the arbitration, including statements made and documents produced within the arbitration, will be confidential in nature and will not be admissible in any subsequent legal proceeding.

Except as expressly limited by Subsection 17.K below, we and you agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required is forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us. We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished our right to seek the recovery of those costs in accordance with Subsection 17.C.

We and you agree that arbitration will be conducted on an individual, not a class-wide, basis and that an arbitration proceeding between us and our affiliates, and our and their respective shareholders, members, officers, directors, agents, and/or employees, and you (and/or your owners, guarantors, affiliates, and/or employees) may not be consolidated with any other arbitration proceeding between us and any other person. Notwithstanding the foregoing or anything to the contrary in this Subsection 17.F or Subsection 17.A, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Subsection 17.F, then the parties agree that this arbitration clause shall not apply to that dispute and that such dispute will be resolved in a judicial proceeding in accordance with this Section 17 (excluding this Subsection 17.F).

Except as expressly provided otherwise in the remainder of this Section 17, despite our and your agreement to arbitrate, we and you each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction; provided, however, that we and you must contemporaneously submit our dispute for arbitration on the merits as provided in this Subsection 17.F.

The provisions of this Subsection 17.F are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

G. GOVERNING LAW.

ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY THE LAWS OF THE STATE OF LOUISIANA, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY LOUISIANA LAW REGULATING THE SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SUBSECTION 17.G.

H. CONSENT TO JURISDICTION.

SUBJECT TO SUBSECTIONS 17.E AND F ABOVE AND THE PROVISIONS BELOW, YOU AND YOUR OWNERS AGREE THAT ALL ACTIONS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN YOU AND US MUST BE COMMENCED IN THE STATE OR FEDERAL COURT OF COMPETENT JURISDICTION LOCATED CLOSEST TO OUR THEN CURRENT PRINCIPAL BUSINESS ADDRESS (CURRENTLY, BATON ROUGE, LOUISIANA), AND YOU (AND EACH OWNER) IRREVOCABLY SUBMIT TO THE JURISDICTION OF THOSE COURTS AND WAIVE ANY OBJECTION YOU (OR THE OWNER) MIGHT HAVE TO EITHER THE JURISDICTION OF OR VENUE IN THOSE COURTS. NONETHELESS, YOU AND YOUR OWNERS AGREE THAT WE MAY ENFORCE THIS AGREEMENT AND ANY ARBITRATION ORDERS AND AWARDS IN THE COURTS OF THE STATE OR STATES IN WHICH YOU ARE DOMICILED OR THE RESTAURANT IS LOCATED.

I. WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.

EXCEPT FOR YOUR OBLIGATION TO INDEMNIFY US FOR THIRD PARTY CLAIMS UNDER SUBSECTION 16.D. AND TO PAY US BRAND DAMAGES UNDER SUBSECTION 15.A, AND EXCEPT FOR PUNITIVE DAMAGES AVAILABLE TO EITHER PARTY UNDER FEDERAL LAW, WE AND YOU (AND YOUR OWNERS)

WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN US AND YOU, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS. WE AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF US.

J. BINDING EFFECT.

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

K. LIMITATIONS OF CLAIMS.

EXCEPT FOR CLAIMS ARISING FROM YOUR NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS YOU OWE US, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR OUR RELATIONSHIP WITH YOU WILL BE BARRED UNLESS A JUDICIAL OR ARBITRATION PROCEEDING IS COMMENCED WITHIN TWELVE (12) MONTHS FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS.

L. CONSTRUCTION.

The preambles and exhibits are a part of this Agreement which, together with any addenda or riders signed at the same time as this Agreement, constitutes our and your entire agreement, and supersedes all prior and contemporaneous oral or written agreements and understandings between us and you relating to the subject matter of this Agreement. There are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of this Agreement, the franchise relationship, or the Restaurant (any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representation made by us in our most recent franchise disclosure document (including exhibits and amendments) delivered to you or your representative.

Any policies that we adopt and implement at any time and from time to time to guide us in our decision-making are subject to change, are not a part of this Agreement, and are not binding on us.

Except as provided in Subsections 16.D and 17.F, nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated, or completed actions that require our approval. The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

References in this Agreement to “we,” “us,” and “our,” with respect to all of our rights and all of your obligations to us under this Agreement, include any of our affiliates with whom you deal. The term “affiliate” means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. “Control” means the power to direct or cause the direction of management and policies. The words “include” and “including” are meant to be illustrative and not exhaustive and are deemed to be read in all cases as “including, without limitation” and/or “including but not limited to.”

If two or more persons are at any time the owners of the Franchise and the Restaurant, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several. References to “owner” mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you (or a transferee of this Agreement and the Restaurant or an ownership interest in you), including, without limitation, any person who has a direct or indirect interest in you (or a transferee), this Agreement, the Franchise, or the Restaurant and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets.

References to a “controlling ownership interest” in you or one of your owners (if an Entity) mean the percent of the voting shares or other voting rights that results from dividing one hundred percent (100%) of the ownership interests by the number of owners. In the case of a proposed transfer of an ownership interest in you or one of your owners, the determination of whether a “controlling ownership interest” is involved must be made as of both immediately before and immediately after the proposed transfer to see if a “controlling ownership interest” will be transferred (because of the number of owners before the proposed transfer) or will be deemed to have been transferred (because of the number of owners after the proposed transfer).

“Person” means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.

Unless otherwise specified, all references to a number of days shall mean calendar days and not business days.

The term “Restaurant” includes all of the assets of the Smalls Sliders Restaurant you operate under this Agreement, including its revenue and the Lease.

The term “employee” includes all of the Restaurant’s personnel, including all managers, administrators and other personnel, whether such person is classified as an employee of yours or an independent contractor.

This Agreement may be executed in multiple copies, each of which will be deemed an original.

18. NOTICES AND PAYMENTS.

All written notices, reports, and payments permitted or required to be delivered by this Agreement or the Operations Manual will be deemed to be delivered:

- (a) at the time delivered by hand;
- (b) at the time delivered via computer transmission and, in the case of the Royalty, Fund contributions, and other amounts due, at the time we actually receive payment via the EDTA;
- (c) at the date and time upon receipt of evidence of delivery, or of rejected delivery, after being placed in the hands of a nationally recognized commercial courier service or United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid; or

Any notice to us must be sent to the address specified on the first page of this Agreement, with a copy to the following:

Smalls Sliders Franchising LLC
7516 Bluebonnet Blvd., Suite 173
Baton Rouge, Louisiana 70810
franchise@smallsliders.com

We may change these addresses for notice by giving you notice of the new address(es). Any notice that we send to you may be sent only to the one (1) person identified on **Exhibit A**, even if you have multiple owners, at the email or postal address specified on **Exhibit A**. You may change the person and/or address for notice only by giving us thirty (30) days' prior notice by any of the means specified in subparagraphs (a) through (e) above.

Any required payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days before then) will be deemed delinquent.

19. COMPLIANCE WITH ANTI-TERRORISM AND OTHER LAWS.

You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with all applicable legislation, laws, regulations, rules, ordinances, administrative orders, decrees and policies of any court, arbiter, government, governmental agency, department, or similar organization that are in effect from time to time pertaining to: (a) the various anti-terrorism, economic sanctions, and anti-money laundering and narco-trafficking laws, regulations, orders, decrees and guidelines of the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), (b) the USA PATRIOT Act (Title III of Pub. L. 107-56, signed into law October 26, 2001), as amended, (c) the provisions of United States Executive Order 13224, (d) the U.S. Prevention of Corruption Act 1988, (e) the U. S. Foreign Corrupt Practices Act, 15 U.S.C. Section 78dd-2, (e) relevant multilateral measures such as the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the UN Convention Against Corruption, (f) bribery and anti-corruption laws, (g) the laws against

money laundering, and (h) the laws against facilitating or supporting persons who conspire to commit these and other crimes against any person or government. You immediately shall notify us in writing if a potential violation of any of the foregoing legislation, laws, regulations, rules, ordinances, administrative orders, decrees and/or policies has occurred or is suspected to have occurred. You immediately shall provide us with copies of any communication to or from any such agency, government, or commission that relates to or affects this Agreement, the Restaurant, or the Marks. Any failure to comply with this Section by you or your owners, or any blocking of your or your owners' assets under any of such laws, legislation, regulations, orders, decrees and/or policies shall constitute good cause for immediate termination of this Agreement, as provided in Subsection 14.B (21) above.

[Signatures on following page.]

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

**SMALLS SLIDERS FRANCHISING
LLC**, a Louisiana limited liability company

By: _____
[]

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

FRANCHISE OWNER

**(IF YOU ARE TAKING THE
FRANCHISE AS A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Print Name of Franchisee Entity]

By: _____
[signature of person signing on behalf of entity]

Title of Signator: _____

DATED: _____

**(IF YOU ARE TAKING THE
FRANCHISE INDIVIDUALLY AND
NOT AS A LEGAL ENTITY):**

[signature of individual franchisee]

Print Name: _____

DATED: _____

[signature of individual franchisee]

Print Name: _____

DATED: _____

EXHIBIT A
TO THE FRANCHISE AGREEMENT
LISTING OF OWNERSHIP INTERESTS

**Effective Date: This Exhibit A is current and complete
as of _____, 202**

You and Your Owners

1. **Form of Owner.** (Choose (a) or (b))

(a) **Individual Proprietorship.** List individual(s):

(b) **Corporation, Limited Liability Company, or Partnership.** (CIRCLE ONE) You were incorporated or formed on _____, under the laws of the State of _____. You have not conducted business under any name other than your corporate, limited liability company, or partnership name and _____. The following is a list of your directors, if applicable, and officers as of the effective date shown above:

<u>Name of Each Director/Officer</u>	<u>Position(s) Held</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

2. **Owners.** The following list includes the full name of each person who is one of your owners (as defined in the Franchise Agreement), or an owner of one of your owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

	<u>Owner's Name</u>	<u>Percentage/Description of Interest</u>
(a)	_____	_____
(b)	_____	_____
(c)	_____	_____
(d)	_____	_____

3. **Name and Address of Person to Receive Notice for Franchise Owner.**

- (a) Name: _____
- (b) Postal Address: _____

- (c) E-mail Address: _____

4. **Identification of Managing Owner.** Your Managing Owner as of the Effective Date is _____ (must be one of the individuals listed in paragraph 2 above). You may not change the Managing Owner without prior written approval.

[Signatures on following page.]

**SMALLS SLIDERS FRANCHISING
LLC, a Louisiana limited liability company**

By: _____
[]

DATED: _____

FRANCHISE OWNER

**(IF YOU ARE TAKING THE
FRANCHISE AS A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Print Name of Franchisee Entity]

By: _____
[signature of person signing on behalf of entity]

Title of Signator: _____

DATED: _____

**(IF YOU ARE TAKING THE
FRANCHISE INDIVIDUALLY AND
NOT AS A LEGAL ENTITY):**

[signature of individual franchisee]

Print Name: _____

DATED: _____

[signature of individual franchisee]

Print Name: _____

DATED: _____

EXHIBIT B
TO THE FRANCHISE AGREEMENT
KEY TERMS TO FRANCHISING AGREEMENT

1. The Initial Franchise Fee is: _____.

2. The Site Selection Area shall be:

3. The Protected Territory shall be:

[Signatures on following page.]

**SMALLS SLIDERS FRANCHISING
LLC, a Louisiana limited liability company**

By: _____
[]

DATED: _____

FRANCHISE OWNER

**(IF YOU ARE TAKING THE
FRANCHISE AS A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Print Name of Franchisee Entity]

By: _____
[signature of person signing on behalf of entity]

Title of Signator: _____

DATED: _____

**(IF YOU ARE TAKING THE
FRANCHISE INDIVIDUALLY AND
NOT AS A LEGAL ENTITY):**

[signature of individual franchisee]

Print Name: _____

DATED: _____

[signature of individual franchisee]

Print Name: _____

DATED: _____

EXHIBIT C
TO THE FRANCHISE AGREEMENT
FRANCHISE ADDENDUM TO LEASE AGREEMENT

THIS FRANCHISE ADDENDUM TO LEASE AGREEMENT (this “Addendum”) is entered into this _____ day of _____, 20__, by and between _____, a(n) _____ (“Landlord”) and _____, a(n) _____ (“Tenant”) for the benefit of SMALLS SLIDERS FRANCHISING LLC, a Louisiana limited liability company (“Franchisor”).

WHEREAS, Tenant and Franchisor have executed a Smalls Sliders Restaurant Franchise Agreement (the “Franchise Agreement”), pursuant to which Franchisor has granted Tenant the right to establish and operate a “Smalls Sliders”-branded restaurant at the following location: _____ (the “Premises”);

WHEREAS, Tenant and Landlord are entering into a lease agreement (the “Lease”), pursuant to which Tenant will lease the Premises from Landlord; and

WHEREAS, Franchisor has required Tenant to include certain terms in the Lease in order to protect Franchisor’s rights, and Landlord has agreed to such terms.

NOW, THEREFORE, for good and valuable consideration, the receipt of which the parties hereby acknowledge, Landlord and Tenant agree as follows:

1. Landlord agrees to: (a) furnish to Franchisor a copy of any default notice served on Tenant and/or another lessee under the Lease simultaneously with the service of the notice to Tenant and/or such other lessee; (b) provide Franchisor with notice of any proposed renewals, extensions, modifications and amendments to the Lease; and (c) give Franchisor the opportunity, but Franchisor shall not be required, to cure any default by Tenant or other lessee under the Lease within fifteen (15) days following the expiration of any applicable cure period if Tenant and/or such other lessee fail to cure such default. All notices to Franchisor shall be sent to the following address: **SMALL SLIDERS FRANCHISING LLC**, 7516 Bluebonnet Blvd, Suite 173, Baton Rouge, Louisiana 70810, unless Landlord is notified otherwise in writing by Franchisor. No notice to Tenant shall be effective unless and until a copy thereof is served upon Franchisor.

2. Landlord agrees that if Franchisor exercises its right to cure a default by Tenant and/or another lessee under the Lease, then Franchisor may, at its option, succeed to Tenant’s and/or such other lessee’s interests under the Lease and shall be recognized by Landlord as the lessee or sublessee thereunder for the remaining term of the Lease.

3. Landlord agrees that the expiration of the Franchise Agreement (unless Tenant enters into a renewal Franchise Agreement with Franchisor) or a termination of the Franchise Agreement prior to expiration shall constitute a default under the Lease, giving Franchisor the right, but not the obligation, to cure such default by succeeding to Tenant’s and/or any other lessee’s interests as the new lessee or sublessee under the Lease.

4. Landlord agrees that upon the termination or expiration of the Lease, Franchisor shall have the first right of refusal to lease the Premises as the new lessee or sublessee.

5. Landlord agrees that Franchisor shall have the right to enter the Premises to make any modifications or alterations necessary in Franchisor's sole judgment to protect its franchise system, trademarks, trade names, trade dress and other intellectual property without being guilty of trespass or any other tort or crime.

6. Landlord agrees that upon the expiration or termination of the Franchise Agreement, Franchisor shall have the right to enter the Premises and remove any trade fixtures, interior or exterior signs or other items bearing its trademarks. Landlord agrees upon the expiration or termination of the Franchise Agreement to relinquish to Franchisor any and all liens or other ownership interests, whether by operation of law or otherwise, in and to any tangible property bearing Franchisor's trademarks, service marks or trade dress. Franchisor shall immediately repair all damage caused by such de-identification and Landlord shall not be required to bear any expense thereof. Franchisor shall indemnify, defend, and hold Landlord harmless from and against any and all loss, damage, claim, demand, liability, or expense (including reasonable attorneys' fees) resulting from claims by third parties and based on any acts or omissions of Franchisor and its employees and agents arising out of Franchisor's entry and de-identification of the Premises. Tenant agrees that if Tenant fails to de-identify the Premises promptly upon termination or expiration as required under the Franchise Agreement, Franchisor may cause all required de-identification to be completed at Tenant's expense.

7. Landlord agrees that, if Franchisor succeeds to Tenant's and/or any other lessee's interests under the Lease for any reason, Franchisor shall have the right to further assign the lease or to sublease the Premises to either an entity owned or controlled by Franchisor, or to another franchisee of Franchisor upon obtaining Landlord's written consent, which consent may not be unreasonably withheld, conditioned or delayed by Landlord. No assignment permitted under this Section is subject to any assignment or similar fee or will cause any rental acceleration.

8. Upon Franchisor's delivery to Landlord and Tenant of its election to exercise its rights under this Addendum, Franchisor shall be entitled to all of Tenant's rights and interests in the Lease, as if Franchisor were the tenant under the Lease, including, by way of example and not limitation, the right to exercise any and all renewal options thereunder, without the need for any further action or instrument.

9. Landlord and Tenant expressly agree that Franchisor is an intended third party beneficiary of the terms of this Addendum. Landlord and Tenant further agree that Franchisor has no liability or obligation under the Lease unless and until Franchisor exercises its right to assume the Lease under this Addendum.

10. In the event of any inconsistency between the terms of this Addendum and the terms of the Lease, the terms of this Addendum control. All of the terms of this Addendum, whether so expressed or not, are binding upon, inure to the benefit of, and are enforceable by the parties and their respective personal and legal representatives, heirs, successors and permitted assigns. The provisions of this Addendum may be amended, supplemented, waived or changed only by a written

document signed by all the parties to this Addendum that makes specific reference to this Addendum and which must be approved in writing by Franchisor. This Addendum may be executed in one or more counterparts, each of which is an original, but all of which together constitute one and the same instrument.

LANDLORD:

TENANT:

_____,
,
a _____

a _____

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

EXHIBIT D
TO THE FRANCHISE AGREEMENT
NONDISCLOSURE AND NON-COMPETITION AGREEMENT

THIS NONDISCLOSURE AND NON-COMPETITION AGREEMENT (this “Agreement”) is made as of the ____ day of _____, 20__, is executed by _____ (“Individual,” “me,” or “I”) for the benefit of **SMALLS SLIDERS FRANCHISING LLC**, a _____ (“Company”), and for _____, a/an _____ (“Franchisee”).

Franchisee is a franchisee of Company pursuant to a franchise agreement entered into by those parties concerning a restaurant operating, or to be operated, under the “Smalls Sliders” name at _____ (the “Franchise Agreement”). The franchised business Company authorizes Franchisee to operate under the Franchise Agreement is known as the “Restaurant,” which Restaurant is one among all restaurants that Company owns, operates, or franchises under the “Smalls Sliders” name. I agree that, unless otherwise specified, all capitalized terms in this Agreement have those meanings ascribed to them in the Franchise Agreement.

I agree that during the term of my employment by, ownership participation in, association with or service to Franchisee, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity, Company’s proprietary and confidential information relating to the development and operation of Smalls Sliders Restaurants, including but not limited to the following concerning Smalls Sliders Restaurants: (1) site selection criteria and plans and specifications for the development of Smalls Sliders Restaurants (2) ingredients, recipes, and methods of preparation and presentation of food products Company authorizes; (3) training and operations materials and manuals; (4) methods, formats, specifications, standards, systems, procedures, food preparation techniques, sales and marketing techniques, knowledge, and experience used in developing and operating Smalls Sliders Restaurants; (5) marketing, promotional and advertising research and programs for Smalls Sliders Restaurants; (6) knowledge of specifications for and suppliers of Operating Assets, Proprietary Products, and other products and supplies, including supplier pricing and related terms; (7) computer systems and software programs; (8) knowledge of the operating results and financial performance of Smalls Sliders Restaurants other than the Restaurant; (9) graphic designs and related intellectual property; (10) customer solicitation, communication and retention programs, along with data and information used or generated in connection with those programs; (11) all data and other information generated by, or used in, the operation of the Restaurant, including customer names, addresses, phone numbers, pricing and other information supplied by any customer (such as credit card information or personal information), and any other information contained at any time and from time to time in the Computer System or that visitors to the Restaurant (including you and your personnel) provide to the Website for the network of Smalls Sliders Restaurants; (12) future business plans relating to Smalls Sliders Restaurants and the Smalls Sliders Restaurants franchise opportunity, including expansion and development plans; and (13) any and all other information Company provides to me, Franchisee, Franchisee’s Owners or Affiliates that is designated orally or in writing as proprietary or confidential, or by its nature

would reasonably be understood to be proprietary or confidential, regardless of whether such information is specifically designated as proprietary or confidential (collectively, all information referenced above, including examples (1) through (13), is known as the “Confidential Information”).

Furthermore, any and all information, knowledge, know-how, techniques and information which the entities mentioned above (or their officers) designate as confidential is considered, and hereby acknowledged by me, to be Confidential Information for the purposes of this Agreement, except information which I can demonstrate came to my attention before disclosure or which had become or becomes a part of the public domain through publication or communication by others (unless the publication or communication violates a similar confidentiality agreement), but in no event through any act of mine.

I specifically understand that, without limitation, all the above items, concepts, and/or examples contained in the preceding paragraph constitute Confidential Information of Company, and I will not divert any business to competitors of Franchisee and/or Company. I will at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing it, in whole or in part, store them in a computer retrieval or database, nor otherwise make the them available to any unauthorized person.

I further agree that, during the term of my employment/service/association or ownership participation, I will not, directly or indirectly, engage or participate in any Competitive Business (defined below in this paragraph), any of which such prohibited behavior I understand and hereby explicitly acknowledge would or could be injurious to, or (in Company’s sole judgment) have an adverse effect upon, Company’s protectable interests in the Confidential Information, the “Smalls Sliders” trademark or related Marks, or the goodwill and/or reputation of Smalls Sliders Restaurants generally. I agree that I am prohibited from engaging in any Competitive Business as a proprietor, partner, investor, shareholder, director, officer, employee, principal, agent, advisor, or consultant. For purposes of this Agreement, a “Competitive Business” means any business that: (i) operates as a restaurant or other food-service business and derives more than ten percent (10%) of its revenue from selling hamburgers or sliders of any kind; or (ii) grants franchises or licenses to others to operate the type of business specified in the preceding subparagraph (i) (other than a Smalls Sliders Restaurant operated under a franchise agreement with Company). Despite the foregoing definition of a Competitive Business, nothing under this Agreement or the Franchise Agreement will prevent Individual from owning for investment purposes less than two percent (2%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange, and so long as neither Individual nor Franchisee controls the company in question.

Upon the expiration or other termination for any reason of my employment, association, service or ownership participation, I agree:

- (i) to return immediately to Company or Franchisee, as the case may be, all Confidential Information, and any material(s) containing a subset thereof, in my possession that was utilized, or to which I had access, during my employment, association, service or ownership participation;

- (ii) to refrain, beginning upon such expiration or termination and forever thereafter, from any and all contacts with customers of Smalls Sliders Restaurants for any purpose whatsoever; and
- (iii) for a period of two (2) years, starting on the earlier of the effective date of termination or expiration of my employment/service/association or ownership participation, to refrain from directly or indirectly (such as through any one or more of my spouse, legally-recognized domestic partner, parents, children or sibling(s) (collectively, "Immediate Family")) owning a legal or beneficial interest in, or rendering services or giving advice to: (a) any Competitive Business operating at the Premises or within a fifteen (15)-mile radius of the Premises; (b) any Competitive Business operating within a radius of fifteen (15) miles of any Smalls Sliders Restaurants in operation or under construction on the later of the effective date of termination or expiration of my employment/service/association/ ownership participation; or (c) any entity which grants franchises, licenses or other interests to others to operate any Competitive Business.

I acknowledge and understand that the provisions of this Agreement, including my representations, covenants, and warranties (as applicable) given hereunder, are necessary and integral to this Agreement and to Company's and Franchisee's interests under the Franchise Agreement, and are intended to:

- (i) preclude not only direct competition, but also all forms of indirect competition, such as consultation for Competitive Businesses, service as an independent contractor for Competitive Businesses, or any assistance or transmission of information of any kind which would be of any material assistance to a competitor;
- (ii) bind any person or entity having any legal or beneficial interest in me, or traceable to, down or through me, including (without limitation) any of member of my Immediate Family, any direct or indirect beneficiary, any partner (general or limited) or proprietor of mine, and any other such related person or entity, regardless of how many levels or tiers there may be between any such described person or entity and me; and
- (iii) identify for me, toward the goal of preserving through this Agreement, Company's protectable legal interests in the System, customers of Smalls Sliders Restaurants, the Confidential Information, and the goodwill associated with the Marks.

I also expressly acknowledge my possession of skills and abilities of a general nature, and the opportunity for exploiting such skills in other ways than the operation or involvement in the activities of a Smalls Sliders Restaurants or a Competitive Business, so that enforcement of my covenants made in this Agreement will not deprive me of my personal goodwill or ability to earn a living after the effective date of expiration or termination of my relationship with Franchisee, the Restaurant, or Smalls Sliders Restaurants generally. If I fail or refuse to abide by any of my foregoing obligations or promises made under this Agreement, and Company or Franchisee obtains enforcement in a judicial or arbitration proceeding, then my obligations and responsibilities specified under the breached covenant will be tolled during the period(s) of time that the covenant

is breached and/or Company or Franchisee seeks to enforce it, and will continue for two (2) years starting from the effective date of the order enforcing the covenant.

I acknowledge that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Company and Franchisee, for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by Company or Franchisee (or both), in any appropriate jurisdiction and venue (notwithstanding other references to resolution of actions exclusively in Company's home prohibiting any conduct by me in violation of the terms of those covenants not to compete and/or restrictions on the use of Confidential Information under this Agreement. I expressly agree that it may conclusively be presumed in any legal action that any violation of the terms of these covenants not to compete was accomplished by and through my unlawful utilization of Company's Confidential Information. Further, I expressly agree that any claims I may have against Company will not constitute a defense to Company's enforcement of the covenants not to compete under this Agreement. I further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by Company in connection with the enforcement of those covenants not to compete set forth in this Agreement.

If all, or any portion of, this covenant not to use Confidential Information and not to compete is held unreasonable, void, vague or illegal by any court or agency having valid jurisdiction in an unappealed final decision to which Franchisee and/or Company is a party, the court or agency will be empowered to revise and/or construe the covenant to fall within permissible legal limits, and should not invalidate the entire covenant. I expressly agree to be bound by any lesser covenant subsumed within the terms of this Agreement as if the resulting covenant were separately stated in and made a part of this Agreement.

I agree that this Agreement and all relations and disputes between myself on the one hand, and Franchisee or Company on the other hand, whether sounding in contract, tort, or otherwise, are to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of Louisiana without recourse to Louisiana (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of the State of Louisiana, and if the Restaurant is located outside of the State of Louisiana and the provision would be enforceable under the laws of the state in which the Restaurant is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of Louisiana or any other state, which would not otherwise apply.

I further agree that any litigation arising out of or related to this Agreement, any breach of this Agreement, and any and all relations and/or disputes between myself on the one hand, and Franchisee or Company on the other hand, whether sounding in contract, tort, or otherwise, will be instituted exclusively in the U.S. District Court sitting nearest to Company's corporate headquarters (currently, Baton Rouge, Louisiana). I agree that any dispute as to the aforementioned venue will be submitted to and resolved exclusively by such aforementioned court.

Nonetheless, I agree that Franchisee or Company may enforce this Agreement and any awards in the courts of the state or states in which I am domiciled or the Restaurant is located.

I IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY ME, FRANCHISEE OR COMPANY. I hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

[Signatures on Following Page]

IN WITNESS WHEREOF, Franchisee has hereunto caused this Agreement to be executed by its duly authorized officer, and Individual has executed this Agreement, as of the day and year first written above.

ATTESTED TO BY FRANCHISEE:

INDIVIDUAL:

_____,
a/an _____

(Print Name)

By: _____
(Name of Franchisee's Officer)

(Signature)

Signed: _____
(Signature of Franchisee's Officer)

(Date)

(Date)

**WITNESS TO INDIVIDUAL'S
SIGNATURE:**

(Print Witness Name)

(Signature of Witness)

(Date)

EXHIBIT E
ELECTRONIC TRANSFER AUTHORIZATION FORM

ELECTRONIC PAYMENT AUTHORIZATION AGREEMENT
(ACH CREDITS AND DEBITS)

I hereby authorize SMALLS SLIDERS FRANCHISING LLC (“Franchisor”), to initiate debit and credit entries and to initiate, if necessary, adjustments for any debit or credit entries in error to _____ (“Franchisee”) Checking (please attach voided check) or Savings account (select one) indicated below at the depository named below, (“Depository”), to debit and/or credit the same to such account.

Depository Name: _____

Depository Branch: _____

Depository Address: _____

City _____ State _____ Zip _____

Routing Number: _____

Account Name: _____

Account Number: _____

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned agrees that this authorization is to remain in full force and effect until terminated by Franchisee pursuant to a written notice to Franchisor in such time and in such manner as to afford Franchisor and Depository a reasonable opportunity to act on it, but in no event less than thirty (30) days in advance thereof. Franchisee consents for the Depository to provide Franchisor with a bank account statement and deposit detail, at any time and from time to time, for any and all accounts described above.

[Signatures on Following Page]

IN WITNESS WHEREOF, this authorization has been executed on _____,
202__ at _____.

Franchisee:

By: _____

Title: _____

Phone No.: _____

[ATTACH VOIDED CHECK HERE]

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this _____ day of _____, 20__

By (list each guarantor):

_____.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the “Agreement”) on this date by SMALLS SLIDERS FRANCHISING LLC (“us,” “we,” or “our”), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that _____ (“Franchisee”) will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, transfer, and arbitration requirements.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may at any time and from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Franchisee or its owners, and for so long as we have any cause of action against Franchisee or its owners; and (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Franchisee, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the undersigned’s execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice

of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

If we are required to enforce this Guaranty in a judicial or arbitration proceeding, and prevail in such proceeding, we shall be entitled to reimbursement of our costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse us for any of the above-listed costs and expenses we incur.

Subject to the arbitration obligations under the Agreement, each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between us and the undersigned, must be commenced in the state or federal court of competent jurisdiction located closest to our then current principal business address (currently, Baton Rouge, Louisiana), and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that we may enforce this Guaranty and any arbitration orders and awards in the courts of the state or states in which he or she is domiciled.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed.

Signatures of Each Guarantor	Percentage of Ownership in Franchisee
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

EXHIBIT D- Development Rights Rider to Franchise Agreement

**DEVELOPMENT AGREEMENT RIDER
TO FRANCHISOR
FRANCHISE AGREEMENT**

1. **Background.** This Development Agreement Rider (this “**Rider**”) is made between **SMALLS SLIDERS FRANCHISING, LLC** a Louisiana limited liability company (“**we,**” “**us,**” or “**our**”) and _____ (“**you**” or “**your**”). This Rider is attached to, and intended to be a part of, that certain Franchise Agreement that we and you have signed concurrently with signing this Rider (the “**Franchise Agreement**”) for the operation of a Smalls Sliders Restaurant (the “**Restaurant**”). We and you are signing this Rider because you want the right to develop additional Smalls Sliders Restaurants (besides the Restaurant covered by the Franchise Agreement) within a certain geographic area over a certain time period, and we are willing to grant you those development rights if you comply with this Rider. Capitalized terms not defined herein shall have the meanings defined in the Franchise Agreement.

2. **Grant of Development Rights.** Subject to your strict compliance with this Rider, we grant you the right to develop the number of new Small Sliders Restaurants identified on Exhibit A (including the Restaurant covered by the Franchise Agreement), according to the mandatory development schedule described in Exhibit A to this Rider (the “**Development Schedule**”), within the following geographic area described on Exhibit B (the “**Development Area**”).

If you (and, to the extent applicable and with our approval, your affiliated entities) are fully complying with all of your obligations under this Rider, and are fully complying with all of your obligations under the Franchise Agreement and all other franchise agreements then in effect between us and you (and, to the extent applicable and with our approval, your affiliated entities) for the development and operation of Smalls Sliders Restaurants, then during this Rider’s term only, we (and our affiliates) may not establish or operate (except to the extent that we already operate Smalls Sliders Restaurants in the Development Area), or grant to others the right to establish or operate, a Smalls Sliders Restaurant, the physical premises of which are located within the Development Area.

Except for the Smalls Sliders Restaurant location restriction above, there are no restrictions that this Rider imposes on our (and our affiliates’) activities within the Development Area during this Rider’s term. You acknowledge and agree that we and our affiliates have the right to engage, and grant to others the right to engage, in any other activities of any nature whatsoever within the Development Area, including, without limitation, those rights we reserve in the Franchise Agreement. After this Rider expires or is terminated (regardless of the reason for termination), we and our affiliates have the right to establish and operate, and grant to others the right to establish and operate, Smalls Sliders Restaurants, the physical premises of which are located within the Development Area and continue to engage, and grant to others the right to engage, in any activities that we (and they) desire within the Development Area without any restrictions whatsoever.

YOU ACKNOWLEDGE AND AGREE THAT TIME IS OF THE ESSENCE UNDER THIS RIDER AND THAT YOUR RIGHTS UNDER THIS RIDER ARE SUBJECT TO TERMINATION (WITHOUT ANY CURE OPPORTUNITY) IF YOU DO NOT COMPLY STRICTLY WITH THE DEVELOPMENT OBLIGATIONS PROVIDED IN THE DEVELOPMENT SCHEDULE. WE MAY ENFORCE THIS RIDER STRICTLY.

3. **Development Obligations.** To maintain your rights under this Rider, you (and/or affiliated entities we approve) must, by the dates specified in the Development Schedule, sign franchise agreements for and have open and operating the agreed-upon number of Smalls Sliders Restaurants in the Development Area. You (and/or the approved affiliated entity) will operate each Smalls Sliders Restaurant under a separate franchise agreement with us. The franchise agreement (and related documents, including Guaranty and Assumption of Obligations) that you (and your owners) sign for each additional Smalls Sliders Restaurant will be our then current form of franchise agreement (and related documents), any and all of the terms of which may differ materially from any and all of the terms contained in the Franchise Agreement (and related documents). However, despite any contrary provision contained in the newly-signed franchise agreements, your additional Smalls Sliders Restaurant must be open and operating by the dates specified in the Development Schedule. To retain your rights under this Rider, each of your Smalls Sliders Restaurants must operate continuously throughout this Rider's term in full compliance with its franchise agreement.

4. **Subfranchising Rights.** This Rider does not give you any right to franchise, license, subfranchise, or sublicense others to operate Smalls Sliders Restaurants. Only you (and/or affiliated entities we approve) may develop, open, and operate Smalls Sliders Restaurants pursuant to this Rider. This Rider also does not give you (or your affiliated entities) any independent right to use the "Smalls Sliders" trademark or our other trademarks and commercial symbols. The right to use our trademarks and commercial symbols is granted only under a franchise agreement signed directly with us. This Rider only grants you potential development rights if you comply with its terms.

5. **Development Fees.** As consideration for the development rights we grant you in this Rider, you must pay us, at the same time you sign this Rider, a development fee (the "**Development Fee**") equal to the amount identified on Exhibit A. The balance of the initial franchise fee (that is, the remaining \$15,000 for each Smalls Sliders Restaurant is due when you sign the franchise agreement that governs that Smalls Sliders Restaurant credited toward the Development Schedule. Such franchise agreement must be signed six (6) months before the date by which you must develop your Smalls Sliders Restaurant or upon signing a lease agreement or purchasing property for your Smalls Sliders Restaurant, whichever occurs first. The Development Fee is consideration for the rights we grant you in this Rider and for reserving the Development Area for you to the exclusion of others, is fully earned by us when we and you sign this Rider, and is not refundable under any circumstances, even if you do not comply or attempt to comply with the Development Schedule and we then terminate this Rider for that reason.

6. **Grant of Franchises.** You must submit to us a separate application for each Smalls Sliders Restaurant you wish to develop pursuant to this Rider. You agree to give us all information and materials we request in order to assess each proposed site. We will supply you with our site selection criteria and may put you in contact with a commercial real estate broker in the Development Area; however, we will not conduct site selection activities for you. In granting you the development rights under this Rider, we are relying on your knowledge of the real estate market and your ability to locate and access sites. We have the absolute right not to accept any site not meeting our then current site criteria. If we accept a proposed site, you agree, within the time period we specify (but no later than the date specified in the Development Schedule), to sign a separate franchise agreement (and related documents) for the Smalls Sliders Restaurant. If you do not do so, or cannot obtain lawful possession of the proposed site, we may withdraw our acceptance

of the proposed site. After you (and your owners) sign the franchise agreement (and related documents, including Guaranty and Assumption of Obligations), its terms and conditions will control your development and operation of the Smalls Sliders Restaurant (except that the required opening date is governed exclusively by this Rider).

In addition to our rights with respect to proposed Smalls Sliders Restaurants sites, we may delay your development of additional Smalls Sliders Restaurants pursuant to this Rider for the time period we deem best if we believe, when you submit your application, that you are not yet operationally, managerially, or otherwise prepared, due to the particular amount of time that has elapsed since you developed and opened your most recent Smalls Sliders Restaurant, to develop, open and/or operate the additional Smalls Sliders Restaurants in full compliance with our standards and specifications. We may delay additional development for the time period we deem best as long as the delay will not in our reasonable opinion cause you to breach your development obligations under the Development Schedule (unless we are willing to extend the Development Schedule proportionately to account for the delay).

7. **Term.** This Rider's term begins on the date we and you sign it and ends on the date when (a) the final Smalls Sliders Restaurant to be developed under the Development Schedule has opened (or, if earlier, must have opened) for business, or (b) this Rider otherwise is terminated.

8. **Termination.** We may terminate this Rider and your right to develop Small Sliders Restaurants within the Development Area at any time, effective upon delivery to you of written notice of termination: (a) if you fail to satisfy either your development obligations under the Development Schedule or any other obligation under this Rider, which defaults you have no right to cure; or (b) if the Franchise Agreement, or any other franchise agreement between us and you (or your affiliated entity) for a Smalls Sliders Restaurant, is terminated by us in compliance with its terms or by you (or your affiliated entity) for any (or no) reason. No portion of the Development Fee is refundable upon a termination of this Rider or under any other circumstances.

Upon the occurrence of any of the events above in this Section 8 during the term of this Rider, we may, at our option, elect to terminate only the exclusivity of the Development Area (as provided under Section 2 above) instead of terminating this Rider entirely. This means that during the remainder of the term of this Rider, we and our affiliates will have the right to establish and operate, and grant to others the right to establish and operate, Smalls Sliders Restaurants the physical premises of which are located within the Development Area and continue to engage, and grant to others the right to engage, in any activities that we (and they) desire within the Development Area without any restrictions whatsoever. However, such termination of the exclusivity shall be without prejudice to our right to terminate this Rider at any time thereafter for the same default or any other defaults under this Rider.

A termination of this Rider is not deemed to be the termination of any franchise rights (even though this Rider is attached to the Franchise Agreement) because this Rider grants you no separate franchise rights. Franchise rights arise only under franchise agreements signed directly with us. A termination of this Rider does not affect any franchise rights granted under any then-effective individual franchise agreements.

9. **Assignment.** Your development rights under this Rider are not assignable at all. This means that we will not under any circumstances allow the development rights to be transferred. A transfer of the development rights would be deemed to occur (and would be

prohibited) if there is an assignment of the Franchise Agreement, any change in your ownership (whether or not it is a controlling ownership interest), any change in your owners' ownership (if such owners are legal entities and whether or not it is a controlling ownership interest), a transfer of this Rider separate and apart from the Franchise Agreement, or any other event attempting to assign the development rights.

10. **Incorporation of Other Terms.** Sections 16.A, 16.D, 17.B, and 18 of the Franchise Agreement, entitled "Independent Contractors," "Indemnification," "Waiver of Obligations," and "Notices and Payments," respectively, are incorporated by reference in this Rider and will govern all aspects of this Rider and our and your relationship as if fully restated within the text of this Rider.

11. **Rider to Control.** Except as provided in this Rider, the Franchise Agreement remains in full force and effect as originally written. If there is any inconsistency between the Franchise Agreement and this Rider, the terms of this Rider will control.

[Signature Page Follows]

Dated this _____ day of _____, 20__.

SMALLS SLIDERS FRANCHISING LLC	FRANCHISE OWNER
By: _____	_____
Title: _____	[Name]
Date: _____	By: _____
	Title: _____
	Date: _____

EXHIBIT A
TO DEVELOPMENT AGREEMENT RIDER

You agree to pay a Development Fee of _____ (\$_____) for the right to develop and open ____ () new Smalls Sliders Restaurants in the Development Area, including the Smalls Sliders Restaurant that is the subject of the Franchise Agreement, according to the following Schedule:

Smalls Sliders Number	Date by which Smalls Sliders Must be Opened	Cumulative Number of Smalls Sliders Restaurants to Be Open and Operating in the Development Area No Later than the Opening Dates (in previous column)

<p>SMALLS SLIDERS FRANCHISING, LLC</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>FRANCHISE OWNER</p> <p>_____</p> <p>[Name]</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
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EXHIBIT B
DEVELOPMENT AREA

The Development Area referred to in Section 2 of the Development Agreement Rider is described as follows:

The area defined at the Effective Date of this Agreement as:

See the attached map of the metropolitan area. The boundaries of the Development Area are highlighted. Most of the boundaries of the Development Area constitute streets, county lines or natural landmarks such as rivers, lakes or other bodies of water. With respect to streets and county lines, the Development Area will extend to the middle of such street or county line. As to natural landmarks such as rivers and lakes or other bodies of water, the Development Area shall extend to the shoreline of such body of water. If the boundary of the Development Area does not follow a street, political line or natural landmark, then the boundary line will be interpreted to extend in a straight line from the last point of reference to the next.

[or] The area located within the boundaries of _____ (Counties, Zip Codes, etc.)

Initial _____

EXHIBIT E – State Addenda to Franchise Agreement

**RIDER TO THE SMALLS SLIDERS FRANCHISING LLC
FRANCHISE AGREEMENT FOR USE IN ILLINOIS**

This Rider (the “**Rider**”) is made and entered into as of the Effective Date as stated in the Franchise Agreement (defined below), by and between SMALL SLIDERS FRANCHISING LLC, a Louisiana limited liability company with its principal business address at 7516 Bluebonnet Blvd., #173, Baton Rouge, Louisiana 70810 (“**we,**” “**us**” or “**our**”), and _____ a _____ whose principal business address is _____ (“**you**” or “**your**”).

We and you are parties to that certain Franchise Agreement that has been signed at the same time as the signing of this Rider (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of the State of Illinois, and/or (b) the Restaurant that you will operate under the Franchise Agreement will be located in Illinois.

The following provisions supersede and control any conflicting provisions of the Franchise Agreement:

1. Illinois law applies to this Agreement and supersedes any conflicting provision of the Franchise Agreement.

2. Subject to the parties’ arbitration obligation in Section 17.H of the Franchise Agreement, all litigation by or between you and us, arising directly or indirectly from the franchise relationship, shall be commenced and maintained, at our election, in the state courts of Illinois or the United States District Court for Illinois with the specific venue, in either court system, determined by appropriate jurisdiction and venue requirements.

3. If any of the provisions of the Franchise Agreement are inconsistent with applicable state law, then the state law shall apply to the extent such law is constitutional and valid as applied.

4. Pursuant to 815 IL 705/41, no release language set forth in Sections 3.A.(2), 4.A.(4), 12.C. (9), 13.C, and 15.E or elsewhere in the Franchise Agreement shall relieve us or any other person, directly or indirectly, from liability imposed by the Illinois Franchise Disclosure Act or any other law of the State of Illinois.

5. All other rights, obligations, and provisions of the Franchise Agreement shall remain in full force and effect. Only the Sections specifically added to or amended by this Rider shall be affected. This Rider is incorporated in and made a part of the Franchise Agreement for the State of Illinois.

[Signatures on following page]

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

**SMALLS SLIDERS FRANCHISING
LLC**

By: _____
[]

DATED: _____

FRANCHISE OWNER

**(IF YOU ARE TAKING THE
FRANCHISE AS A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Print Name of Franchisee Entity]

By: _____
[Signature of person signing on behalf of entity]

Title: _____

DATED: _____

**(IF YOU ARE TAKING THE
FRANCHISE INDIVIDUALLY AND
NOT AS A LEGAL ENTITY):**

[Signature of individual franchisee]

Print Name: _____

DATED: _____

[Signature of individual franchisee]

Print Name: _____

DATED: _____

**RIDER TO THE SMALLS SLIDERS FRANCHISING LLC
FRANCHISE AGREEMENT FOR USE IN MARYLAND**

This Rider (the “**Rider**”) is made and entered into as of the Effective Date as stated in the Franchise Agreement (defined below), by and between SMALL SLIDERS FRANCHISING LLC, a Louisiana limited liability company with its principal business address at 7516 Bluebonnet Blvd., #173, Baton Rouge, Louisiana 70810 (“**we,**” “**us**” or “**our**”), and _____ a _____ whose principal business address is _____ (“**you**” or “**your**”).

1. **Background.** We and you are parties to that certain Franchise Agreement that has been signed at the same time as the signing of this Rider (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of the State of Maryland, and/or (b) the Restaurant that you will operate under the Franchise Agreement will be located in Maryland.

2. **Releases.** The following language is added to the end of the subparagraphs in Section 3.A.(2) (entitled “Initial Franchise Fee”), to the end of Sections 4.A.(4) (entitled “Initial Training”), 12.C.(9) (entitled “Conditions for Approval of Transfer”), and 13.C. (entitled “Agreements/Releases”), and to the end of the first paragraph of Section 15.E (entitled “Our Right to Purchase Certain Assets of the Restaurant”) of the Franchise Agreement:

However, such general release will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

3. **Insolvency.** The following language is added to the end of Section 14.A.(20) of the Franchise Agreement:

; termination upon insolvency might not be enforceable under federal insolvency law (11 U.S.C. Sections 101 *et seq.*), but we and you agree to enforce this provision to the maximum extent the law allows.

4. **Governing Law.** The following language is added to the end of Section 17.G of the Franchise Agreement:

However, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

5. **Consent to Jurisdiction.** The following language is added to the end of Section 17.H of the Franchise Agreement:

However, subject to the parties’ arbitration obligations, you may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. **Limitation of Claims**. The following language is added to the end of Section 17.K of the Franchise Agreement:

However, the limitation of such claims shall not act to reduce the three (3)-year statute of limitations afforded to you for bringing a claim under the Maryland Franchise Registration and Disclosure Law.

7. **Acknowledgements**. The following language is added as a new Section 17.M of the Franchise Agreement:

All representations requiring you to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the Agreement Date.

**SMALLS SLIDERS FRANCHISING
LLC**

By: _____
[]

DATED: _____

FRANCHISE OWNER

**(IF YOU ARE TAKING THE
FRANCHISE AS A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Print Name of Franchisee Entity]

By: _____
[Signature of person signing on behalf of entity]

Title: _____

DATED: _____

**(IF YOU ARE TAKING THE
FRANCHISE INDIVIDUALLY AND
NOT AS A LEGAL ENTITY):**

[Signature of individual franchisee]

Print Name: _____

DATED: _____

[Signature of individual franchisee]

Print Name: _____

DATED: _____

**RIDER TO THE SMALLS SLIDERS FRANCHISING LLC
FRANCHISE AGREEMENT FOR USE IN MINNESOTA**

This Rider (the “**Rider**”) is made and entered into as of the Effective Date as stated in the Franchise Agreement (defined below), by and between SMALL SLIDERS FRANCHISING LLC, a Louisiana limited liability company with its principal business address at 7516 Bluebonnet Blvd., #173, Baton Rouge, Louisiana 70810 (“**we**,” “**us**” or “**our**”), and _____ a _____ whose principal business address is _____ (“**you**” or “**your**”).

We and you are parties to that certain Franchise Agreement that has been signed at the same time as the signing of this Rider (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of the State of Minnesota, and/or (b) the Restaurant that you will operate under the Franchise Agreement will be located in Minnesota.

The following provisions supersede and control any conflicting provisions of the Franchise Agreement:

1. The following language is added as Section 17.M of the Franchise Agreement:

Minnesota Statutes, Section 80C.21 and Minn. Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, injunctive relief, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or this Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

2. Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C. 14, Subdivisions 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement.

3. Pursuant to Minnesota Statutes, Section 80C.12, Subdivision 1(g), the following provision is added as Section 16.E of the Franchise Agreement:

We will indemnify, defend and hold you harmless, to the fullest extent permitted by law, from and against all losses and expenses incurred by you in any action or claim arising from your proper use of the System alleging that your use of the System and any property we license to you is an infringement of a third party’s rights to any trade secret, patent, copyright, trademark, service mark or trade name. You will promptly notify us in writing when you become aware of any alleged infringement, or an action is filed against you.

You will cooperate with our defense and resolution of the claim. We may resolve the matter by obtaining a license of the property for you at our expense, or by requiring that you discontinue using the infringing property or modify your use to avoid infringing the rights of others.

4. No release language set forth in Sections 3.A(2), 4.A(4), 12.C(9), 13.C or 15.E of the Franchise Agreement shall relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the state of Minnesota.

5. Liquidated damages and termination penalties are prohibited by law in the state of Minnesota and, therefore, Section 15.A(2) of the Franchise Agreement is amended by deletion of all references to liquidated damages and termination penalties and the addition of the following language to the original language that appears therein:

Notwithstanding any such termination, and in addition to your other obligations, or in the event of termination or cancellation of the Franchise Agreement under any of the other provisions therein, you shall be, continue and remain liable to us for any and all damages that we have sustained or may sustain by reason of such default or defaults and the breach of the Franchise Agreement on your part until the end of the term.

At the time of such termination of the Franchise Agreement, you covenant to pay to us within 10 days after demand compensation for all damages, losses, costs and expenses (including reasonable attorney's fees) incurred by us and/or amounts that would otherwise be payable for and during the remainder of the unexpired term of the Franchise Agreement but for such termination. This does not constitute a waiver of your right to a trial on any of the above matters.

6. Pursuant to Minnesota Statutes, Section 80C.17, Subdivision 5, the following is added to the end of Section 17.K of the Franchise Agreement:

However, Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than three (3) years after the cause of action accrues.

7. All other rights, obligations, and provisions of the Franchise Agreement shall remain in full force and effect. Only the Articles specifically added to or amended by this Rider shall be affected. This Rider is incorporated in and made a part of the Franchise Agreement for the State of Minnesota.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the Agreement Date.

**SMALLS SLIDERS FRANCHISING
LLC**

By: _____
[]

DATED: _____

FRANCHISE OWNER

**(IF YOU ARE TAKING THE
FRANCHISE AS A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Print Name of Franchisee Entity]

By: _____
[Signature of person signing on behalf of entity]

Title: _____

DATED: _____

**(IF YOU ARE TAKING THE
FRANCHISE INDIVIDUALLY AND
NOT AS A LEGAL ENTITY):**

[Signature of individual franchisee]

Print Name: _____

DATED: _____

[Signature of individual franchisee]

Print Name: _____

DATED: _____

**RIDER TO THE SMALLS SLIDERS FRANCHISING LLC
FRANCHISE AGREEMENT FOR USE IN NEW YORK**

This Rider (the “**Rider**”) is made and entered into as of the Effective Date as stated in the Franchise Agreement (defined below), by and between SMALL SLIDERS FRANCHISING LLC, a Louisiana limited liability company with its principal business address at 7516 Bluebonnet Blvd., #173, Baton Rouge, Louisiana 70810 (“**we**,” “**us**” or “**our**”), and _____ a _____ whose principal business address is _____ (“**you**” or “**your**”).

We and you are parties to that certain Franchise Agreement that has been signed at the same time as the signing of this Rider (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of New York and the Restaurant that you will operate under the Franchise Agreement will be located in New York; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in New York.

The following provisions supersede and control any conflicting provisions of the Franchise Agreement:

1. Section 14 is amended by adding the following statement as a new Section 14.F:

However, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the related regulations shall remain in force; it being the intent of this proviso to satisfy the non-waiver provisions of GBL, Sections 687.4 and 687.5.

2. Section 12.A is amended by adding the following statement immediately after the third sentence of such Section:

However, no assignment shall be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

3. Nothing in Section 14 prevents you from asserting your rights under common law to terminate the Franchise Agreement if we commit a material breach of the Franchise Agreement.

4. Section 17.G is amended by adding the following statement to the end of such Article:

The foregoing choice of law should not be considered a waiver of any right conferred upon you by the GBL of the State of N.Y., Article 33.

5. All other rights, obligations, and provisions of the Franchise Agreement shall remain in full force and effect. Only the Articles specifically added to or amended by this Rider shall be affected. This Rider is incorporated in and made a part of the Franchise Agreement for the State of New York.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the Agreement Date.

**SMALLS SLIDERS FRANCHISING
LLC**

By: _____
[]

DATED: _____

FRANCHISE OWNER

**(IF YOU ARE TAKING THE
FRANCHISE AS A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Print Name of Franchisee Entity]

By: _____
[Signature of person signing on behalf of entity]

Title: _____

DATED: _____

**(IF YOU ARE TAKING THE
FRANCHISE INDIVIDUALLY AND
NOT AS A LEGAL ENTITY):**

[Signature of individual franchisee]

Print Name: _____

DATED: _____

[Signature of individual franchisee]

Print Name: _____

DATED: _____

**RIDER TO THE SMALLS SLIDERS FRANCHISING LLC
FRANCHISE AGREEMENT FOR USE IN NORTH DAKOTA**

This Rider (the “**Rider**”) is made and entered into as of the Effective Date as stated in the Franchise Agreement (defined below), by and between SMALL SLIDERS FRANCHISING LLC, a Louisiana limited liability company with its principal business address at 7516 Bluebonnet Blvd., #173, Baton Rouge, Louisiana 70810 (“**we,**” “**us**” or “**our**”), and _____ a _____ whose principal business address is _____ (“**you**” or “**your**”).

1. **Background.** We and you are parties to that certain Franchise Agreement that has been signed concurrently with the signing of this Rider (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the Restaurant that you will operate under the Franchise Agreement was made in the State of North Dakota, and/or (b) you are a resident of North Dakota and will operate the Restaurant in North Dakota. This Rider is an integral part of, and is incorporated into, the Franchise Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement.

2. **Grant of Successor Franchise.** You are not required to sign a general release as to any matters coming under the North Dakota Franchise Investment Law (the “**ND Law**”).

3. **Post-Term Competitive Restrictions.** Covenants not to compete, such as those mentioned in this section, are generally unenforceable in the State of North Dakota.

4. **Jurisdiction.** All matters coming under the ND Law may be brought in the courts of North Dakota.

5. **Waiver of Punitive Damages and Jury Trial.** Paragraph 17.I of the Franchise Agreement is deleted in its entirety.

6. **Limitation of Claims.** The statute of limitations under ND Law applies to all matters coming under ND Law.

7. **Governing Law.** This Franchise Agreement will be governed by North Dakota law.

8. **Mediation.** All matters being mediated under ND Law may be brought in a location agreeable to both the Franchisor and the Franchisee.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the Agreement Date.

**SMALLS SLIDERS FRANCHISING
LLC**

By: _____
[]

DATED: _____

FRANCHISE OWNER

**(IF YOU ARE TAKING THE
FRANCHISE AS A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Print Name of Franchisee Entity]

By: _____
[Signature of person signing on behalf of entity]

Title: _____

DATED: _____

**(IF YOU ARE TAKING THE
FRANCHISE INDIVIDUALLY AND
NOT AS A LEGAL ENTITY):**

[Signature of individual franchisee]

Print Name: _____

DATED: _____

[Signature of individual franchisee]

Print Name: _____

DATED: _____

**RIDER TO THE SMALLS SLIDERS FRANCHISING LLC
FRANCHISE AGREEMENT FOR USE IN RHODE ISLAND**

This Rider (the “**Rider**”) is made and entered into as of the Effective Date as stated in the Franchise Agreement (defined below), by and between SMALL SLIDERS FRANCHISING LLC, a Louisiana limited liability company with its principal business address at 7516 Bluebonnet Blvd., #173, Baton Rouge, Louisiana 70810 (“**we,**” “**us**” or “**our**”), and _____ a _____ whose principal business address is _____ (“**you**” or “**your**”).

1. **Background.** We and you are parties to that certain Franchise Agreement that has been signed concurrently with the signing of this Rider (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of Rhode Island and the Restaurant that you will operate under the Franchise Agreement will be located in Rhode Island; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Rhode Island.

2. **Governing Law.** The following language is added to the end of Section 17.G of the Franchise Agreement:

Notwithstanding the foregoing, to the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.

3. **Consent to Jurisdiction.** The following language is added to the end of Section 17.H of the Franchise Agreement:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

To the extent required by applicable law, you may bring an action in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the Effective Date stated in the Franchise Agreement.

**SMALLS SLIDERS FRANCHISING
LLC**

By: _____
[]

DATED: _____

FRANCHISE OWNER

**(IF YOU ARE TAKING THE
FRANCHISE AS A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Print Name of Franchisee Entity]

By: _____
[Signature of person signing on behalf of entity]

Title: _____

DATED: _____

**(IF YOU ARE TAKING THE
FRANCHISE INDIVIDUALLY AND
NOT AS A LEGAL ENTITY):**

[Signature of individual franchisee]

Print Name: _____

DATED: _____

[Signature of individual franchisee]

Print Name: _____

DATED: _____

**RIDER TO THE SMALLS SLIDERS FRANCHISING LLC
FRANCHISE AGREEMENT FOR USE IN VIRGINIA**

This Rider (the “**Rider**”) is made and entered into as of the Effective Date as stated in the Franchise Agreement (defined below), by and between SMALL SLIDERS FRANCHISING LLC, a Louisiana limited liability company with its principal business address at 7516 Bluebonnet Blvd., #173, Baton Rouge, Louisiana 70810 (“**we,**” “**us**” or “**our**”), and _____ a _____ whose principal business address is _____ (“**you**” or “**your**”).

We and you are parties to that certain Franchise Agreement that has been signed concurrently with the signing of this Rider (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of Virginia and/or (b) the Restaurant that you will operate under the Franchise Agreement will be located in Virginia.

The following provisions supersede any conflicting provisions in the Franchise Agreement:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act (the “**Virginia Act**”), it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement do not constitute reasonable cause, as that term may be defined in the Virginia Act or the laws of Virginia, that provision may not be enforceable.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the Effective Date stated in the Franchise Agreement.

**SMALLS SLIDERS FRANCHISING
LLC**

By: _____
[]

DATED: _____

FRANCHISE OWNER

**(IF YOU ARE TAKING THE
FRANCHISE AS A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Print Name of Franchisee Entity]

By: _____
[Signature of person signing on behalf of entity]

Title: _____

DATED: _____

**(IF YOU ARE TAKING THE
FRANCHISE INDIVIDUALLY AND
NOT AS A LEGAL ENTITY):**

[Signature of individual franchisee]

Print Name: _____

DATED: _____

[Signature of individual franchisee]

Print Name: _____

DATED: _____

WASHINGTON RIDER TO FRANCHISE AGREEMENT AND RELATED AGREEMENTS

In recognition of the requirements by the Washington Franchise Investment Protection Act and the Rules and Regulations promulgated thereunder (the “Act”), the Franchise Agreement and/or Development Agreement Rider shall be modified as follows:

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

In lieu of an impound of franchise fees, franchisor will not require or accept the payment of any initial franchise fees until you have (a) received all initial training that you are entitled to under the Franchise Agreement or offering circular, and (b) are open for business.

Because franchisor has material pre-opening obligations with respect to each franchised business you open under a Development Agreement Rider to Franchise Agreement, payment of the franchise fee will be released proportionally with respect to each franchise outlet opened and is deferred until franchisor has met all its pre-opening obligations under the Development Agreement Rider to Franchise Agreement and you are open for business with respect to each such location.

RCW 19.100.180 may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the Franchise Agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when annualized, exceed

\$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Except as expressly modified by this Rider, the Franchise Agreement and/or Development Agreement Rider remain in full force and effect.

**SMALLS SLIDERS FRANCHISING
LLC**

By: _____
[]

DATED: _____

FRANCHISE OWNER

**(IF YOU ARE TAKING THE
FRANCHISE AS A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Print Name of Franchisee Entity]

By: _____
[Signature of person signing on behalf of entity]

Title: _____

DATED: _____

**(IF YOU ARE TAKING THE
FRANCHISE INDIVIDUALLY AND
NOT AS A LEGAL ENTITY):**

[Signature of individual franchisee]

Print Name: _____

DATED: _____

[Signature of individual franchisee]

Print Name: _____

DATED: _____

EXHIBIT F – Financial Statements



Smalls Sliders Franchising, LLC

Financial Statements

June 22, 2021 (date of inception)

through September 30, 2021

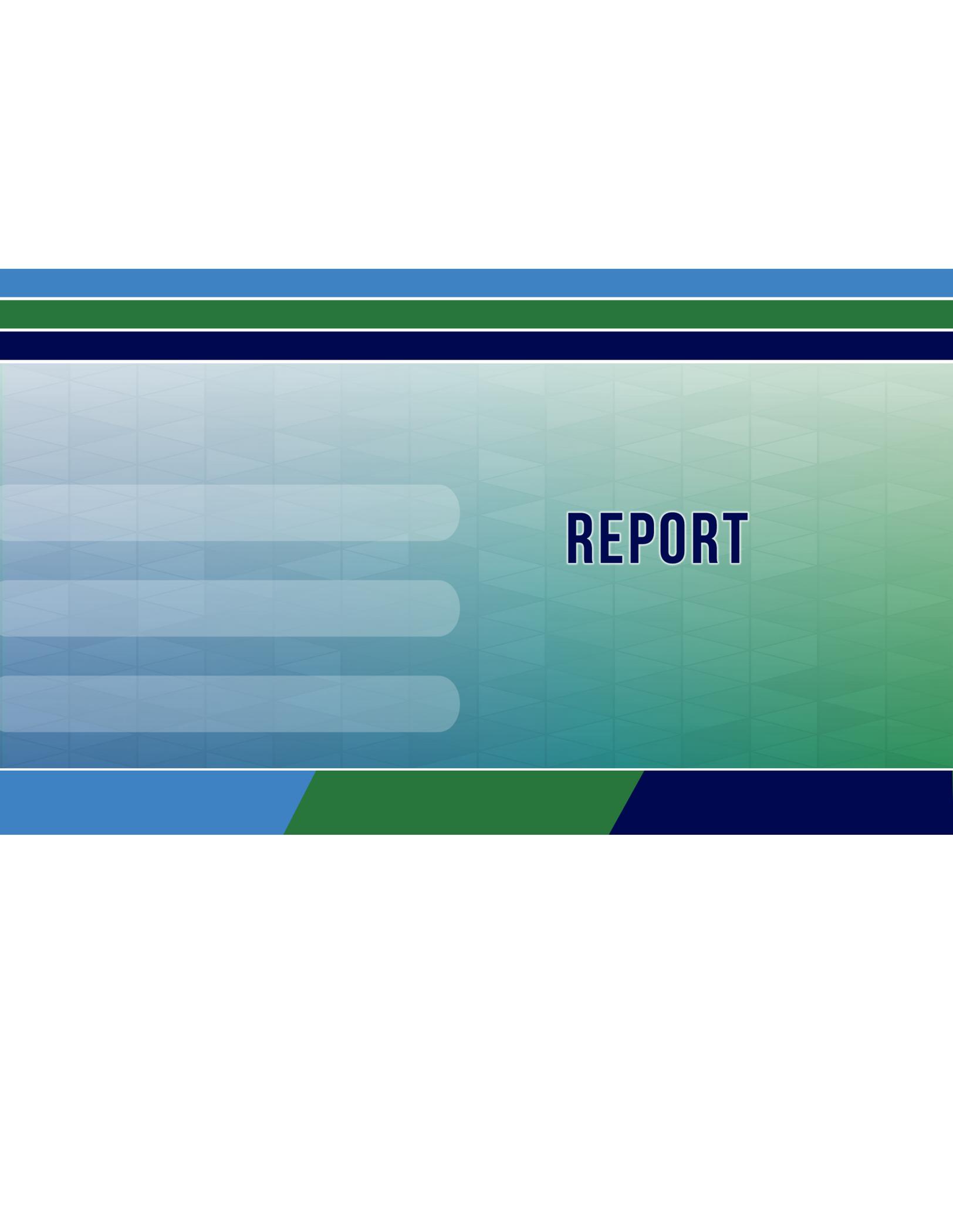


Smalls Sliders Franchising, LLC

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Statement of Income	4
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The image is a report cover with a central graphic area. The background of this area is a gradient from light blue on the left to green on the right, overlaid with a faint geometric pattern of triangles. On the left side of this area, there are three horizontal, rounded rectangular bars in shades of blue. The word "REPORT" is centered in the right half of the graphic area in a bold, dark blue, sans-serif font. The entire graphic is framed by horizontal bands of blue, green, and dark blue at the top and bottom, and a diagonal split of blue, green, and dark blue at the bottom edge.

REPORT



JOSEPH REAGAN, CPA
Partner

KIM REAGAN, CPA
Partner

Independent Auditor's Report

To the Members
Smalls Sliders Franchising, LLC
Baton Rouge, LA

Opinion

We have audited the financial statements of Smalls Sliders Franchising, LLC, which comprise the balance sheet as of September 30, 2021, and the related statements of income, changes in members' equity, and cash flows for the period June 22, 2021 (date of inception) through September 30, 2021, and the related notes to the financial statements.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of Smalls Sliders Franchising, LLC as of September 30, 2021, and the results of its operations and its cash flows for the period June 22, 2021 (date of inception) through September 30, 2021 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statement

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

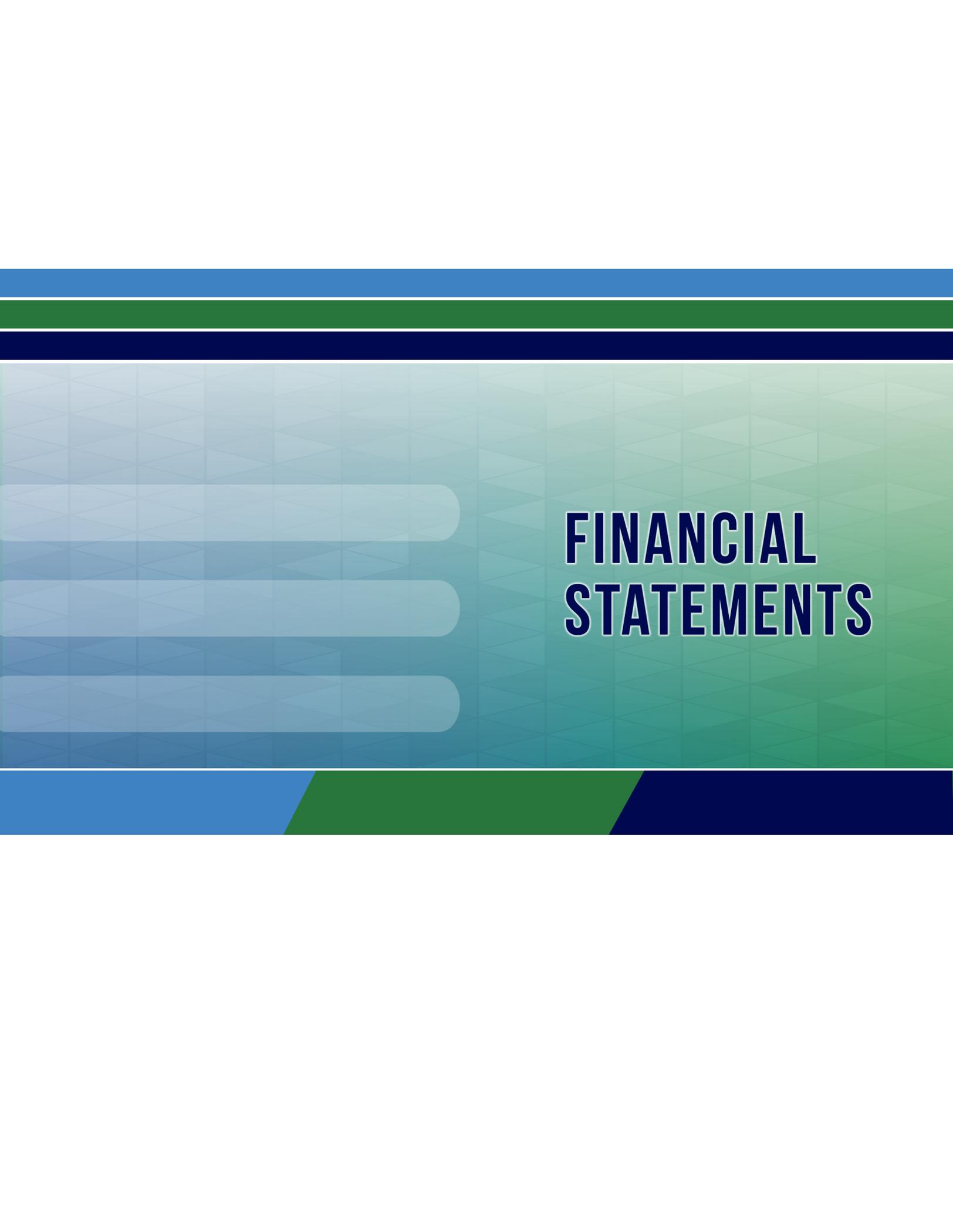
In performing an audit in accordance with GAAS, we:

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

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

Reagan & Reagan CPA, LLC

Covington, LA
January 26, 2022



FINANCIAL STATEMENTS

Smalls Sliders Franchising, LLC

Balance Sheet
September 30, 2021

	<u>9/30/21</u>
ASSETS	
Current assets	
Cash	\$ 519,012
Accounts receivable	6,309
Prepays and other current assets	<u>2,269</u>
Total current assets	527,590
Intangible assets, less accumulated amortization of \$1,263	33,202
Deposits and other assets	<u>2,344</u>
Total assets	\$ <u><u>563,136</u></u>
LIABILITIES AND MEMBERS' EQUITY	
Current liabilities	
Accounts payable	\$ 24,154
Accrued expenses	22,123
Deferred revenue	45,000
Due to affiliates	<u>2,096</u>
Total current liabilities	93,373
Total liabilities	<u>93,373</u>
Members' Equity	<u>469,763</u>
Total liabilities and members' equity	\$ <u><u>563,136</u></u>

See accompanying Notes to Financial Statements and Independent Auditor's Report.

Smalls Sliders Franchising, LLC

Statement of Cash Flows

For the period June 22, 2021 (date of inception) through September 30, 2021

	June 22, 2021 (date of inception) through September 30, 2021
Cash flows from operating activities:	
Net income	\$ 85,298
Adjustments to reconcile net income to net cash (used in) provided by operating activities	
Amortization	1,263
Changes in assets and liabilities	
Deferred revenue	45,000
Accounts receivable	(6,309)
Due from/to affiliates	2,096
Prepaid and other current assets	(2,269)
Deposits and other assets	(2,344)
Accounts payable and accrued expenses	46,277
Net cash provided by operating activities	169,012
Cash flows from investing activities:	
Purchase of intangibles	(34,465)
Net cash used in investing activities	(34,465)
Cash flows from financing activities:	
Member contributions	384,465
Net cash provided by financing activities	384,465
Net increase in cash	519,012
Cash, beginning of period	-
Cash, end of period	\$ 519,012
Supplemental cash flow information:	
Cash paid during the year for interest:	\$ -

See accompanying Notes to Financial Statements and Independent Auditor's Report.

Smalls Sliders Franchising, LLC

Statement of Changes in Members' Equity

For the period June 22, 2021 (date of inception) through September 30, 2021

	Members'
	Equity
	<hr/>
Balance at June 22, 2021 (date of inception)	\$ -
Net income for the period	85,298
Member contributions	<hr/> 384,465
Balance at September 30, 2021	<hr/> <hr/> \$ 469,763

See accompanying Notes to Financial Statements and Independent Auditor's Report.

Smalls Sliders Franchising, LLC

Notes to Financial Statements

For the period June 22, 2021 (date of inception) through September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Smalls Sliders Franchising, LLC (the “Company”) is a Louisiana based limited liability company, formed on June 22, 2021. The Company offers and sells franchises and area development rights throughout the United States of America for the operation of Smalls Sliders Restaurants offering made-to-order sliders, fries, sauces, milkshakes and beverages.

The Company has established its brand through coordinated marketing and operational execution that ensures brand recognition and quality throughout its concept. The concept is further strengthened by its emphasis on operational excellence supported by operating guidelines as well as employee and franchisee training.

Considerations Related to COVID-19

In December 2019, an outbreak of illness caused by a novel coronavirus called COVID-19 (“COVID-19”) was identified in Wuhan, China. On January 31, 2020, the United States declared a public health emergency related to COVID-19 and, on March 11, 2020, the World Health Organization declared that the spread of COVID-19 qualified as a global pandemic. In an attempt to minimize transmission of COVID-19, significant social and economic restrictions have been imposed in the United States and abroad. Though various areas have begun relaxing such precautions, varying levels of restrictions remain in many places and may be increased. In the preparation of these financial statements and related disclosures the Company has assessed the impact that COVID-19 has had on the Company’s estimates, assumptions, forecasts, and accounting policies and made additional disclosures, as necessary. As COVID-19 and its impacts are unprecedented and ever evolving, future events and effects related to the pandemic cannot be determined with precision and actual results could significantly differ from estimates or forecasts.

Basis of Accounting

The Company’s accounts are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Income is recorded when earned and expenses are recorded when incurred.

The Company’s franchise arrangements provide its franchisee entities the power to direct the activities that most significantly impact their economic performance; therefore, the Company does not consider it to be the primary beneficiary of any such entity that might be a variable interest entity.

Fiscal Year

The Company adopted a fiscal year ending on September 30.

Accounting Estimates

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

Cash and Cash Equivalents

The Company continually monitors its positions with, and the credit quality of, the financial institutions in which it maintains its deposits and investments. As of September 30, 2021, the Company maintained

Smalls Sliders Franchising, LLC

Notes to Financial Statements

For the period June 22, 2021 (date of inception) through September 30, 2021

balances in various cash accounts in excess of federally insured limits. All highly liquid instruments purchased with an original maturity of three months or less are considered cash equivalents.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash. The Company places its cash and cash equivalents with high quality financial institutions.

Accounts Receivable

Accounts receivable consists primarily of advertising and franchise royalties and are stated at the amount management expects to collect from outstanding balances. Customer accounts are considered delinquent based upon contractual payment terms. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Intangible Assets

Intangible assets consist of trademarks and branding development. The Company's trademarks are stated at cost and amortized using the straight-line method over a ten-year life. The Company's branding development is stated at cost and amortized using the straight-line method over a seven-year life. The Company tests for impairment of its intangible assets at a minimum, on an annual basis. The Company does not believe that any impairment exists as of September 30, 2021.

Fair Value of Financial Instruments

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. At the balance sheet dates, the fair values of the Company's financial assets and financial liabilities (cash, accounts receivables, prepaids and other assets, amounts due to affiliates, accounts payable, accrued expenses, deposits and deferred revenue) approximate their carrying values.

Revenue Recognition

Revenue is recognized in accordance with a five-step revenue model, as follows: identifying the contract with the customer; identifying the performance obligations in the contract; determining the transaction price; allocating the transaction price to the performance obligations; and recognizing revenue when (or as) the entity satisfies a performance obligation.

Franchise fees and royalties and other related fees

The Company sells individual franchises through franchise agreements with an initial 10-year term. These agreements also convey multiple extension terms, depending on contract terms if certain conditions are met. The Company provides its franchisees system training, preopening assistance, and general assistance in exchange for franchise fees, and royalties of 6% of restaurant sales.

Royalties are accrued as earned and are calculated each period based on reported franchisees' sales.

Smalls Sliders Franchising, LLC

Notes to Financial Statements

For the period June 22, 2021 (date of inception) through September 30, 2021

The Company has determined that all of the initial franchise services are distinct from the continuing rights and services offered during the term of the franchise agreement and therefore, all of the fees are recognized upon the opening of the franchise location. See Note 4.

The Company requires all franchisees to pay a technology fee of \$100 per month and is included in royalties and other related fees in the statement of income.

Advertising fees and related income

The Company's franchise agreements typically require the franchisee to pay continuing advertising fees each reporting period based on a percentage of franchisee gross sales.

Franchise Operations

The Company enters into franchise agreements with unrelated third parties to operate locations using the Smalls Sliders brand within a defined geographical area. The Company believes that franchising is an effective and efficient means to expand the Smalls Sliders brand. The franchisee is required to operate its location in compliance with its franchise agreement that includes adherence to operating and quality control procedures established by the Company.

The Company does not provide loans, leases, or guarantees to the franchisee or the franchisee's employees and vendors. If a franchisee becomes financially distressed, the Company does not provide financial assistance. If financial distress leads to a franchisee's noncompliance with the franchise agreement and the Company elects to terminate the franchise agreement, the Company has the right but not the obligation to acquire the assets of the franchisee at fair value. The Company has financial exposure for the collection of the royalty payments. Franchise fees are paid upon the signing of the related agreements.

Advertising Costs

Advertising costs are treated as period costs and expensed as incurred. During the period June 22, 2021 (date of inception) through September 30, 2021, advertising costs amounted to \$8,990.

Income Taxes

On the date of formation, the Company elected to be treated as a partnership for federal income tax purposes and did not incur income taxes. Instead, its earnings and or losses were included in the personal tax returns of the members.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The guidance in the ASU supersedes the lease guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2020. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Company is currently evaluating the impact of the pending adoption of the new standard on its financial statements.

The Company has reviewed recently issued accounting pronouncements and concluded that they are either not applicable to the operations or that no material effects are expected on its financial statements as a

Smalls Sliders Franchising, LLC

Notes to Financial Statements

For the period June 22, 2021 (date of inception) through September 30, 2021

result of future adoption.

Recently Adopted Accounting Pronouncements

The Company adopted ASC 606 *Revenue from Contracts with Customers* on June 22, 2021 (date of inception). The primary impact of adoption was the enhancement of the Company's disclosures related to contracts with customers and revenue recognized from those performance obligations, which includes revenue related to initial fees charged to franchisees. See Note 4, Revenue Recognition.

Further, the Company implemented internal controls related to the recognition and presentation of the Company's revenues under this new standard.

NOTE 2 – INTANGIBLE ASSETS

Following is a summary of intangible assets at September 30:

	<u>2021</u>
Brand design	\$ 27,110
Trademarks	<u>7,355</u>
	34,465
Less: Accumulated amortization	<u>(1,263)</u>
Net Intangible assets	<u>\$ 33,202</u>

Amortization expense for the period June 22, 2021 (date of inception) through September 30, 2021 was \$1,263. Estimated future amortization expense as of September 30, 2021 is as follows:

Fiscal year ending September 30:	
2022	\$ 3,762
2023	3,762
2024	3,762
2025	3,762
2026	3,762
Thereafter	<u>14,392</u>
Total future amortization expense	<u>\$ 33,202</u>

NOTE 3 – ACCRUED EXPENSES

Following is a summary of accrued expenses at September 30:

	<u>2021</u>
Payroll expenses	\$ <u>22,123</u>
Total accrued liabilities	<u>\$ 22,123</u>

Smalls Sliders Franchising, LLC

Notes to Financial Statements

For the period June 22, 2021 (date of inception) through September 30, 2021

NOTE 4 – REVENUE RECOGNITION

On June 22, 2021 (date of inception), the Company adopted ASC 606, *Revenue from Contracts with Customers* using the modified retrospective method.

ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. In implementing ASC 606, the Company evaluated all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price and recognize revenue.

For each franchised location, the Company enters into a formal franchise agreement that clearly outlines the transaction price, which includes an initial fee and ongoing royalties, marketing fees, and technology fees, and the Company's performance obligations.

Upon evaluation of the five-step process, the Company has determined that this standard does not impact the recognition of royalties, marketing fees, and technology fees from locations operated by a franchisee, which are based on a percentage of gross revenue and recognized at the time the underlying sales occur. ASC 606 does have an effect on the process management uses to evaluate the recognition of the initial franchise fees.

Franchise and Development Fees

The adoption of ASC 606 impacted the Company's process used to evaluate the recognition of the initial franchise fees.

In allocating the transaction price and recognizing the revenue associated with initial franchise fees, the Company has elected to adopt the practical expedient for private company franchisors outlined in ASC 952-606, Franchisors—Revenue from Contracts with Customers. The practical expedient allows franchisors to account for pre-opening services as a single distinct performance obligation. These preopening services include the following:

- Assistance in the selection of a site
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease negotiation
- Training of the franchisee's personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes about local regulations affecting the franchisee's business
- Inspection, testing, and other quality control programs

The Company has determined that the fair value of pre-opening services exceeds the initial franchise fees received; as such, the initial fees are allocated to the pre-opening services, which are recognized as revenue upon commencement of operations.

The Company recognized franchise fee revenue of \$0 for the period June 22, 2021 (date of inception) through September 30, 2021.

At September 30, 2021 the balance of the deferred franchise fees was \$45,000 and is included in deferred revenue on the Balance Sheet.

Smalls Sliders Franchising, LLC

Notes to Financial Statements

For the period June 22, 2021 (date of inception) through September 30, 2021

The Company charges a non-refundable development agreement fee based on the number of locations committed to development. The Company has determined that the non-refundable fee is a separate and distinct performance obligation and as such, is recognized as revenue upon the signing of the Development Agreement Rider outlined in the Franchise Agreement.

The Company recognized development fee revenue of \$195,000 for the period June 22, 2021 (date of inception) through September 30, 2021.

Royalty and Other Related Fees

Upon evaluation of the five-step process, the Company has determined that ASC 606 does not impact the recognition of royalties, marketing fees, and technology fees from locations operated by a franchisee, which are based on a percentage of gross revenue and recognized at the time the underlying sales occur.

Royalties from franchise locations are based on a percentage of restaurant revenue and are recognized in the period the related franchised restaurants' sales occur. For the period June 22, 2021 (date of inception) through September 30, 2021, the Company recognized \$300 in royalty and other related fee revenue.

Advertising Fees

The adoption of the new guidance requires advertising fund contributions and expenditures to be reported on a gross basis in the Statements of Income. Additionally, advertising costs that have been incurred by the Company outside of the advertising funds are also included within selling and marketing expenses in the Statements of Income.

NOTE 5 – RELATED PARTY TRANSACTIONS

The Company occasionally receives money to entities under common control or ownership, for the purpose of funding operations. At September 30, 2021, \$2,096 was due to entities under common control or ownership. The balances owed by the Company are non-interest-bearing, unsecured and due on demand.

One of the affiliate locations in operation as of September 30, 2021 was owned and operated by an entity affiliated through common ownership. For the period June 22, 2021 (date of inception) through September 30, 2021, this location paid advertising contributions of \$6,009 and \$300 in technology contributions and other related fees.

NOTE 6 – LEGAL PROCEEDINGS AND CONTINGENCIES

The Company is subject to legal proceedings, claims and liabilities, which arise in the ordinary course of business relating to matters including, but not limited to, disputes with franchisees, suppliers, employees and customers, as well as disputes over the Company's intellectual property.

NOTE 7 – FAIR VALUE

Disclosure of fair value information about financial instruments, whether or not recognized in the balance sheets is required. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instruments. Therefore, the aggregate fair value amounts presented do not represent the underlying value of the Company.

Smalls Sliders Franchising, LLC

Notes to Financial Statements

For the period June 22, 2021 (date of inception) through September 30, 2021

The recent fair value guidance provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires use of significant judgment. The fair value is a reasonable point within the range that is most representative of fair value under current market conditions. In accordance with this guidance, the Company groups its financial assets and financial liabilities generally measured at fair value in three levels:

Level 1 – Observable inputs such as quoted prices in active markets;

Level 2 – Inputs, other than the quoted prices in active markets that are observable either directly or indirectly; and

Level 3 – Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

At September 30, 2021, the Company did not have any financial assets or liabilities to value.

NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 26, 2022 and determined that there were no items for disclosure.

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 OR HER OPINION WITH REGARD TO THEIR CONTENT OR FORM.



Smalls Sliders Franchising, LLC

Unaudited Financial Statements

June 22, 2021 (date of inception) through December 31, 2021

Smalls Sliders Franchising, LLC

Table of Contents

June 22, 2021 (date of inception) through December 31, 2021

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Balance Sheet.....	2
Statement of Income.....	3
Statement of Cash Flows.....	4
Statement of Changes in Members' Equity.....	5

Board of Directors and Management
Smalls Sliders Franchising, LLC

The accompanying financial statements of Smalls Sliders Franchising, LLC for the period June 22, 2021 through December 31, 2021, were not subjected to an audit, review or compilation engagement by us, and we do not express an opinion, a conclusion, nor provide any assurance on them.

A handwritten signature in black ink, appearing to be the initials 'AS' with a long horizontal stroke extending to the right.

Thibodaux, Louisiana
February 11, 2022

Smalls Sliders Franchising, LLC

Balance Sheet

December 31, 2021

ASSETS

Current assets

Cash	\$ 557,574
Accounts receivable	13,995
Prepays and other current assets	63,245
Total current assets	<u>634,814</u>

Other assets

Intangible assets, less accumulated amortization of \$1,263	33,202
Deposits and other assets	4,620
Total other assets	<u>37,822</u>

Total assets	<u><u>\$ 672,636</u></u>
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LIABILITIES AND MEMBERS' EQUITY

Current liabilities

Accounts payable	\$ 146,826
Accrued expenses	29,305
Deferred revenue	60,000
Due to affiliates	12,105
Total current liabilities	<u>248,236</u>

Total liabilities	248,236
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Members' equity	<u>424,400</u>
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Total liabilities and members' equity	<u><u>\$ 672,636</u></u>
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Smalls Sliders Franchising, LLC

Statement of Income

For the period June 22, 2021 (date of inception) through December 31, 2021

Revenues

Franchise and development fees	\$	210,000
Royalties and other related fees		700
Advertising contributions		13,795
Other income		20
Total revenue		<u>224,515</u>

Expenses

General and administrative		85,660
Payroll and payroll taxes		208,492
Selling and marketing		90,164
Amortization		263
Total expenses		<u>384,579</u>

Net income (loss)	\$	<u><u>(160,064)</u></u>
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Smalls Sliders Franchising, LLC

Statement of Cash Flows

For the period June 22, 2021 (date of inception) through December 31, 2021

Cash flows from operating activities

Net income	\$	(160,064)
Adjustments to reconcile net income to net cash (used in) provided by operating activities		
Amortization		1,263
Changes in assets and liabilities		
Deferred revenue		60,000
Accounts receivable		(13,995)
Due from/to affiliates		12,105
Prepaid and other current assets		(63,245)
Deposits and other assets		(4,620)
Accounts payable and accrued expenses		176,131

Net cash provided by operating activities 167,639

Cash flows from investing activities

Purchase of intangibles		(34,465)
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Net cash used in investing activities (34,465)

Cash flows from financing activities

Member contributions		584,464
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Net cash provided by financing activities 584,464

Net increase in cash 557,574

Cash, beginning of period -

Cash, end of period \$ 557,574

Supplemental cash flow information

Cash paid during the year for interest \$ -

Smalls Sliders Franchising, LLC

Statement of Changes in Members' Equity

For the period June 22, 2021 (date of inception) through December 31, 2021

Balance at June 22, 2021 (date of inception)	\$	-
Net income (loss) from the period		(160,064)
Member contributions		<u>584,464</u>
Balance at December 31, 2021	\$	<u><u>424,400</u></u>

EXHIBIT G – Operations Manual Table of Contents

TABLE OF CONTENTS – OPERATIONS MANUAL

Smalls Operations Manual: The Table of Contents of Smalls Sliders proprietary Operations Manual. The total number of pages in the operations manual is 102.

Smalls Sliders Operations Manual	Table of Contents
Smalls Purpose, Mission, Vision	3
Why Am I Here	5
Expectations	7
Resources / Vendors	10
How to Create Frequent Sliders	17
Food Quality & Safety	20
Onboarding New Team Members	25
New Hire Orientation	30
Hotschedules	40
Inventory Management	43
Labor and Food Cost Control	50
FOH Training Manual	54
BOH Training Manual	67
Property Cleanliness	70
Operational Non-Negotiables	72
Catering Success	75
Service Success	80
Mutual Agreement & Issue Resolution	90
“We Do One Thing” Service	98

EXHIBIT H – Form of General Release

SMALLS SLIDERS FRANCHISING LLC
GRANT OF FRANCHISOR CONSENT AND FRANCHISEE RELEASE

SMALLS SLIDERS FRANCHISING LLC (“we,” “us,” “our,” or “Franchisor”) and the undersigned franchisee, _____ (“you,” “your,” or “Franchisee”), currently are parties to a certain franchise agreement dated _____ (the “Franchise Agreement”). You have asked us to take the following action or to agree to the following request: [insert as appropriate for renewal or transfer situation] _____

_____. We have the right under the Franchise Agreement to obtain a general release from you (and, if applicable, your owners) as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you (and, if applicable, your owners) give us the release and covenant not to sue provided below in this document. You (and, if applicable, your owners) are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, shareholders, members, directors, officers, principals, employees, and affiliated entities (collectively, the “Releasing Parties”), hereby forever release and discharge us and our affiliates, our and their current and former officers, directors, shareholders, principals, employees, agents, representatives, affiliated entities, successors, and assigns (collectively, the “Franchisor Parties”) from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, “Claims”) that you and any of the other Releasing Parties now has, ever had, or, but for this document, hereafter would or could have against any of the Franchisor Parties (1) arising out of or related to the Franchisor Parties’ obligations under the Franchise Agreement or (2) otherwise arising from or related to your and the other Releasing Parties’ relationship, from the beginning of time to the date of your signature below, with any of the Franchisor Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the Franchisor Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity that is not bound by this paragraph.

We also are entitled to a release and covenant not to sue from your owners. By his, her, or their separate signatures below, your transferring owners likewise grant to us the release and covenant not to sue provided above.

[Signature Page Follows]

SMALLS SLIDERS FRANCHISING LLC
a Louisiana limited liability company

By: _____

Title: _____

FRANCHISEE,
a/an _____

By: _____

Title: _____

EXHIBIT I – Lists of Current and Former Franchise Owners

Franchisees with Operating Outlets

None

Franchisees Who Left the System

None

Franchisees with a Signed Franchise Agreement but Outlet Has Not Yet Opened

MRF-Sliders, LLC
Attn: Chris McJunkins
6005 Youree Drive
Shreveport, LA 71105
Phone: (318) 470-9436

Northshore Sliders LLC
Attn: Rocky Gettys
1640 Gause Blvd
Slidell, LA 70458
Phone: (504) 782-0137

MOS Eats LLC
Attn: Dustin Malbrough [(985) 856-1578]; or Josh Son [(985) 804-5579]
305 North Canal Blvd
Thibodaux, LA 70301

EXHIBIT J - Franchisee Disclosure Questionnaire

FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know, Smalls Sliders Franchising LLC and you are preparing to enter into a Franchise Agreement for the operation of a Smalls Sliders Restaurant. In this Franchisee Disclosure Questionnaire, Smalls Sliders Franchising LLC will be referred to as “we” or “us.” The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we did not authorize and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed the Smalls Sliders Franchising LLC Franchise Agreement and each exhibit, addendum and schedule attached to it?
Yes ___ No ___

2. Do you understand all of the information contained in the Franchise Agreement and each exhibit and schedule attached to it?
Yes ___ No ___

If “No”, what parts of the Franchise Agreement do you not understand? (Attach additional pages, if necessary.)

3. Have you received and personally reviewed our Disclosure Document we provided to you?
Yes ___ No ___

4. Do you understand all of the information contained in the Disclosure Document?
Yes ___ No ___

If “No”, what parts of the Disclosure Document do you not understand? (Attach additional pages, if necessary.)

5. Have you discussed the benefits and risks of operating the Smalls Sliders Restaurant with an attorney, accountant or other professional advisor and do you understand those risks?
Yes ___ No ___
6. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of a Smalls Sliders Restaurant that we or our franchisees operate?
Yes ___ No ___
7. Has any employee or other person speaking on our behalf made any statement or promise concerning a Smalls Sliders Restaurant that is contrary to, or different from, the information contained in the Disclosure Document?
Yes ___ No ___
8. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Smalls Sliders Restaurant?
Yes ___ No ___
9. Has any employee or other person speaking on our behalf made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document?
Yes ___ No ___
10. If you have answered “Yes” to any of questions 6 through 9, please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if

EXHIBIT K - State Addenda to Disclosure Document

FOR THE STATE OF CALIFORNIA

The California franchise investment law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Disclosure Document.

The following are added as additional RISK FACTORS to the State Cover Page of the Disclosure Document:

THE TERRITORY IS NOT EXCLUSIVE. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM FRANCHISOR OWNED OUTLETS OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS FRANCHISOR CONTROLS.

THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT CONTAIN PROVISIONS THAT LIMIT FRANCHISEE'S RIGHTS AND MAY NOT BE ENFORCEABLE IN CALIFORNIA INCLUDING BUT NOT LIMITED TO A TIME LIMIT TO RAISE CLAIMS AGAINST THE FRANCHISOR, LIMITATION OF DAMAGES AND WAIVER OF JURY TRIAL.

The row entitled "Interest on overdue amounts" in Item 6 of the Disclosure Document is amended to state that the maximum interest rate in California currently is 10% annually.

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

The Franchise Agreement and Development Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the Franchise and indemnification for the indemnities' own negligence, breach of contract, breach of warranty, and strict liability. These provisions may not be enforceable under California law.

Neither we nor any officer identified in Item 2 of this Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A 78a et seq., suspending or expelling such persons from membership in such association or exchange.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires the application of the laws of Louisiana. This provision may not be enforceable under California law.

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

You must sign a general release if you renew or transfer your Franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California

Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

Website:

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

FOR THE STATE OF ILLINOIS

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Illinois:

Illinois law applies to this transaction and supersedes any conflicting provisions of the Franchise Agreement, to the extent the application of such law is constitutional and is valid as applied.

The provision of Section 17.H of the Franchise Agreement which designates jurisdiction or venue in a forum outside of the State of Illinois shall not be effective for Franchise Agreements entered into in Illinois.

Pursuant to 815 IL 705/41, no release or waiver language set forth in the Franchise Agreement shall relieve us or any other person, directly or indirectly, from liability imposed by the Illinois Franchise Disclosure Act or any other law of the State of Illinois.

FOR THE STATE OF INDIANA

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Indiana:

The laws of the State of Indiana supersede any provisions of this Disclosure Document, the Franchise Agreement, the other agreements or Louisiana law if such provisions are in conflict with Indiana law.

The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as a material breach of the Franchise Agreement, shall supersede the provisions of Section 14 of the Franchise Agreement in the State of Indiana, but only to the extent that may be inconsistent with such prohibition.

Notwithstanding the Franchise Agreement, you recognize that in the event of any use of the System not in accord with that Agreement, we shall be entitled to seek injunctive and other relief.

No release language set forth in the Disclosure Document, Franchise Agreement, or Development Agreement Rider including but limited to Item 17, Sections 3.A(2), 4.A(4), 12.C(9), 13.C or 15.E of the Franchise Agreement, shall relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.

Section 17.G of the Franchise Agreement is amended to provide that such agreement will be construed in accordance with the laws of the State of Indiana.

Any provision in the Disclosure Document, Franchise Agreement, or Development Agreement Rider which designates jurisdiction or venue, or requires franchisee to agree to jurisdiction or venue, in a forum outside of Indiana, may not be enforceable.

The last sentence of Section 17.I (Waiver of Punitive Damages and Jury Trial) of the Franchise Agreement is deleted from all Agreements entered into in Indiana.

FOR THE STATE OF MARYLAND

1. Item 17 is amended by adding the following language after the table:

- (a) You may sue in Maryland for claims arising under the Maryland franchise registration and disclosure law (the “**Maryland Law**”). Any claims arising under the Maryland law must be brought within 3 years after the grant of the franchise.
- (b) The provision in the franchise agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under Federal Bankruptcy Law (11 U.S.C. Section 1010 et seq.)
- (c) Pursuant to COMAR 02.02.08.16L, the General Release required as a condition of renewal, sale and/or transfer does not apply to any liability under the Maryland law.

2. Exhibit J to the Franchise Disclosure Document (Franchisee Questionnaire) is amended by adding the following language:

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration Law.

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

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

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

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

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

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

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

Any questions regarding the notice should be directed to:

State of Michigan
Consumer Protection Division
Attention: Franchise
670 G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48909
Telephone: 517-373-7117

Note: Despite subparagraph (f) above, we intend to enforce fully the provisions of the arbitration section contained in our Franchise Agreement. We believe that subparagraph (f) is unconstitutional and cannot preclude us from enforcing our arbitration section. You acknowledge that we will seek to enforce this section as written.

FOR THE STATE OF MINNESOTA

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Minnesota:

Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, injunctive relief, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, Subdivisions 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement.

No release language set forth in the Franchise Agreement shall relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the state of Minnesota.

Pursuant to Minnesota Statutes, Section 80C.12, Subdivision 1(g), the Franchise Agreement and Item 13 of the Disclosure Document are amended to state that the franchisor will protect the franchisee’s right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of franchisor’s name.

The Item 6 chart row entitled “Insufficient Funds Processing Fee” is replaced with the following to meet the requirements of Minnesota Statute 604.113 regarding the maximum allowable amount of the fee chargeable for insufficient payments:

Insufficient Funds Processing Fee	\$30	Upon billing	Payable if you have insufficient funds in your account, or, if you pay by check, a check is returned for insufficient funds
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FOR THE STATE OF NEW YORK

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of New York:

1. The following paragraphs are added to the end of the State Cover Page:

THIS OFFERING PROSPECTUS IS PROVIDED FOR YOUR OWN PROTECTION AND CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THIS OFFERING PROSPECTUS AND ALL CONTRACTS OR AGREEMENTS SHOULD BE READ CAREFULLY IN THEIR ENTIRETY FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

ALTHOUGH THESE FRANCHISES HAVE BEEN ACCEPTED FOR FILING, SUCH FILING UNDER GENERAL BUSINESS LAW, ARTICLE 33 OF THE STATE OF NEW YORK DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE NEW YORK STATE DEPARTMENT OF LAW THAT THE INFORMATION PROVIDED HEREIN IS TRUE. THE DEPARTMENT'S REVIEW DID NOT INCLUDE A DETAILED EXAMINATION OF THE MATERIALS SUBMITTED. A FALSE, INCOMPLETE, INACCURATE OR MISLEADING STATEMENT MAY CONSTITUTE A VIOLATION OF BOTH FEDERAL AND STATE LAW, AND SHOULD BE REPORTED TO BOTH THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C., 20580 AND THE NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005.

GENERAL BUSINESS LAW, ARTICLE 33 OF THE STATE OF NEW YORK MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE A COPY OF THE OFFERING PROSPECTUS, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE AT THE EARLIER OF (a) THE FIRST PERSONAL MEETING BETWEEN THE FRANCHISOR OR ITS AGENT AND THE PROSPECTIVE FRANCHISEE, (b) AT LEAST TEN BUSINESS DAYS PRIOR TO THE EXECUTION OF A BINDING FRANCHISE OR OTHER AGREEMENT OR (c) AT LEAST TEN BUSINESS DAYS PRIOR TO THE RECEIPT OF ANY CONSIDERATION IN CONNECTION WITH THE SALE OR PROPOSED SALE OF A FRANCHISE.

THE FRANCHISOR MAY NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THIS PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON YOU TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

2. Item 3 is amended by adding the following language to the beginning of such Item:
3. Item 4 is amended by adding the following language to the beginning of such Item:

To the best of our knowledge, except as otherwise disclosed below, neither we, our affiliates, our predecessor, or our officers, during the ten year period immediately before the date of this Disclosure Document:

Has filed as debtor (or had filed against it) a petition to start an action under the United States Bankruptcy Code;

Has obtained a discharge of its debts under the United States Bankruptcy Code; or

Was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the United States Bankruptcy Code or that obtained a discharge of its debts under the United States Bankruptcy Code during or within one year after the officer or general partner of the franchisor held this position in the company or partnership.

4. Item 5 is amended by adding the following new paragraph at the end of the Item:

The initial franchise fee and the development fee paid under the Development Agreement are not used for any specific purpose.

5. Item 11 is amended by adding the following sentence at the end of the Operations Manual section:

We may modify the Operations Manual. However, no change to the Operations Manual will be made which would impose an unreasonable economic burden on you, unreasonably increase your obligations, or materially alter your status or rights under the Franchise Agreement.

6. Item 17 is amended by adding the following language at the beginning of the Item:

THIS TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AND RELATED AGREEMENTS PERTAINING TO RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION. YOU SHOULD READ THESE PROVISIONS IN THE AGREEMENTS ATTACHED TO THIS DISCLOSURE DOCUMENT.

7. Row (d) of Item 17 entitled “Termination by you” is amended by adding the following language to the Summary column:

You may terminate the Agreement on any grounds available by law.

8. Row (j) of Item 17 entitled “Assignment of contract by us” is amended by adding the following to the Summary column:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

9. Row (w) of Item 17 entitled “Choice of law” is amended by adding the following to the Summary Section:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

10. The following is added immediately preceding Item 23:

We represent that this prospectus does not knowingly omit any material fact or contain any untrue statement of a material fact.

FOR THE STATE OF NORTH DAKOTA

1. Following the word “release”: in the Summary column of Item 17 paragraph (c) of this Disclosure Document, the following language is added:

“except for matters coming under the North Dakota Franchise Investment Law (the “**ND Law**”).”

2. Following the word “release”: in the Summary column of Item 17 paragraph (m) of this Disclosure Document, the following language is added:

“except for matters coming under the ND Law.”

3. The Summary column of Item 17 paragraph (r) of this Disclosure Document is modified by adding the following at the end of the sentence:

“Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.”

4. The Summary column of Item 17 paragraph (u) of this Disclosure Document is amended by adding the following at the end of the paragraph:

“except that matters coming under the ND Law will be submitted to mediation in a mutually agreeable location.”

5. The Summary column of Item 17 paragraph (v) of this Disclosure Document is amended to read as follows:

“Except for matters coming under the ND Law, litigation must be in in the state or federal court of competent jurisdiction located closest to our then-current principal business address (currently, Baton Rouge, Louisiana).”

6. The Summary column of Item 17 paragraph (w) of this Disclosure Document is amended to read as follows:

“Except for matters coming under the ND Law, the Federal Arbitration Act and other federal law, Louisiana law governs (subject to state law)”

7. The Franchisee is not required to waive jury trial for any matters coming under ND Law.

FOR THE STATE OF RHODE ISLAND

In recognition of the requirements of the State of Rhode Island Franchise Investment Act (the “Act”), §19-28.1 *et seq.*, the Franchise Disclosure Document submitted by Smalls Sliders Franchising LLC, for use in the State of Rhode Island is amended as follows:

1. Item 17 u.- Dispute resolution by arbitration or mediation shall comply with §19-28.1-21 of the Act - Private civil actions - and be amended to read:
 - (a.) A person who violates any provision of this Act is liable to the franchisee for damages, costs, and attorneys and experts fees. In the case of a violation of §§ 19-28.1-5, 19-28.1-8, or 19-28.1-17(1)-(5), the franchisee may also sue for rescission. No person shall be liable under this section if the defendant proves that the plaintiff knew the facts concerning the violation.
 - (b) Every person who directly or indirectly controls a person liable under this section, every principal executive officer or director of the liable person, every person occupying a similar status or performing similar functions, and every agent or employee of a liable person, who materially aids in the act or transaction constituting the violation, is also liable jointly and severally with and to the same extent as the person liable under this section, unless the agent, employee, officer, or director proves he or she did not know, and in the exercise of reasonable care could not have known of the existence of the fact by reason of which the liability is alleged to exist.
2. Item 17 v. - Choice of forum and Item 17 w. - Choice of law shall comply with § 19-28.1-14 of the Act - Jurisdiction and venue - and be amended to read:

A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.

FOR THE STATE OF VIRGINIA

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Virginia:

1. The following is added to Item 17 h:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act (the "Virginia Act"), it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement and/or the Development Agreement do not constitute reasonable cause, as that term may be defined in the Virginia Act or the laws of Virginia, that provision may not be enforceable.

2. The proposed agreements described in Item 22, including all agreements that a franchisee must sign, are accurately presented in this Disclosure Document.

FOR THE STATE OF WASHINGTON

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act (the “Act”), Chapter 19.100 RCW, prevails.

In lieu of an impound of franchise fees, we will not require or accept the payment of any initial franchise fees until you have (a) received all initial training that you are entitled to under the Franchise Agreement or offering circular, and (b) are open for business.

Section RCW 19.100.180 of the Act, may supersede the franchise agreement in your relationship with us, including the area of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with us including the area of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the Franchise Agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect our reasonable estimated or actual cost in effectuating transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

California	Effective Date:	_____
Hawaii	Effective Date:	_____
Illinois	Effective Date:	_____
Indiana	Effective Date:	_____
Maryland	Effective Date:	_____
Michigan	Effective Date:	_____
Minnesota	Effective Date:	_____
New York	Effective Date:	_____
North Dakota	Effective Date:	_____
Rhode Island	Effective Date:	_____
South Dakota	Effective Date:	_____
Virginia	Effective Date:	_____
Washington	Effective Date:	_____
Wisconsin	Effective Date:	_____

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.

Item 23
RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Smalls Sliders Franchising LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Smalls Sliders Franchising LLC does not deliver this Disclosure Document on time, or if it contains a false or misleading statement or a material omission, then 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 state agency listed on Exhibit A.

The franchisor is Smalls Sliders Franchising LLC, located at 7516 Bluebonnet Blvd., #173, Baton Rouge, Louisiana 70810. Its telephone number is (504) 723-0363.

The franchise seller(s) for this offering is or are:

- Joe Lewis, 7516 Bluebonnet Blvd., #173, Baton Rouge, Louisiana 70810, (504) 723-0363;
- _____.

Issuance Date: February 8, 2022

We authorize the respective state agencies identified on Exhibit B to receive service of process for us in the particular state.

I have received a Disclosure Document dated February 8, 2022 that included the following Exhibits:

Exhibit A	List of State Administrators	Exhibit G	Operations Manual Table of Contents
Exhibit B	List of State Agents for Service of Process	Exhibit H	Sample Form of General Release
Exhibit C	Franchise Agreement	Exhibit I	Lists of Current and Former Franchise Owners
Exhibit D	Development Agreement Rider	Exhibit J	Franchise Owner Disclosure Questionnaire
Exhibit E	State Addenda to Franchise Agreement	Exhibit K	State Addenda to Disclosure Document
Exhibit F	Financial Statements		

Date

(Sign, Date and Return to us, the franchisor)

Prospective Franchisee

Authorized Signature

Item 23
RECEIPT

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If Smalls Sliders Franchising LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Smalls Sliders Franchising, LLC does not deliver this Disclosure Document on time, or if it contains a false or misleading statement or a material omission, then 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 state agency listed on Exhibit A.

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Exhibit E	State Addenda to Franchise Agreement	Exhibit K	State Addenda to Disclosure Document
Exhibit F	Financial Statements		

Date

(Sign, Date and Keep for Your Records)

Prospective Franchisee

Authorized Signature