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FRANCHISE DISCLOSURE DOCUMENT

(Single-Outlet Franchise and Development Rights)

CHEEBURGER CHEEBURGER RESTAURANTS, INC
11595 Kelly Road, Suite 316
Fort Myers, Florida 33908
800-487-6211
bzicari@cheeburger com
www cheeburger com

FRANCHISE DISCLOSURE DOCUMENT

CHEEBURGER CHEEBURGER RESTAURANTS, INC.
a Florida corporation
11595 Kelly Road, Suite 316
Fort Myers, Florida 33908
800-487-6211
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www cheeburger com

The Franchised Business you will own and operate is a restaurant offering gourmet hamburgers, cheeseburgers, french fries, onion rings and milk shakes and other food and beverage products, including beer and wine We have 2 versions of the Cheeburger Cheeburger Franchise – a Traditional Franchised Outlet and a Non-Traditional Franchised Outlet

The total investment necessary to begin operation of a Cheeburger Cheeburger Traditional Franchise ranges from \$193,500 to \$574,000 This includes \$12,000 to \$24,000 that must be paid to us or our affiliate The total investment necessary to begin operation of a Cheeburger Cheeburger Non-Traditional Franchise ranges from \$166,500 to \$418,000 This includes \$12,000 to \$24,000 that must be paid to us or our affiliate

We also offer to certain qualified persons rights to develop a number of Cheeburger Cheeburger Franchises within a given Development Area in accordance with a Development Schedule under a Cheeburger Cheeburger Development Agreement There is no additional Development Fee

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

You may wish to receive this Franchise Disclosure Document in another format, such as a CD or by e-mail that is more convenient for you To discuss the availability of this Franchise Disclosure Document in a different format, contact Bruce Zicari, President at 11595 Kelly Road, Suite 316, Fort Myers, Florida 33908-2568 and 623 846-4713

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

Buying a franchise is a complex investment The information in this Franchise 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 Franchise 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, N W, 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

The date of issuance of this Franchise Disclosure Document is November 1, 2015

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT

Call the state franchise administrator listed in Exhibit B for information about the franchisor or about franchising in your state

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW

Please consider the following RISK FACTORS before you buy this franchise

RISK FACTORS

1 THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT PERMIT YOU TO MEDIATE, ARBITRATE AND/OR LITIGATE WITH CHEEBURGER CHEEBURGER ONLY IN THE STATE OF CHEEBURGER CHEEBURGER'S PRINCIPAL PLACE OF BUSINESS (CURRENTLY LEE COUNTY, FLORIDA) 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 AND/OR LITIGATE WITH CHEEBURGER CHEEBURGER IN THE STATE OF CHEEBURGER CHEEBURGER'S PRINCIPAL PLACE OF BUSINESS THAN IN YOUR HOME STATE

2 THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT STATE THAT FLORIDA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS

3 OF THE 50 FRANCHISED OUTLETS IN BUSINESS AS OF OUR LAST FISCAL YEAR, WE TERMINATED 8 OR 16%

4 OUR AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING AUGUST 31, 2015 REFLECT THAT CURRENT LIAIBLITIES EXCEED CURRENT ASSETS BY $17,387 THIS MAY ENTAIL ADDITIONAL RISK OF FINANCIAL LOSS AND YOU MAY WANT TO TAKE THIS INTO CONSIDERATION WHEN MAKING A DECISION TO PURCHASE THE FRANCHISE OPPORTUNITY

5 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

Effective Date See the next page for state effective dates

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	December 16, 2015
Minnesota	March 2, 2016
New York	December 29, 2015
North Dakota	January 8, 2016
Rhode Island	January 13, 2016
South Dakota	
Virginia	January 29, 2016
Washington	
Wisconsin	

In all the other states, the effective date of this Franchise Disclosure Document is the issuance date of November 1, 2015

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

To sımplıfy the language ın thıs Franchıse Dısclosure Document, "we" and "us" and "our" means Cheeburger Cheeburger Restaurants, Inc , a Florıda corporatıon, the Franchısor The Franchısee ıs the person, persons or Busıness Entıty to whom we grant the rıght to purchase and operate a Franchıse Busıness by sıgnıng the Franchıse Agreement ıncluded ın Exhıbıt D and ıs referred to as "you" and "your " If the Franchısee ıs a Busıness Entıty, each of the equıty owners (the "Franchıse Owners") must sıgn the Guaranty of Franchısee's Oblıgatıons ıncluded ın Exhıbıt G

THE FRANCHISOR, PARENTS AND AFFILIATES

Franchısor The name of the franchısor ıs Cheeburger Cheeburger Restaurants, Inc Our prıncıpal busıness address ıs 11595 Kelly Road, Suıte 316, Fort Myers, Florıda 33908 and our telephone number ıs 800-487-6211

Parent We have no parent corporatıon

Affilıates We have no affilıates that are sellıng franchıses ın any lıne of busıness or that wıll provıde products or servıces to you We currently have 1 affilıate that owns and operates a Company-Owned Outlet ın Frederıcksburg, Vırgınıa

OUR PREDECESSORS

The name of our predecessor was Cheeburger-Cheeburger Systems, Inc , a Florıda corporatıon (the "Predecessor") The Predecessor maıntaıned ıts prıncıpal busıness address at 2413 Perıwınkle Way, Sanıbel Island, Florıda 33957 The Predecessor was ıncorporated on August 10, 1989 and was admınıstratıvely dıssolved on August 23, 1996 The Predecessor offered Cheeburger Cheeburger franchıses from August 10, 1989 through August 1994 The Predecessor never operated a Cheeburger Cheeburger Restaurant and never offered franchıses ın any other lınes of busıness

TRADE NAME

We conduct busıness under the trade name "Cheeburger Cheeburger ®

OUR AGENTS FOR SERVICE OF PROCESS

Our agents for servıce of process ın all states are lısted on Exhıbıt B

TYPE OF BUSINESS ORGANIZATION

We are a Florıda corporatıon ıncorporated on September 26, 1994

OUR BUSINESS AND THE FRANCHISE OFFERED

Our Busıness We were formed for the purpose of offerıng and sellıng Cheeburger Cheeburger Franchıses, and servıcıng, supportıng and admınısterıng all functıons ınherent ın operatıng

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Unless otherwıse defined ın thıs FDD, all capıtalızed terms are defined ın ARTICLE 18 of the Franchıse Agreement attached as Exhıbıt C the System as well as owning and operating, through separate Business Entities, Company-Owned Cheeburger Cheeburger Restaurants

Other Business Activities We have not conducted business in any other line of business and have not offered franchises in any other line of business

Franchise Business The business you will conduct is a restaurant offering gourmet hamburgers, cheeseburgers, french fries, onion rings and milk shakes and other food and beverage products, including beer and wine We have 2 versions of the Cheeburger Cheeburger Franchise – a Traditional Franchised Outlet and a Non-Traditional Franchised Outlet The Traditional Franchised Outlets are full-service, sit down restaurants A Traditional Franchised Outlet is located in approximately 1,600 to 3,000 square feet offering our standard menu and servers A Non-Traditional Franchised Outlet is located in approximately 1,600 to 2,200 square feet and uses a slightly less comprehensive menu where a customer orders at the counter and picks up the order Non-Traditional Franchised Outlets are usually located at non-traditional venues such as enclosed malls, airports, colleges, toll road facilities or other venues where it is necessary to be a contract or institutional feeder to open a Cheeburger Cheeburger Non-Traditional Franchised Outlet

Development Rights. In addition to the single-Outlet Cheeburger Cheeburger Franchise discussed above, we offer to certain qualified persons rights to develop a number of Cheeburger Cheeburger Franchises within a specified Development Area in accordance with a Development Schedule to be negotiated by the parties under a Cheeburger Cheeburger Development Agreement, a copy of which is included as Exhibit I – Development Agreement. We grant to you the right to open and operate Franchised Outlets within the Development Area Non-Traditional Franchised Outlets and locations are excluded from your Development Agreement and the Development Area For the perimeter of the Development Area, you agree that you will not select a site that is within the Limited Protected Territory of a Company-Owned Outlet or Franchised Outlet that is operating or under construction We agree not to open a Company-Owned Outlet or a Franchised Outlet within the Limited Protected Territory of any of your Franchised Outlets even if the Limited Protected Territory extends outside the Development Area The only initial payment due under the Development Agreement is the payment of the Initial Franchise Fee for the first Cheeburger Cheeburger Franchise For each Cheeburger Cheeburger Franchise developed, you must sign our then-current form of Cheeburger Cheeburger Franchise Agreement and pay the Initial Franchise Fee at the time you sign a lease If you fail to timely achieve this development schedule, you lose all development rights We will then have the right to reassign these development rights to another party or we may retain these rights You may keep your Franchised Outlets then developed or under construction, provided you are not in default under the Franchise Agreements The material terms of the then-current form of Cheeburger Cheeburger Franchise Agreement may vary substantially from the Cheeburger Cheeburger Franchise Agreement contained in Exhibit C to this Franchise Disclosure Document You must purchase your first Franchise Business when you sign the Development Agreement and the Franchise Agreement If you are not purchasing Development Rights, you can ignore Exhibit I and the provisions of this Franchise Disclosure Document involving Development Rights

Contract Feeders. We have granted Cheeburger Cheeburger Franchises to contract feeders and will continue to do so in the future These franchisees are usually large publicly-held companies that operate multiple franchised and captive brands Contract feeders include such companies as Aramark, Delaware North, Marriott Host, Centerplate and OTG These franchisees operate in non-traditional venues such as turnpike facilities, sports facilities, airports and college campuses In these instances, due to the nature of the franchisee and the venue, certain of the provisions of the Cheeburger Cheeburger Franchise Agreement are modified such as paying royalties monthly, payment for marketing materials but no advertising contributions, elimination of our right of first refusal, our obligation for site selection and assistance and the covenants not to compete

General Market. The general market for the product or service to be offered by you is the general public

Industry-Specific Laws or Regulations We are not aware of any laws or regulations specific to the operation of a Franchise Business that do not apply to other businesses generally or to other restaurant establishments In addition to laws that apply to all businesses generally, you have to comply with laws specifically governing food service businesses and laws governing the retail sale of alcoholic beverages These laws generally require that, in order to qualify for obtaining a beer and wine license, the owner of the license must be of good moral character and at least 21 years of age Corporate license holders must have all officers be of good moral character and at least 21 years of age In addition, beer and wine licenses are generally not issued to any person who has been convicted of any offense against any state's or the federal government's beverage laws or been convicted of prostitution-related offenses, disorderly conduct, drug offenses, etc Officers of corporate license holders must also be free of these convictions In addition, persons or corporations who have previously had a liquor license revoked or suspended will not generally qualify for the issuance of a beer and wine license We do not accept responsibility for your failure to obtain a beer and wine license If you fail to obtain a beer and wine license, we have no obligation to refund any fees you have paid to us other than as stated in your Franchise Agreement. There may be other laws in your state addressing food-service establishments, such as requirements for restrooms, food preparation, sanitation, etc You acknowledge that (i) federal, state and local governments administer and enforce regulations that include standards, specifications and requirements for the construction and maintenance of your Premises including compliance with the Americans With Disabilities Act and state disabilities laws, fire safety, general emergency procedures, and customer/employee safety regulations, and, specifications and requirements that govern food preparation and health and restaurant sanitary conditions, (ii) OSHA and health regulations as well as state and local safety and workplace regulations may impact the types of safety training, safety devices, and safety equipment you must make available to or must offer your employees, (iii) the U S Food & Drug Administration, the U S Department of Agriculture, and state and local health departments administer and enforce regulations related to the storage and disposal of waste, cleaning supplies, and other hazardous materials, (iv) the Federal Clean Air Act and various state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide and particles (v) certain state and local governments have also adopted proposals that regulate indoor air quality, including no smoking policies, (vi) there are federal and state product liability and product warranty laws and (vii) you must comply with all city, state, county and federal laws, regulations and licensing requirements related to the offer and sale of beer and wine at the Franchise Business You are responsible for compliance with these laws and any other applicable law You should inquire with your attorney, accountant and the state and local authorities to ensure that your Franchise Business complies with all applicable laws and regulations

Competition You will have to compete with other businesses selling similar products and services Competitors include Red Robin, Chilis, Five Guys, Houlihan's, Fuddruckers, Outback, Johnny Rockets and other similar theme restaurants

PRIOR BUSINESS EXPERIENCE

Cheeburger Cheeburger of America, Inc, a Florida corporation (related to us by common ownership) conducted a business of the type you will operate from 1986 to 1989 located at 2413 Periwinkle Way, Sanibel Island, Florida 33957 Bruce Zicari, our Chairman of the Board and CEO, then owned and operated the Cheeburger Cheeburger Restaurant located at 2413 Periwinkle Way, Sanibel Island, Florida 33957 from August 1989 to July 2005 From 1997 to 2005, Advanced Restaurant Systems, Inc (our wholly owned subsidiary) ran the Las Olas Boulevard, Fort Lauderdale, Florida Company-Owned Outlet when it was relocated to Sanibel Island, Florida and continues to operate In February 2011, the stock ownership in Advanced Restaurant Systems, Inc was sold to Kris Van Olst and the Cheeburger Cheeburger Franchise is now operated as a Franchised Outlet We began selling franchises in September 1994 We are not in any other line of business, except for the sale of the type of franchises offered under this Franchise Disclosure Document and through separate 'Business Entities the ownership and operation of Company-Owned Cheeburger Cheeburger Restaurants

ITEM 2 - BUSINESS EXPERIENCE

Bruce Zicari, Sole Director, President and Chief Executive Officer

Mr Zicari has served as our sole Director and Chief Executive Officer from our inception in 1994 to the present Mr Zicari also assumed the office of President on August 16, 2014 Mr Zicari also served as the Chairman of the Board of Directors of the Predecessor since its inception on August 10, 1989 He is also the sole director of the affiliate He is located in Clayton, New York and Boca Raton, Florida

William Connery, Vice President

Mr Connery became our Vice President in August 2014 He was our Director of Franchise Relations since June 2001 until August 2015 and our Director of Real Estate from October 2013 to August 2015 He is located in Norcross, Georgia

Charles Eich, Director of Operations

Mr Eich has been our Director of Operations since November 1, 2015 Since November 2003 he has been a multi-unit owner of 4 Cheeburger Cheeburger Restaurants located Auburn, Alabama, Dothan Alabama, Enterprise, Alabama and Chattanooga, Tennessee He is located in Chattanooga, Tennessee

Kimberly Waits, Secretary/Treasurer

Ms Waits has served as our Secretary/Treasurer since August 2014 Since 1998, Ms Waits has been our Office Manager She is located in Fort Myers, Florida

Eugene A. Rees, Director of Design

Mr Rees has been our Director of Design since March 1, 1995 He is located in Monaca, Pennsylvania Mr Rees is an independent contractor

Bob Wright, Director of Marketing

Mr Wright has been our Director of Marketing since November 1997 He is located in Snowmass, Colorado Mr Wright is an independent contractor

William Petsos, Director of Franchise Sales

Mr Petsos was our Director of Operations for Cheeburger Cheeburger Express from May 2009 to November 2015 when he was appointed to be our Director of Franchise Sales He is located at Fort Myers, Florida

Sheryl Empert, Director of Training

Sheryl Empert has been employed as our Store Opening Supervisor/Operations from January 2007 to October 2015 In October 2015 she was promoted to be our Director of Training She is located at Fort Myers, Florida

Bruce Colvin, Director of Purchasing and Vendor Relationships

Mr Colvin has been in our Director of of Purchasing and Vendor Relationships in February 2015 He was our Field Marketing from October 2014 to February 2015 From June 2003 to September 2014, Mr Colvin was Senior Operations Director – Franchise and Development for Mid-Atlantic Hospitality Group ("MAHG") located in Middleton, Delaware On behalf of MAHG, he was Director of Operations to HLC BurgerPlace from May 2013 to July 2014 On behalf of MAHG, he was Director of Franchise Operations for RCNY Restaurants, an Arby's franchisee from April 2009 to January 2011 He is currently located in Chestertown, Maryland

ITEM 3 - LITIGATION

PRIOR ACTIONS LAST 10 YEARS

Spartan Holdco, LLC, a Delaware limited liability company v Cheeburger Cheeburger Restaurants, Inc, a Florida corporation, In the Circuit Court of the Twelfth Judicial Circuit in and for Lee County, Florida, Case Number 1-CA04114 On December 16, 2011, Spartan Holdco, LLC, ("Spartan Holdco") as the alleged assignee/franchisee of BWAY, LLC, a New York limited liability company ("BWAY"), filed suit alleging that we breached the September 30, 2004 Cheeburger Cheeburger Franchise Agreement between us and BWAY for a Cheeburger Cheeburger Franchise located in the Rochester International Ferry Terminal in Rochester, New York by awarding a Cheeburger Cheeburger Franchise to a third party to be located in Camillus, New York, approximately 80 miles away from Plaintiff's location and by our failing to spend 75% of the Plaintiff's Advertising Contributions within the Plaintiff's Protected Territory The lawsuit contains claims for breach of contract and declaratory judgment based on the Plaintiff's allegations that it received an "exclusive territory" for 15 counties in Western New York under the Franchise Agreement rather than a 2-mile radius disclosed in our Franchise Disclosure Document We disputed the Plaintiff's allegations and its interpretation of the Franchise Agreement including the inconsistency was created by a scrivener's error and because the 15-county Development Rights were lawfully terminated by us The Plaintiff admitted it suffered no loss of sales due to the operation of the Camillus Franchise The parties agreed to amicably resolve the litigation and entered into a Settlement Agreement on June 1, 2013 In exchange for a full general release and for the Plaintiff to dismiss the litigation with prejudice, we agreed to (i) provide the Plaintiff with a larger than typical protected territory, (ii) grant the Plaintiff with the right to develop additional Cheeeburger Cheeburger Restaurants within the 15-County Protected Territory at a discount, (iii) reduce the Plaintiff's royalty rate if it enters a renewal franchise agreement, (iv) share royalties and franchises fees collected from Franchised Outlets located in the 15-county Protected Territory, and (v) pay the Plaintiff $240,000 from royalties received from all Franchised Outlets operating in the 15-county Protected Territory or, if none, pursuant to the terms of a promissory note

In the Matter of Cheeburger Cheeburger Restaurants, Inc, Case No 2004-0469, Administrative Proceeding before the Securities Commission of Maryland On January 28, 2005, we entered into a Consent Order with the State of Maryland relating to our sale of 5 franchises in the State of Maryland at a time when our franchise registration in Maryland had elapsed We agreed to permanently cease and desist from the offer and sale of franchises in violation of the Maryland Franchise Law No fine was imposed We must be registered before we can sell franchises in the State of Maryland

Other than these 2 actions, no litigation is required to be disclosed in this ITEM

ITEM 4 - BANKRUPTCY

No bankruptcy is required to be disclosed in this ITEM

ITEM 5 - INITIAL FEES

INITIAL FRANCHISE FEE

The Initial Franchise Fee for either a single Traditional Franchised Outlet or a Non-Traditional Franchised Outlet is $24,000 The Initial Franchise Fee is payable to us in full upon signing your Franchise Agreement. The Initial Franchise Fee is fully earned and non-refundable upon signing your Franchise Agreement The Initial Franchise Fee is uniform as to Franchisees currently purchasing a Franchise

VETFRAN DISCOUNT

We are a member of the International Franchise Association ("IFA") and we participate in the IFA's VetFran Program If you are an honorably discharged veteran and you meet our qualifications for purchasing a Cheeburger Cheeburger Franchise, we will discount the Initial Franchise Fee by 50% ($12,000) for either a Traditional Franchised Outlet or a Non-Traditional Franchised Outlet

DEVELOPMENT FEE

There is no Development Fee or other initial payment for the purchase of Development Rights We and you will negotiate the Development Area, the number of Franchised Outlets you will develop and a schedule of development You do not have to pay all Initial Franchise Fees for all Franchised Outlets to be developed at the time you sign the Development Agreement attached as Exhibit I At that time you sign a Franchise Agreement for the first Franchised Outlet to be developed and pay the Initial Franchise Fee of $24,000 When you sign a lease for the second or more location that we have approved, you must sign our then-current form of Franchise Agreement including the payment of our then-current Initial Franchise Fee

ITEM 6 - OTHER FEES

FRANCHISE AGREEMENT

Column 1 **Name of Fee**	Column 2 **Amount**	Column 3 **Due Date**	Column 4 **Remarks**
Royalty Fee[1]	5% of weekly Gross Revenues	By Thursday for previous calendar week	"Gross Revenues" means the entire amount of all your revenues from the ownership or operation of your Cheeburger Cheeburger Franchise or any business at or about the Premises, whether the revenues are evidenced by cash, credit, checks, gift certificates, scrip, food stamps, coupons and premiums (unless exempted by us), services, property or other means of exchange, excepting only the amount of any sales taxes that are collected and paid to the taxing authority Gross Revenues are deemed received at the time the goods, products, merchandise or services from which they derive are delivered or rendered or at the time the relevant sale takes place, whichever occurs first Gross Revenues consisting of property or services (for example, "bartering" or "trade outs") are valued at the prices applicable, at the time the Gross Revenues are received, to the products or services exchanged for the Gross Revenues
Advertising Contributions to the Advertising and Development Fund[1]	Up to 2% of weekly Gross Revenues (currently 1%)	By Thursday for previous calendar week	"Gross Revenues" is defined above under Royalty Fee
Regional Cooperative Advertising[2]	As the Cooperative determines (not more than 2% of monthly Gross Revenues)	As the Cooperative determines	We have no Regional Advertising Cooperatives established at this time
Training Fees[1]	Not Applicable	Not Applicable	You are solely responsible for all travel, meals and lodging costs for your attendees There is no limit on the number of employees who may attend Basic Management Training However, you are required to send at least 3 employees for Basic Management Training

Column 1 **Name of Fee**	Column 2 **Amount**	Column 3 **Due Date**	Column 4 **Remarks**
Fees for Special Assistance[1]	As set by us equal to our costs to provide this assistance	Immediately upon receipt of invoice	If you request, we will furnish non-routine guidance and assistance to address your unusual or unique operating problems at reasonable per diem fees, charges and out-of-pocket expenses we establish
Insurance Coverage[1]	Cost of the insurance	Immediately upon receipt of invoice	If you fail to maintain the insurance required by your Franchise Agreement, we may obtain the required insurance and charge you the cost of the insurance
Reimbursement of Audit Costs[1]	Actual cost to us	Immediately upon receipt of invoice	We have the right to audit your books and records and conduct a physical inventory If any inspection discloses an understatement of any reported amount of any type, in any report, of 2% or more, you will, in addition to paying us the amount of the understatement, reimburse us for all expenses of the audit (including reasonable accounting and attorneys' fees and costs)
Supplier Approval Cost[1]	Actual Costs to Us (up to $1,000)	Immediately upon receipt of invoice	You will pay a charge not to exceed the reasonable cost of the inspection and the actual cost of the testing (not to exceed $1,000)
Deficiencies[1]	Actual cost to us	Immediately upon receipt of invoice	If you do not satisfy your obligations under your Franchise Agreement, we may perform your obligations for you and you must reimburse us for its costs
Transfer Fee[1]	50% of the then-current Initial Franchise Fee	At the time of transfer	To reimburse us for our legal, administrative and other costs, and as a fee in the exercise of this option, you will pay a Transfer Fee equal to 50% of the Initial Franchise Fee we are then charging for new franchises within the System If the transferee is a wholly owned corporation, spouse, son or daughter of the transferor, there is no Transfer Fee
Fee for Lost Manuals[1]	$200 for each Manual	Immediately upon receipt of invoice	Upon the theft, loss or destruction of any of the Manuals, a replacement copy will be loaned to you at a fee of $200 for each Manual A partial loss or failure to update any Manual is considered a complete loss

Column 1 **Name of Fee**	Column 2 **Amount**	Column 3 **Due Date**	Column 4 **Remarks**
Interest on Late Payments[1]	The lesser of (i) 10% per annum, or (ii) the maximum rate of interest permitted by law	Immediately upon receipt of invoice	If any payment under the Franchise Agreement or any other agreement between you and us for your Cheeburger Cheeburger Franchise is overdue for any reason, except for our failure to access your operating account when sufficient funds were in the operating account and the Payment System was in effect, you must pay to us, on demand, in addition to the overdue amount, interest on the overdue amount from the date it was due until paid
Our Attorneys' Fees[1]	As incurred	Immediately upon receipt of invoice	If after the Franchise Agreement is signed (i) you request our written consent to any action of yours, or (ii) we have our attorney prepare a letter, notice of default or notice of termination to you, you agree to reimburse us for our attorneys' fees and costs
Liquidated Damages for Sale of Prohibited Products or Services[1 and 3]	$200 per day in which unauthorized products or services are offered	Immediately upon receipt of invoice	You agree that the offer to sell or the sale of unauthorized or prohibited products and services will result in damages to us, that you agree to be measured as being $200 for each day of the prohibited offer or sale
Liquidated Damages for Violation of Covenant Not to Compete[1 and 3]	$1,000 per week	Immediately upon receipt of invoice	In addition to our right to seek injunctive relief, if you compete with us, directly or indirectly, including conspiring with a family member or third party, in violation the Franchise Agreement, we have the right to require that you report to us all sales made by the Competitive Business and pay us liquidated damages without deeming to have modified the Franchise Agreement
Liquidated Damages for Premature Termination [1and 3]	A lump sum equal to the total of all Royalty Fees and Advertising Contributions for 36 months	Immediately upon receipt of invoice	This amount is due if you default under your Cheeburger Cheeburger Franchise Agreement in lieu of us having to sue and prove our actual damages

Column 1 **Name of Fee**	Column 2 **Amount**	Column 3 **Due Date**	Column 4 **Remarks**
Indemnification[1]	Actual cost to us	Immediately upon receipt of invoice	You indemnify and hold harmless us from all damages (including reasonable attorneys' fees and costs, even if incident to appellate, post judgment or bankruptcy proceedings), from claims brought by third parties involving your ownership or operation of your Cheeburger Cheeburger Franchise unless caused by our gross negligence or intentional misconduct This indemnity obligation continues in full effect after the expiration or termination of your Franchise Agreement and/or Development Agreement
Enforcement Costs[1]	Actual cost to us	Immediately upon receipt of invoice	If any arbitration, legal action or other proceeding is filed for the enforcement of your Franchise Agreement, or because of an alleged dispute, breach, default or misrepresentation in any provision of your Franchise Agreement and/or Development Agreement, the successful or prevailing party is entitled to recover reasonable pre-institution and post-institution attorneys' fees, court costs and all expenses even if not taxable as court costs If we engage legal counsel for your failure to pay when due any monies owed under your Franchise Agreement and/or Development Agreement or submit when due any reports, information or supporting records, or for any failure otherwise to comply with your Franchise Agreement and/or Development Agreement, you must reimburse we for all of the Enforcement Costs we incur

1 This fee is payable to us

2 This fee is payable to the Cooperative of which you are a member

3 Minnesota and North Dakota have statutes that restrict or prohibit the imposition of liquidated damages provisions Fair practice laws, contract law and state and federal court decisions also restrict the imposition of liquidated damages

PAYMENTS BY EFT

We will make your payments by a Payment System by pre-authorized transfers from your operating account using special checks or electronic funds transfer that we will process at the time any payment is due including the Royalty Fee and the Advertising Contributions

DEVELOPMENT AGREEMENT

Name of Fee	Amount	Due Date	Remarks
Interest on Late Payments[1]	The lesser of (i) 18% per annum, or (ii) the maximum rate of interest permitted by law	Immediately upon receipt of invoice	If any payment under your Development Agreement or any other agreement between you and us or our Affiliates is overdue for any reason, you must pay to us, on demand, in addition to the overdue amount, interest on the overdue amount from the date it was due until paid
Late Charge[1]	$100	Immediately upon receipt of invoice	You will pay a late charge for each payment that is more than 10 days overdue to cover our administrative costs in dealing with the late payment
Indemnification	Actual cost to us	Immediately upon receipt of invoice	You indemnify and hold us harmless from all damages (including reasonable attorneys' fees and costs, even if incident to appellate, post judgment or bankruptcy proceedings), from claims brought by third parties involving your ownership or operation of your Franchise This indemnity obligation continues in full effect after the expiration or termination of your Development Agreement
Enforcement Costs	Actual cost to us	Immediately upon receipt of invoice	If any arbitration, legal action or other proceeding is begun for the enforcement of your Development Agreement, or for an alleged dispute, breach, default or misrepresentation under any provision of your Development Agreement, the prevailing party is entitled to recover reasonable pre-institution and post-institution attorneys' fees, court costs and all expenses even if not taxable as court costs If we engage legal counsel for your failure to pay when due any monies owed under your Development Agreement or submit when due any reports, information or supporting records, or for any failure otherwise to comply with your

Name of Fee	Amount	Due Date	Remarks
			Development Agreement, you must reimburse us for all of the Enforcement Costs we incur

[1] This fee is payable to us

REFUNDABILITY

All fees are nonrefundable

UNIFORMITY

The expenses in this ITEM are uniform to all persons currently offered a Cheeburger Cheeburger Franchise

ADVERTISING COOPERATIVES

We currently have no Advertising Cooperatives established Once formed, Company-Owned Outlets within the applicable Area of Dominate Influence ("ADI)" will have the same voting power as Franchised Outlets on all matters including fees An ADI an Area of Dominant Influence, and is a geographic survey area created and defined by Arbitron based on measurable patterns of television viewing

ITEM 7 -ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT - TRADITIONAL FRANCHISED OUTLET

Expense	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee[1]	$12,000 to $24,000	Lump Sum	On signing Franchise Agreement	Franchisor
Grand Opening Advertising[2]	$4,000 to $5,000	As Incurred	On beginning business	Third Parties
Office and Store Supplies[3]	$3,000 to $4,000	Lump Sum	Before beginning business	Third Party
Opening Inventory[4]	$10,500 to $12,000	Lump Sum	Before beginning business	Suppliers
Insurance[5] Deposit	$2,000 to $4,000	Lump Sum	Before beginning business	Third Party

Expense	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Signage[6]	$6,500 to $10,500	Lump Sum	Before beginning business	Third Party
Furniture, Fixtures, Equipment and Decor[7]	$40,000 to $155,000	Lump Sum	Before beginning business	Third Party
Prepaid Rent and Security Deposit[8]	$3,000 to $8,000	As Incurred	Before beginning business	Per agreement with landlord
Leasehold Improvements[9]	$75,000 to $280,000	As Incurred	Before beginning business	Various contractors/ Suppliers
Utility Deposits[10]	$1,000 to $3,000	Lump Sum	Before beginning business	Landlord and utility companies
Impact Fees[11]	$-0- to $8,000	Lump Sum	Before beginning business	Governmental authorities
Licenses and Permits[12]	$1,000 to $3,000	Lump Sum	Before beginning business	Governmental authorities
Fictitious Name Registration and/or Incorporation and Legal Review[13]	$1,000 to $3,000	Lump Sum	Before beginning business	Third Party
Travel, Lodging, Meals, Etc for Initial Training[14]	$5,000 to $8,000	As Incurred	Before beginning business	Third Party
P O S System[15]	$15,000 to $25,000	As Incurred	Before Beginning Business	Third Party
Store Personnel Pre- Opening Training[16]	$7,500 to $8,500	As Incurred	Before Beginning Business	Employees
Miscellaneous Start-up Costs[17]	$2,000 to $3,000	As Incurred	Before beginning business	Third Parties
Additional Funds[18] (6 months)	$5,000 to $10,000	As Incurred	Before Beginning Business and after opening	Third Parties
TOTALS	**$193,500 to $574,000**			

YOUR ESTIMATED INITIAL INVESTMENT - NON-TRADITIONAL FRANCHISED OUTLET

Expense	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee[1]	$12,000 to $24,000	Lump Sum	On signing Franchise Agreement	Franchisor
Grand Opening Advertising[2]	$3,000 to $5,000	As Incurred	On beginning business	Third Parties
Office and Store Supplies[3]	$2,000 to $4,000	Lump Sum	Before beginning business	Third Party
Opening Inventory[4]	$8,000	Lump Sum	Before beginning business	Suppliers
Insurance[5] Deposit	$1,500 to $3,000	Lump Sum	Before beginning business	Third Party
Signage[6]	$4,000 to $5,000	Lump Sum	Before beginning business	Third Party
Furniture, Fixtures, Equipment and Decor[7]	$30,000 to $115,000	Lump Sum	Before beginning business	Third Party
Prepaid Rent and Security Deposit[8]	$2,000 to $4,000	As Incurred	Before beginning business	Per agreement with landlord
Leasehold Improvements[9]	$75,000 to $190,000	As Incurred	Before beginning business	Various contractors/ Suppliers
Utility Deposits[10]	$1,000 to $3,000	Lump Sum	Before beginning business	Landlord and utility companies
Impact Fees[11]	$-0- to $8,000	Lump Sum	Before beginning business	Governmental authorities
Licenses and Permits[12]	$1,000 to $3,000	Lump Sum	Before beginning business	Governmental authorities
Fictitious Name Registration and/or Incorporation and Legal Review[13]	$1,000 to $3,000	Lump Sum	Before beginning business	Third Party
Travel, Lodging, Meals, Etc for Initial Training[14]	$5,000 to $8,000	As Incurred	Before beginning business	Third Party

Expense	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
P O S System[15]	$10,000 to $15,000	As Incurred	Before Beginning Business	Third Party
Store Personnel Pre- Opening Training[16]	$5,000 to $7,000	As Incurred	Before Beginning Business	Employees
Miscellaneous Start-up Costs[17]	$1,000 to $3,000	As Incurred	Before beginning business	Third Parties
Additional Funds[18] (6 months)	$5,000 to $10,000	As Incurred	Before Beginning Business and after opening	Third Parties
TOTALS	**$166,500 to $418,000**			

1/ See ITEM 5 for a description of the Initial Franchise Fee

2/ We feel strongly that a retail operation should enter the market in an aggressive way to minimize early lack of awareness of the Cheeburger Cheeburger Franchise among large numbers of consumers in the local trade area Grand opening activities vary greatly based upon the nature of the events you elect and the local rates for services selected, for example, printing and advertising We feel that $4,000 to $5,000 is sufficient to create awareness using advertising in a targeted fashion and sets this amount as the minimum Included in this amount is food products used for initial promotional activities You are required to use our advertising agency, which we provide to you free of charge

3/ We will only allow office and store supplies that support the image and positioning of the System in the marketplace Supplies of this nature include the format, type, decoration and style as they relate to store and office supplies, particularly in the area of stationery, paper goods, boxes, bags and forms You agree to the importance of image and positioning to the System and agree to use only the supplies we specify or otherwise approve These costs are established based upon our estimate of the initial supplies The results range from $2,000 to $4,000

4/ We retain the right to change the minimum and maximum levels in response to our perceptions of changing market conditions The minimum inventory may fluctuate as a function of seasonal sales variations as reflected by industry trends and the local market causing the initial inventory investment to be greater A dollar amount is not the primary determinant of the size of the inventory We work with you to establish and balance inventories

5/ As discussed in ITEM 8, we require that you carry certain specified insurance The method and timing of payments is a matter to be resolved between you and your insurer This estimate relates to your initial deposit The balance is usually paid in installments Because the selection of the carrier, size of the Premises, location of the Premises, value of the leasehold improvements, amount of inventory, amount of wages and other related conditions vary considerably, it is difficult to estimate the ultimate cost to any given franchisee Therefore, we, in light of the variability of the insurance industry, estimate the total cost with the caution that you should obtain quotes from carriers of choice before proceeding Our best estimate is $9,000 to $12,000 per year for insurance coverage other than for workers' compensation insurance and $9,350 per year for workers' compensation insurance assuming gross annual salaries of $170,000, exclusive of salaries to you, but including a reasonable manager's and assistant manager's salary

6/ We will specify the signs and graphics and only those we approve may be used Signs and graphics will be maintained in a condition acceptable to us at all times You, at your own expense, will prepare, construct and erect signs and graphics in accordance with approval from governmental authority and the landlord The costs of fabricating and installing approved signs and graphics can vary depending upon local market conditions but are estimated to cost approximately $6,500 to $10,500 for a Traditional Franchised Outlet and $4,000 to $5,000 for a Non-Traditional Franchised Outlet

7/ You will be required to purchase and/or lease and install the furniture, fixtures, equipment and decor necessary to operate your Cheeburger Cheeburger Franchise in accordance with our then-current Trade Dress specifications The costs of purchase and installation of the furniture, fixtures, equipment and decor will vary, according to local market conditions, the size of the Premises, your selections made from our approved line of items, price differences among suppliers, the location of the Premises and other related factors Our estimate is $40,000 to $155,000 for a Traditional Franchised Outlet and $30,000 to $115,000 for a Non-Traditional Franchised Outlet You can expect initial cash outlays to be lower if the items can be leased rather than purchased or if any compatible items are included with the lease for the Premises

8/ We expect that you will lease rather than own real estate and construct a building Lease costs will vary based upon variances in (i) size in square feet to be leased, (ii) cost per square foot, (iii) amount of percentage rent, if any, (iv) the sales figure at which percentage rent begins to apply (the base), (v) common area maintenance costs, and (vi) merchant's association costs These variances are determined by location, the length of the lease, the age of the leased property, local market conditions, the size of the Premises and the bargaining power of the developers or property management company Frequently, the developers will attempt to discuss rent as a percentage of gross receipts as expressed in a cost per square foot They are accustomed to seeing costs expressed as a percentage of gross receipts We assume that the landlord will require first and last months' rent and a security deposit equal to one months' rent We estimate that this will be from $3,000 to $8,000 for a Traditional Franchised Outlet and $2,000 to $4,000 for a Non-Traditional Franchised Outlet. In addition, rent may be subject to tax. For example, Florida imposes a 6% state sales tax on commercial rent The tenant usually pays this tax

9/ You will be required to conform the location to our then-current specifications for Trade Dress The cost of leasehold improvements for your Cheeburger Cheeburger Franchise will vary as a function of size, condition and location of the Premises, tenant improvement money received from the landlord, price differences among contractors, local wage rates, union wage rates, and material costs, other local conditions and the nature of your leasehold improvements The previous tenant or landlord may have installed leasehold improvements that are very compatible, which should reduce your costs The amounts may be less if the location is currently operating as an existing restaurant We estimate that leasehold improvements vary from $75,000 to $280,000 for a Traditional Franchised Outlet and $75 000 to $190,000 for a Non-Traditional Franchised Outlet All leasehold improvements to the Premises must conform to our current standards for layout, traffic flow, Trade Dress, and other specifications

10/ You will generally be required to place certain deposits with local utilities, for example, electric, telephone, gas, water, etc These will vary depending on the policies of the local utilities but are estimated to be from $1,000 to $3,000

11/ In certain jurisdictions you may be required to pay impact fees as a result of your beginning business due to the impact upon utilities, road and other governmental services Our best estimate is up to $8,000 but could be more in some areas

12/ Local, municipal, county and state regulations vary on what licenses and permits are required to operate a Cheeburger Cheeburger Franchise In Florida, one must obtain city and county occupational licenses and county liquor licenses and a city retail license, the total cost of which is approximately $1,000 to $3,000 You pay these fees to governmental authorities, when incurred, before beginning business and are usually not refundable

13/ While you must sign the Franchise Agreement individually, you may decide to hold the franchise interest in a corporation and will transfer your Franchise Agreement to a corporation formed before beginning operations Regardless of the ownership of the Franchise, you may have to comply with the fictitious, assumed, or trade name statutes of the state in which the Cheeburger Cheeburger Franchise will be located We estimate that the attorneys' fees, publication fees, filing fees and other costs will total $1,000 to $3,000 for incorporation in Florida, compliance with Florida's fictitious name statute and review of this Franchise Disclosure Document depending on the scope of legal services rendered These fees may vary from state to state depending on each state's laws and the prevailing rate of attorneys' fees These costs are paid to attorneys, newspapers and governmental agencies, are not refundable and usually incurred before beginning business

14/ You will be responsible for all out-of-pocket expenses, workers' compensation insurance and all employee compensation along with federal and state taxes for the Trainees We assume no responsibility for your human resource-related liabilities or costs during Basic Management Training You must send at least 2 Trainees to training, at least 1 will be you or your operating partner The typical costs of training that you will bear are the transportation, lodging, compensation and meals The estimate is for items that are non-discretionary in nature Generally, these costs will vary widely as a function of the distance traveled, the accommodations selected, the restaurants eaten in, the distance between the hotel, and the training center and the transportation selected Using different lifestyles, distances and compensation assumptions, the estimates are from $5,000 to $8,000

15/ We feel strongly that computers and management information systems play a critical part in the performance of the System We require that all new Cheeburger

Cheeburger Franchisees open with the computer hardware and point-of-sale system along with all communication, peripheral equipment and related accessories and software we mandate (the "DBS P O S System") The software and hardware must comply with our standards and specifications, particularly in the system's ability to communicate with our computer The current cost of the hardware is $15,000 to $25,000 for a Traditional Franchised Outlet and $10,000 to $15,000 for a Non-Traditional Franchised Outlet.

16/ This is for pre-opening training of personnel

17/ In every business start-up there are numerous unanticipated "nickel and dime" costs, for example, additional licenses and permits, professional fees for accountants or additional fees for attorneys, utility deposits, miscellaneous supplies and many others A store that is currently operating can expect these to be less Our estimate is $1,000 to $3,000

18/ You should have adequate working capital before beginning operation of a Cheeburger Cheeburger Franchise Working capital should be sufficient to keep the Cheeburger Cheeburger Franchise in operation for 6 months and capable of covering the excess of expenses over cash flow from the store covering employee salaries and taxes, inventory replenishment, insurance premiums, rent, utilities, debt repayment and other normal expenses that are associated with day-to-day business operation of the Franchise You must be able to meet operating expenses from pre-opening, including hiring and training expenses, until the Cheeburger Cheeburger Franchise develops sufficient cash flow to cover all costs The estimate for working capital is $5,000 to $10,000 These figures do not include any payments to you during the start-up period You must have sufficient personal resources to cover your living expenses during this period In the area of working capital, you are encouraged to fill out a personal/family cash flow budget and determine if there is sufficient revenue on the personal level to provide for your family through the start-up period Clearly, working capital requirements will be a function of your decisions regarding nearly every aspect of your Cheeburger Cheeburger Franchise, for example, the size of the payroll, rent, utilities, size of the operation and many other expenses that you decide to incur

YOUR ESTIMATED INITIAL INVESTMENT - DEVELOPMENT AGREEMENT[1]

Column 1 **Type of Expenditure**	Column 2 **Amount**	Column 3 **Method of Payment**	Column 4 **When Due**	Column 5 **To Whom Payment Is To Be Made**
Development Fee	$-0-	Not Applicable	Not Applicable	Not Applicable

1 There is no Development Fee but you will incur the estimated initial investment costs described above for each Traditional Franchised Outlet and/or Non-Traditional Franchised Outlet that you open

Our Experience in Compiling these Estimates

These estimates of your initial investment are based on over 27 years of experience in establishing Cheeburger Cheeburger Franchises and the experience of the Predecessor since 1989

Refundability

To the best of our knowledge, all expenditures are not refundable

Financing

As described in ITEM 10, neither we not our agents or affiliates offer any financing arrangements to you

ITEM 8 - RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Purchases from Us, Our Designee or Approved Suppliers or Under Our Specifications

We require you to purchase or lease the following goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate or comparable items related to establishing or operating your Cheeburger Cheeburger Franchise from our designees or from suppliers approved by us or under our specifications

Specifications and Standards

To help retain the uniform and high standards necessary to maintain and enhance the good will of the System and your acceptance in your market, we provide specifications and/or required suppliers for the purchase or lease of certain items Specifications may include standards for enhancing the System's image and minimum standards for safety, appearance and other factors We formulate and modify specifications based upon the uniform and high standards necessary to maintain and enhance the good will of the System Specifications are issued to you in the Manuals or otherwise in writing The categories for these purchases or leases are as follows

Site Selection Criteria

You must find a site for your Cheeburger Cheeburger Franchise within your Reserved Area that meets our site selection criteria within 12 months of the Agreement Date We will not unreasonably withhold approval of any site that meets its standards for demographic characteristics, traffic patterns, parking, the predominant character of the neighborhood, competition from other businesses providing similar services within the area, the proximity to other businesses, the nature of other businesses in proximity to the site and other commercial characteristics, and the size, appearance, and other physical characteristics of the site and any other factors that we consider relevant in approving or disapproving a site Our approval of a site is not a representation or warranty that your Cheeburger Cheeburger Franchise will be profitable or that your sales will attain any predetermined levels Approval is intended only to indicate that the proposed site meets our minimum criteria for identifying sites You agree that our approval or disapproval of a proposed site does not impose any liability or obligation on us

LEASE OF THE SITE

If you intend to lease the Premises from a third party, we will assist you in your lease negotiations You must have the lease reviewed by your real estate attorney Your attorney must submit to us any changes or comments before approval for the site is given As part of the development process, your proposed sites must go through and be reviewed by our National Broker, Gregory Mallory, Mallory Commercial Real Estate Services, LLC before a Letter of Intent is submitted to the leasing party Any lease must provide that it is subject to our written approval We do not represent that we have any special expertise in negotiating leases You agree that our approval or disapproval of a proposed lease does not impose any liability on us

STANDARD BUILDING PLANS AND SPECIFICATIONS AND/OR STANDARD RECOMMENDED FLOOR PLAN

We will assist you in developing an appropriate floor plan for the space available You must employ a qualified architect or engineer with adequate errors and omissions insurance to prepare a site plan and adapt the standard building plans and specifications to the specific site and/or adapt the recommended floor plan to the Premises We must approve all building plans before the start of construction

You must make additions, alterations, repairs and replacements to your Cheeburger Cheeburger Franchise (but no others without our written consent) as required for that purpose, including periodic repainting, changes in appearance, repairs to impaired equipment, and replacement of obsolete signs as we reasonably direct You must meet and maintain the highest safety standards and ratings applicable to the operation of your Cheeburger Cheeburger Franchise, as we reasonably require, including the maintenance of the highest sanitation rating

You will use commercially reasonable efforts to maintain the Franchise in the highest and most uniform degree of sanitation, repair, appearance, condition and security as stated in the Manuals and as a modern, clean, adequately lighted and efficiently operated Franchise providing high quality products and services with efficient, courteous and friendly customer service as we reasonably require You must make all additions, alterations, repairs and replacements to the Franchise as required for that purpose, including all periodic repainting, changes in appearance, repairs to impaired equipment and replacement of obsolete signs as we direct You must meet and maintain the highest safety standards and ratings applicable to the operation of the Franchise, as we requires, including the maintenance of the highest sanitation rating

DESIGN SPECIFICATIONS

We will loan to you specifications of our requirements for design, decoration, layout, equipment, furniture, fixtures and signs required for your Cheeburger Cheeburger Franchise These items may be purchased from any approved supplier

SPECIFICATIONS FOR CHEEBURGER CHEEBURGER UNIFORMS

We will loan to you specifications for Cheeburger Cheeburger uniforms for your employees that you must purchase directly from our approved suppliers

INSURANCE

You must obtain and maintain insurance, at your expense, as we require, in addition to any other insurance that is required by applicable law, your landlord, lender or otherwise The policies must be written by an insurance company reasonably satisfactory to us with a Best rating of "A" or better and include the risks of coverage and deductibles as stated in the Manuals and the Franchise Agreement as an additional named insured in each policy

You must obtain and maintain insurance, at your expense, as we require, in addition to any other insurance that may be required by applicable law, your landlord, lender or otherwise All policies must be written by an insurance company reasonably satisfactory to us with a Best rating of "A" or better, and must include at a minimum those risks and amounts of coverage set forth below

(a) Commercial general liability insurance and completed operations coverage in the amount of $1,000,000 per person/per occurrence for bodily injury and property damage combined with a general aggregate of $3,000,000, and naming us as an additional named insured in each policy,

(b) Workers' compensation coverage in the amount of at least $100,000/$500,000/$100,000, unemployment insurance and employer's liability insurance and all other insurance required by statute or rule of the state where the Franchise is located,

(c) Fire, lightning, vandalism, theft, malicious mischief, flood (if in a special flood hazard area), sprinkler damage and the perils described in extended coverage insurance with primary and excess limits of at least the full replacement value of the supplies, furniture, fixtures, equipment, machinery, inventory, and plate glass having a deductible of not more than $1,000 and naming us as an additional insured, and

(d) All other insurance, and in the amounts, as we reasonably require for our own and your protection We may periodically adjust the amounts of coverage required under the insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances, provided these changes are effectuated throughout the System including any Company-Owned Outlets

We may periodically adjust the amounts of coverage required under the insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances, provided any changes are effectuated throughout the System including any Company-Owned Outlets

No later than (i) 30 days before the date any construction is begun, (ii) 10 days from the Agreement Date if the Premises is constructed or you presently own or lease the Premises, or (iii) 10 days after a lease of the Premises is signed, whichever is applicable, you must furnish a certificate of insurance issued by an approved insurance company showing compliance with the insurance requirements and a paid receipt showing the certificate number to us The certificate of insurance must include a statement by the insurer that the policy or policies will not be canceled, subject to nonrenewal or materially altered without at least 30 days' written notice to us Copies of all insurance policies must be submitted to us promptly upon request together with proof of payment for insurance

The insurance policies must provide for a waiver of subrogation You must send to us current certificates of insurance and copies of all insurance policies on an annual basis

ADVERTISING

You must submit to us or our designee for our approval, all materials to be used for local advertising, unless they have been approved before or they consist only of materials we provided All materials containing the Proprietary Marks must comply with the specifications stated in the Manual and in accordance with the Franchise Agreement If you do not receive the written or oral disapproval of any materials submitted within 15 days from the date we received the materials, the materials are approved We may require you to withdraw and/or discontinue the use of any promotional materials or advertising, even if previously approved, if in our judgment the materials or advertising may injure or be harmful to the System We must make this requirement in writing, and you have 5 days after receipt of notice to withdraw and discontinue use of the materials or advertising, unless otherwise agreed in writing Your submission of advertising for approval does not affect your right to determine the prices at which you sell your products or services

BEVERAGES

We have negotiated a Fountain Sales Beverage Agreement with the Pepsi-Cola Company and the Dr Pepper /7UP Company making Pepsi and Dr Pepper the exclusive provider of post mix products for use in preparing fountain beverage products for all company-owned and franchised Cheeburger Cheeburger Restaurants Pepsi and their other fountain products and Dr Pepper/7UP are required products for all franchisees Pepsi will pay each new Franchisee $1,000 (New Outlet Opening Funds) Pepsi and Dr Pepper/7UP will or have made contributions to the A & D Fund and issue rebates to franchisees bases on gallon of syrup product purchased

COMPUTER SYSTEM

You must purchase a computer system compatible with the approved DBS P O S System as further described in ITEM 11

APPROVED SUPPLIES AND SUPPLIERS

You must purchase or lease equipment, supplies, inventory, advertising materials, construction services and other products and services used for the operation of the Franchise only from authorized manufacturers, contractors and other suppliers who demonstrate, to our continuing satisfaction the ability to meet our standards and specifications for these items, possess adequate quality controls and capacity to supply your needs promptly and reliably, and have been reasonably approved in writing by us and not later disapproved We may approve a single supplier for any brand and may approve a supplier only as to a certain brand or brands In approving suppliers for the System, we take into consideration factors like the price and quality of the products or services and the supplier's reliability We may concentrate purchases with 1 or more suppliers to obtain the lowest prices and/or the best advertising support and/or services for any group of Franchised Outlets or Company-Owned Outlets within the System Approval of a supplier may be conditioned on requirements on the frequency of delivery, standards of service, warranty policies including prompt attention to complaints, compliance with law, and concentration of purchases, as stated above, and may be temporary, pending our additional evaluation of the supplier We may receive revenues but will not receive preferential pricing to Company-Owned Outlets from your purchase of products in accordance with our standards or specifications

Currently, Sysco, National Beef, Edy's Ice Cream, and Pepsi and Dr Pepper fountain products are the only approved suppliers for the items they sell to us and to our Franchisees

NEGOTIATION OF PURCHASE ARRANGEMENTS

We negotiate purchase arrangements with suppliers for your benefit and the benefit of the other franchisees

RELATED SUPPLIERS

Neither we nor any affiliate are approved suppliers There is no supplier in which any of our officers has an interest

MATERIAL BENEFITS

We do not provide material benefits to you based on your use of designated or approved sources

APPROVAL OF NEW SUPPLIERS

If you propose to purchase or lease any equipment, supplies, inventory, advertising materials, construction services or other products or services from an unapproved supplier, you must submit to us a written request for approval, or request the supplier to do so We will have the right to require, as a condition of our approval that our representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered, at our option, either to us or to an independent, certified laboratory we designate for testing We are not liable for damage to any sample that results from the testing process You must pay a charge not to exceed the reasonable cost of the inspection and the actual cost of the testing (not to exceed $1,000) We may also require as a condition to our approval, that the supplier present satisfactory evidence of insurance, for example, product liability insurance, protecting us and our franchisees against all claims from the use of the item within the System We will give approval or disapproval in writing and delivered to you by regular mail within 10 days after all inspections, testing and the above conditions have been completed We will notify you in writing of the approval or disapproval of the supplier We reserve the right, at our option, to reinspect the facilities and products of any approved supplier and continue to sample the products at the supplier's expense and to revoke approval upon the supplier's failure to continue to meet our standards and specifications

We may change the contents of the Manuals You agree to comply with each new or changed provision beginning on the 30th day (or any later time we specify) after written notice from us Revisions to the Manuals are based on what we, in our sole discretion, deem is in the best interest of the System, including to promote quality, enhance good will, increase efficiency, decrease administrative burdens, or improve our and our Franchisees profitability You must agree that because complete and detailed uniformity under many varying conditions may not be possible or practical, we reserve the right, in our sole discretion and as we deem in the best interests of all concerned in any specific instance, to vary standards for any franchisee based upon the peculiarities of the particular site or circumstances, density of population, business potential, population of trade area, existing business practices or any condition that we deem to be of importance to the successful operation of that franchisee's Cheeburger Cheeburger Franchise You are not entitled to request us to grant to you a similar variation under your Franchise Agreement

REVENUE FROM REQUIRED PURCHASES OR LEASES BY FRANCHISEES

Neither we nor any affiliate derived revenue or other material consideration based on required purchases or leases by franchisees during fiscal year ending August 31, 2015, although we reserve the right to do so in the future

MAGNITUDE OF REQUIRED PURCHASES OR LEASES

We estimate that the required purchases or leases described in the above paragraphs are approximately 40% of the cost to establish your Cheeburger Cheeburger Franchise and 30% of your total annual operating expenses

PURCHASING OR DISTRIBUTION COOPERATIVES

There are currently no purchasing or distribution cooperatives that you are required to join or in which you may participate However, we require that you purchase all of your products through one specific unrelated supplier

We do not discriminate among our Franchisees based upon a particular Franchisee's use of a particular approved supplier

ITEM 9 - FRANCHISEE'S OBLIGATIONS

FRANCHISE AGREEMENT

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

Obligation	Section In Agreement[1]	Item In Disclosure Document
a Site selection and acquisition/lease	Sections 1 2, 2 1 and 4 1	ITEMS 6, 7, 8 and 11
b Pre-opening purchases/leases	Sections 4 1, 4 2, 4 3, 4 4, 4 8, 4 9, 4 11 and 4 12	ITEMS 5, 7, 8 and 11
c Site development and other pre-opening requirements	Sections 4 1, 4 2, 4 3, 4 4 and 4 9	ITEMS 7, 8 and 11
d Initial and ongoing training	Sections 2 7, 2 11(f) and 4 9	ITEMS 6, 7, 8 and 11
e Opening	Section 4 4	ITEMS 7, 8 and 11
f Fees	ARTICLE 3	ITEMS 5, 6 and 7
g Compliance with standards and policies/Operating Manual	Sections 7 1, 7 2, 7 3, 7 4, 7 5, 7 6, 8 1, 8 2, 9 1, 9 2, 9 3, 10 2, 19 3 and ARTICLES 4 and 6	ITEMS 8, 11 and 14
h Trademarks and proprietary information	ARTICLES 5 and 6	ITEMS 13 and 14
i Restrictions on products/services offered	Sections 4 7, 4 11, 4 12 and 4 13	ITEMS 8 and 16
j Warranty and customer service requirements	Sections 4 7 and 4 18	ITEM 8

Obligation	Section In Agreement[1]	Item In Disclosure Document
k. Territorial development and sales quotas	Not Applicable	ITEM 12
l Ongoing product/service purchases	Sections 4 11 and 4 12	ITEMS 6 and 8
m Maintenance, appearance and remodeling requirements	Sections 4 1, 4 2, 4 3, 4 6 and 4 22	ITEMS 6, 7 & 8
n Insurance	ARTICLE 9	ITEMS 6, 7 and 8
o Advertising	ARTICLE 7	ITEMS 6, 7, 8 and 11
p Indemnification	Section 14 2	ITEMS 6 and 8
q Owner's participation/ Management/staffing	Sections 4 9 and 4 10	ITEMS 6 and 15
r Records/reports	ARTICLE 8	ITEM 8
s Inspections/audits	ARTICLE 8	ITEMS 6, 8 and 11
t. Transfer	ARTICLE 10	ITEMS 6 and 17
u Renewal	ARTICLE 18	ITEMS 6 and 17
v Post-termination obligations	ARTICLE 12	ITEM 17
w Non-competition covenants	ARTICLE 13	ITEM 17
x Dispute resolution	Sections 18 9, 18 10, and 18 14	ITEMS 6 and 17
y Liquidated Damages	Section 12 8	ITEM 17

(1) Unless otherwise stated, all references are to the Cheeburger Cheeburger Franchise Agreement attached as Exhibit C

DEVELOPMENT AGREEMENT

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

Obligation	Section In Agreement[1]	Item In Disclosure Document
a Site selection and acquisition/lease	Not Applicable	Not Applicable
b Pre-opening purchases/leases	Not Applicable	Not Applicable
c Site development and other pre-opening requirements	Not Applicable	Not Applicable
d Initial and ongoing training	Not Applicable	Not Applicable
e Opening	Not Applicable	Not Applicable
f Fees	ARTICLE 3	ITEMS 5 and 6
g Compliance with standards and policies/Operating Manual	Not Applicable	Not Applicable

Obligation	Section In Agreement[1]	Item In Disclosure Document
h Trademarks and proprietary information	Not Applicable	Not Applicable
i Restrictions on products/services offered	Not Applicable	Not Applicable
k. Territorial development and sales quotas	Sections 1 2, 1 5 and 4 1	ITEM 12
l Ongoing product/service purchases	Not Applicable	Not Applicable
m Maintenance, appearance and remodeling requirements	Not Applicable	Not Applicable
n Insurance	Not Applicable	Not Applicable
o Advertising	Not Applicable	Not Applicable
p Indemnification	Sections 6 2	Not Applicable
q Owner's participation/ management/staffing	Not Applicable	Not Applicable
r Records/reports	Section 4 2	Not Applicable
s Inspections/audits	Not Applicable	Not Applicable
t Transfer	ARTICLE 5	Not Applicable
u Renewal	Section 7 2	ITEMS 6 and 17
v Post-termination obligations	ARTICLE 9	ITEMS 6 and 17
w Non-competition covenants	Not Applicable	Not Applicable
x Dispute resolution	Not Applicable	Not Applicable
y Other	Not Applicable	Not Applicable

1 Unless otherwise stated, all references are to the Cheeburger Cheeburger Development Agreement attached as Exhibit I

ITEM 10 - FINANCING

Our agents, our affiliates and we do not offer direct or indirect financing to you, or guarantee any note, lease or obligation of yours

ITEM 11 - FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

FRANCHISE AGREEMENT

PRE-OPENING OBLIGATIONS TO YOU

After you sign the Franchise Agreement and before opening your Cheeburger Cheeburger Franchise, we will provide you through us or our Designee with the following assistance and services if you are not in default under your Franchise Agreement

(a) **Site Selection Assistance.** If we have not approved the site for the Premises at the time you sign the Franchise Agreement, you must find a site within 12 months from the Agreement Date As part of the development process, you must initially contact our National Broker, Gregory Mallory, Mallory Commercial Real Estate Services, LLC located in Farmington Hills, MI Our National Broker will either solely take on the responsibility or decide to work with a broker in your area to assist you in finding a site We will provide all on-site evaluation we deem advisable in response to your request for site selection assistance and approval Neither we nor our national broker is responsible for finding a site The responsibility for finding a site rests solely with you However, we will not provide on-site evaluation for any proposed site before receipt of the materials required in the Manuals The proposed site must be approved by us in writing before beginning any construction or improvements Our site selection criteria include demographic characteristics, traffic patterns, parking, the predominant character of the neighborhood, competition from other businesses providing similar services within the area, the proximity to other businesses, the nature of other businesses in proximity to the site and other commercial characteristics, the size, appearance and other physical characteristics of the site, and any other factors that we consider relevant in approving or disapproving a site We will review site approval submissions on a first-in basis but within 30 days of submittal If we do not approve the selected site, you have 30 days to submit a new site within the Reserved Area for our written approval If you do not find an approved site with 12 months and have a fully executed lease, we may terminate this Agreement Neither we nor our national broker represent that they have any special expertise in selecting sites We are not responsible for finding a site Our approval of a site is not a representation or warranty that you will be profitable or that your sales will attain any predetermined levels Approval is intended only to indicate that the proposed site meets our minimum criteria for identifying sites You agree that our approval or disapproval of a proposed site does not impose any liability on us (Section 2 1 of the Franchise Agreement) If you do not find a site and have a signed lease agreement we approve within 12 months from the Agreement Date and open for business within 6 months after the lease is signed, you are in default under the Franchise Agreement entitling us to terminate the Franchise Agreement (Section 4 4 of the Franchise Agreement) In this event, we may retain the Initial Franchise Fee [Subsection 3 1(a) of the Franchise Agreement]

(b) **Lease Assistance** If you intend to lease the Premises from a third party, we will assist you in your lease negotiations You must have the lease reviewed by a real estate attorney Any changes or comments must be submitted to us by the attorney before our approval for the site is given We do not represent that we have any special expertise in negotiating leases You agree that our approval or disapproval of a proposed lease does not impose any liability on us (Section 2 2 of the Franchise Agreement)

(c) **Building Plans and Specifications** We will assist you in developing an appropriate floor plan for the available space [Subsection 2 3(a) of the Franchise Agreement]

(d) **Design Specifications** We will loan to you our specifications for design, decoration, layout, equipment, furniture, fixtures and signs for your Cheeburger Cheeburger Franchise [Subsection 2 3(b) of the Franchise Agreement]

(e) **Uniform Requirements** We will provide you with specifications for our uniforms for your employees that you must purchase from our approved suppliers [Subsection 2 3(c) of the Franchise Agreement]

(f) **Business Planning Assistance** We will review and comment upon any business plan and pro forma financial projections you prepare, but only after the Franchise Agreement is signed (Section 2 4 of the Franchise Agreement)

(g) **Lists, Forms and Schedules** We will supply to you a list of required equipment, supplies, materials, inventory and other items necessary to operate your Cheeburger Cheeburger Franchise, a list of approved suppliers of all items, and an initial set of forms, including standardized periodic reporting forms for reporting accounting information We will also make available to you a schedule of recommended items to be purchased from third-party suppliers (Section 2 5 of the Franchise Agreement)

(h) **Employee Information and Assistance** We will give to you employee hiring information and a standardized interviewing/selection system including assisting you in determining pay scale guidelines However, you are solely responsible for the hiring, disciplining, supervising, promoting and firing of your employees and the establishment of their salaries We recommend employee leasing as a viable staffing concept (Section 2 6 of the Franchise Agreement)

(i) **Basic Management Training** We will provide Basic Management Training for your Trainees The cost of Basic Management Training is included in the Initial Franchise Fee (Section 2 7 of the Franchise Agreement) Details of Basic Management Training are described below under the heading "Training Program "

(j) **Loan of the Manuals** We will loan you 1 registered copy of each volume of the Manuals (Section 2 8 of the Franchise Agreement) To protect our reputation and good will and to maintain uniform standards of operation under the Proprietary Marks, you must conduct your business in accordance with the Manuals (Section 6 1 of the Franchise Agreement) You must at all times treat and maintain the Confidential Information as confidential and our trade secrets The Manuals must, at all times, be kept in a secure area within the Premises You must strictly limit access to the Confidential Information to your employees, to the extent they have a "need to know" in order to perform their jobs You must report the theft, loss or destruction of the Manuals or any portion of the Manuals immediately to us Upon the theft, loss or destruction of any Manuals we will loan you a replacement copy at a fee of $200 for each Manual A partial loss or failure to update any Manual is considered a complete loss You may not at any time, without our written consent, copy, record or otherwise reproduce any of the Confidential Information All persons, whom you permit to have access to the Manuals or any other Confidential Information, must first sign a Nondisclosure and Noninterference Agreement (Section 6 2 of the Franchise Agreement)

(k) **Pre-Opening Inspection** We will provide periodic on-site assistance and inspection of the installation of the signage and equipment and will generally inspect the Premises and provide you with such advice, as we deem appropriate to insure that you conform to applicable standards before the Opening Date You cannot open without our final approval (Section 2 9 of the Franchise Agreement)

(l) **Opening Assistance** We will make available to you on-site training of at least 20 Employee Days, in most instances conducted at your Cheeburger Cheeburger franchise before and/or during the first few days of operation, as we deem appropriate The on-site training program will cover material aspects of the operation of your Cheeburger Cheeburger Franchise including financial control, marketing techniques, maintenance of quality standards, employee hiring and motivation, inventory control, security standards, merchandising techniques, promotional techniques, operations and sales (Section 2 10 of the Franchise Agreement.)

Except as otherwise stated above, these obligations of us will be satisfied at Basic Management Training, or within 90 days after Basic Management Training

TIME TO OPEN

The typical length of time between the signing of the Franchise Agreement and the opening of the Cheeburger Cheeburger Franchise can vary from 4 to 12 months The factors that affect this time frame usually include the time needed to acquire a site for your Cheeburger Cheeburger Franchise (which depends in part on selecting a satisfactory site, arranging financing, local ordinance compliance issues, etc) and the time when you receive and complete satisfactorily Basic Management Training from we and the time necessary to construct your restaurant

ONGOING OBLIGATIONS AFTER OPENING

The obligations we or our Designee will perform during the operation of your Cheeburger Cheeburger Franchise are as follows

(a) **Field Visits** We will provide assistance and support to you in the development and operation of your Cheeburger Cheeburger Franchise by means of periodic visits by our representative [Subsection 2 11(a) of the Franchise Agreement]

(b) **Advertising and Public Relations Campaigns** We, through our advertising agency, will generally promote our franchisees by recommending advertising and public relations campaigns [Subsection 2 11(b) of the Franchise Agreement]

(c) **Local Advertising** We or our designated advertising agency will provide you advice on Local Advertising [Subsection 2 11(c) of the Franchise Agreement]

(d) **Promotional Methods and Materials** We or our designated advertising agency will provide you with promotional methods and materials we develop [Subsection 2 11(d) of the Franchise Agreement]

(e) **Special Assistance** If you request, we will furnish non-routine guidance and assistance to deal with your unusual or unique operating problems and will charge reasonable per diem fees, and reimbursement of our reasonable out-of-pocket expenses [Subsection 2 11(g) of the Franchise Agreement.]

(f) **Research and Development.** We will continue to research and develop new products and services, introductions and techniques, as we deem appropriate in its sole discretion [Subsection 2 11(h) of the Franchise Agreement]

(g) **Proprietary Marks License** Subject to the terms of your Franchise Agreement, we license to you the right to use the "Cheeburger Cheeburger" trade name and other Proprietary Marks [Section 2 12 of the Franchise Agreement]

ADVERTISING PROGRAMS UNDER FRANCHISE AGREEMENT

LOCAL ADVERTISING (Section 7 1 of the Franchise Agreement)

We require you to develop a grand opening advertising program costing between $4,000 to $5,000 to minimize early lack of awareness of the Cheeburger Cheeburger Franchise among large numbers of consumers in your local trade area Included in this amount is food products used for initial promotional activities You are required to use our advertising agency, which is provided to you free of charge by us Recognizing the value of advertising, and the importance of the standardization of advertising programs to the benefit of the good will and public image of the System, we recommend that you spend at least 4% of Gross Revenues on local, regional and national advertising We recommend that you spend during each calendar month during the Term, beginning on the Opening Date, at least 2% of Gross Revenues for Local Advertising All advertising must be approved and/or created by Wright & Company You are free to own your advertising material subject to Wright & Company's approval

REGIONAL COOPERATIVE ADVERTISING (Section 7 2 of the Franchise Agreement)

You agree that we have the right to establish a regional advertising cooperative in any ADI Upon our request, you will immediately become a member of the Cooperative for the ADI that includes your Protected Territory Your Franchised Business does not have to be a member of more than 1 Cooperative Non-Traditional Outlets do not have to participate in a Cooperative

Purposes of Cooperative We will organize the Cooperative for the exclusive purposes of administering advertising programs and developing standardized promotional materials for use by its members The Cooperative may adopt its own written rules and procedures approved by the members of the Cooperative, but we must approve the rules or procedures The rules and procedures must not restrict or expand your rights or obligations under this Agreement Except as otherwise contained in the Franchise Agreement, and subject to our approval, any lawful action of the Cooperative at a meeting attended by 67% of the members, including assessments for Local Advertising, binds you if approved by 67% of the members present Each Franchised Outlet and Company-Owned Outlet has 1 vote, however no Franchisee (or controlled group of Franchisees) has more than 25% of the vote in the Cooperative regardless of the number of Franchised Businesses owned by any Franchisee

Our Approval of Advertising We must approve in writing all advertising or promotional plans or materials the Cooperative proposes to use or furnish to its members The Cooperative must submit to us all plans and materials in accordance with the procedure stated in Subsection 7 1(c)

Members' Contributions to Cooperative The Cooperative has the right to require each of its members to contribute to the Cooperative an amount not to exceed 2% of that member's weekly Gross Revenues We credit this amount against your obligation for Local Advertising as provided by Subsection 7 1 Each member will submit to the Cooperative, no later than Thursday of each week, his, her or its contribution together with all other statements or reports we or the Cooperative requires

Quarterly Reports The Cooperative will prepare quarterly unaudited reports of its advertising and marketing expenditures The reports will be sent by the Cooperative to its members and to us

Impasses If an impasse occurs based on its members' inability or failure to resolve within 45 days any issue affecting the establishment or effective functioning of the Cooperative, the issue, upon request of a member of the Cooperative, will be submitted to us for consideration Our resolution of the issue is final and binding on all members of the Cooperative

Changes, Dissolution or Merger of Cooperatives. We have the right to form, change, dissolve or merge any Cooperative

WEBSITE ADVERTISING (Section 7 3 of the Franchise Agreement)

We own and manage the URL, www cheeburger com and will include your location on it ("Website") Without our express written consent, at no time are you authorized to maintain, or have maintained on your behalf, either alone or in concert with others, any electronic medium or method of communication, including a website, home page, HTML document, Internet Site, web page, ownership of a domain, or other World Wide Web document with respect to its operation or the advertisement or other publication of the Franchised Business Before establishing a website, you must submit to us a sample of the website format and information in the form and manner that we reasonable require In addition to any other applicable requirements, you must comply with our standards and specifications for websites contained in the Manuals We will hyperlink your website as part of www cheeburger com If you propose any material revision to your website or any information contained in your website, you must submit each revision to us for our prior written approval Any website is deemed Local Advertising under the Franchise Agreement

ADVERTISING AND DEVELOPMENT FUND

We have created a special fund called the "Advertising and Development Fund" (the A & D Fund") for the benefit of all Franchised Outlets and Company-Owned Outlets who contribute to the A & D Fund We administer the A & D Fund Non-Traditional Outlets may not have to contribute to the A & D Fund The monies paid to the A & D Fund are used to pay our advertising agency and for the agency to create the advertising and materials used throughout the System The advertising is placed on our website, various other websites listing franchise opportunities and advertising for franchisees including menu inserts, in-store posters, flyers and newspaper ads

You must pay a continuing weekly Advertising Contribution to the Advertising and Development Fund during the Term of 1% of weekly Gross Revenues This fee is due on the Thursday following the close of business on the previous Sunday We have the sole right to enforce the obligations of you and all other franchisees that make Advertising Contributions Neither you, nor any other franchisee is a third party beneficiary of the funds or has any right to enforce any obligation to contribute the funds We reserve the right to increase the Advertising Contributions paid by you if (i) the increase is reasonably necessary to provide greater advertising and promotional assistance to the System as we determines, (ii) all other franchisees and Company-Owned Outlets within the System are subject to the same relative percentage increase in the Advertising Contributions, and (iii) the Advertising Contributions will not increase to more than 2% of monthly Gross Revenues during the Term

All expenditures are at our sole discretion We may spend in any calendar year an amount greater or less than the total Advertising Contributions to the A & D Fund in that year and the A & D Fund may borrow from us or other lenders to cover deficits of the A & D Fund or cause the A & D Fund to invest any surplus for future use by the A & D Fund You authorize us to collect for remission to the A & D Fund any advertising monies or credits due from any supplier to you or other rebates from suppliers from purchases by us and/or you

A report of the operations of the A & D Fund will be prepared annually and mailed to you The report will not be audited Except as expressly provided in ARTICLE 7 of your Franchise Agreement, we assume no other direct or indirect obligation to you for the maintenance, direction or administration of the A & D Fund (Section 7 6 of the Franchise Agreement) We maintain the right to terminate the collection and disbursement of the Advertising Contributions and the A & D Fund Upon any termination, we will disburse the remaining funds for the purposes authorized under your Franchise Agreement (Section 7 5 of the Franchise Agreement.) Some franchisees have been granted a reduction or moratorium on payments We have temporarily borrowed funds from the A&D Fund that have been repaid without interest

We are not required to spend any of your contributions to the A & D Fund in your Limited Protected Territory None of the funds in the A & D Fund is spent on the solicitation of prospective franchisees

For the calendar year beginning January 1, 2015 to December 31, 2015 the A & D Fund had an opening balance on January 1, 2015 of $3,494 00, receipts of $236,264 00, made the following expenditures of $234,014 00 and ended on December 31, 2015 with a balance of $5,744 00

Cheeburger Cheeburger Advertising and Development Fund

Statement of Income and Expenses
for the period 1/1/15 through 12/31/15

Balance 1/1/14		$3,494 00
Income	$236,264 00	
Expenses		
Retainer-Wright & Co		$123,000 00
Postage & Delivery		2,375 00
Printing, Production &Expenses		108,639 00
Total Expenses	$234,014 00	
Balance 12/31/14		$5,744 00

OTHER ADVERTISING INFORMATION

Company-Owned Outlets are required to contribute to the A & D Fund and any Cooperative on the same basis as franchisees

We do not receive payment for providing goods or services to the A & D Fund

We carry over any monies not spent by the A & D Fund in any particular year to the next year to fund advertising expenses in the next year

There may be additional advertising requirements contained in your Premises lease The extent of these advertising requirements may be subject to negotiation, consequently, the extent of any advertising obligation, if any, may be unknown to us

See ITEMS 6, 8 and 9 for additional information on the Cheeburger Cheeburger advertising programs

FRANCHISEE ADVERTISING COUNCIL

There is no advertising council composed of franchisees

OTHER ADVERTISING FUNDS

There are no other advertising funds

COMPUTER SYSTEMS

P O S SYSTEM

Hardware The P O S System consists of the following hardware

1 to 3 ViGo Terminals
1 to 3 Epson Thermal Printers
1 to 2 Epson Kitchen Printers, 1
DataCap Modem for Credit and Gift Cards
Back of House Computer

Software You must use the following software

SW- Pixel Point Software
DataMiner for reporting

Cost of DBS P.O.S. System The cost of the DBS P O S System varies from $15,000 to $25,000 for a Traditional Outlet and $10,000 to $15,000 for a Non-Traditional Outlet The variance depends on the number of terminals and printers purchased This price does not include tax, shipping, or professional services travel expenses

Ongoing Maintenance, Repairs, Upgrades or Updates We are not contractually required to provide to you ongoing maintenance, repairs, upgrades or updates, although we or a Designee may do so You are contractually required to make periodic upgrades and updates to the DBS P O S System software that we or our Designee makes available for your Cheeburger Cheeburger Franchise and there are no contractual limitations on the frequency and cost of this requirement We estimate that the annual cost of any optional or required maintenance, updating, upgrading, or support contracts for the DBS P O S System is $1,000

Type of Data Generated and Stored. The DBS P O S System is an electronic cash register system We have operated this DBS P O S System since 2013 Its principal functions are to provide permanent financial records of sales transactions at your restaurant and to collect and manage information about the nature of those transactions The types of information that it will collect and generate are sales levels by item, item menu pricing, product movement statistics, individual unit and category sales data, various financial information to prepare store reports, and time and attendance information for employee payroll calculations

Our Independent Access to Your Data We will have independent electronic access via the Internet to the information that the DBS P O S System generates There are no contractual limitations on our right to access this information for your Cheeburger Cheeburger Franchise You agree that we have the right to retrieve all data and information from your P O S System, as we deem necessary You will pay the telephonic cost of our retrieval of this information All of the items installed or purchased are at your sole expense

OPERATIONS MANUAL

After you have signed your Cheeburger Cheeburger Franchise Agreement, we will loan you a copy of its Cheeburger Cheeburger Operations Manual Our Operations Manual contains proprietary information and you must keep this information confidential as described in ITEM 14 The current Operations Manual, as of November 1, 2014 is divided into the following subjects

OPERATIONS MANUALS	
SUBJECT	**NUMBER OF PAGES**
Letter from CEO	1
Company Mission	1
Section I Food Safety	**103**
Food Safety	30
HACCP	55
HACCP Operations Documents	15
Weekly Line Check	1
Thermometer Calibration Guide	1
Ground Beef Safety	1
Section II Safety	**38**
Accidents	8
OSHA and Safety & Emergency	21
Cheeburger Cheeburger Safety	9
Section III Management	**47**
General Management	6
Front of the House	5
Evaluations	8
Carry-Out/Dine In Surveys	5
Timeline for Success	6
Guide To Interviewing	15
Sexual Harassment	2
Section IV Training and Guest Services	**82**
Introduction	1
Guest Services Training	22
Employee Handbook	19

OPERATIONS MANUALS	
SUBJECT	**NUMBER OF PAGES**
Trainers Manual	28
Training Materials	12
Section V Food Preparation	**29**
Product Procedures	17
Product Specifications	7
US Food Sample Order Guide	1
Posters	4
Section VI Financial	**34**
Sales Report	3
Income Statement	6
Chart of Accounts	3
Inventory	5
Daily Prep	2
Ordering and Receiving	4
Product Variances	4
Inventory Item Sheets	7
Section VII Equipment	**119**
Equipment Specifications	7
Furniture Specification List	28
Gift Card Account Manager	1
Gift Card Agreement	2
Gift Card Order Form	65
Gift Card Terminal Instruction	11
TOTAL PAGES	**454**

TRAINING PROGRAM UNDER FRANCHISE AGREEMENT

OWNER'S TRAINING PROGRAM

Column 1 **Subject**	Column 2 **Hours of Classroom Training**	Column 3 **Hours of On-the-Job Training**	Column 4 **Location**
Orientation and Introduction	2 0	0	Ft Myers, Florida
Menu Review Recipes Bar Training Food Safety	3 0	8 0	Ft Myers, Florida
HACCP/Safety Food Preparation	2 0	7 5	Ft Myers, Florida
Micros Training Equipment & Small Wares Set Ups	2 0	8 5	Ft Myers, Florida

Column 1 **Subject**	Column 2 **Hours of Classroom Training**	Column 3 **Hours of On-the-Job Training**	Column 4 **Location**
Management Hiring Fryer Station	2 0	8 0	Ft Myers, Florida
Grill Training Kitchen Review	0	11 0	Ft Myers, Florida
Policies & Procedures Shadowing Servers	2 0	9 0	Ft Myers, Florida
Dining Room Service	0	11 5	Ft Myers, Florida
BOH Management Kitchen Practicum	2 0	9 0	Ft Myers, Florida
Bar Practicum	0	9 0	Ft Myers, Florida
Reporting Requirements Accounting &Inventory FOH Practicum	2 0	9 0	Ft Myers, Florida
MOD Open Shift	0	11 0	Ft Myers, Florida
MOD Skills Review	0	8 0	Ft Myers, Florida
Final Review	3 0	0	Ft Myers, Florida
Total Hours	**20 0**	**109 5**	

MANAGER'S TRAINING PROGRAM

Column 1 **Subject**	Column 2 **Hours of Classroom Training**	Column 3 **Hours of On-the-Job Training**	Column 4 **Location**
Prep/Setups Food Safety	2 0	7 0	Ft Myers, Florida
ACCP/Safety Fryer/Grill Training	2 0	8 0	Ft Myers, Florida
Micros Training Recipes/Specs FOH Procedures Bar Training	2 5	7 0	Ft Myers, Florida

Column 1 **Subject**	Column 2 **Hours of Classroom Training**	Column 3 **Hours of On-the-Job Training**	Column 4 **Location**
Management Training Dining Room	2 0	9 0	Ft Myers, Florida
BOH Technology Kitchen Review Dining Room Review Evaluation	3 0	8 0	Ft Myers, Florida
TOTAL HOURS	**11 5**	**39**	

<u>Training Schedule and Location</u> The training classes are held each month at our training facilities in Fort Myers, Florida

<u>Instructional Materials</u> The instructional materials consist of the Operations Manuals

<u>Experience of Instructor</u> We have a training staff Ms Empert has been our Director of Training since August 2015 She was formerly involved with Restaurant Training opening and Manager training for us and has 5 years of experience in training in the subject matter being taught

<u>Your Expenses in Attending Training</u> You are responsible for all other expenses of your Trainees attending Basic Management Training including salary, travel, lodging and meal expenses

<u>Trainees</u> We provide 2 types of Basic Management Training programs that are tailored to your specific requirements and your staff's previous experience in order to maintain the highest degree of product quality and customer service An Operating Owner and Manager (we strongly recommend another designated individual as lead kitchen person) must attend a minimum 15-day training program Depending on your level of involvement, a minimum of 2 Operating Managers must be certified by completing and successfully passing the 15-day training program to our satisfaction before each new restaurant opening The Operating Owner and Manager must be the initial Trainees If we deem it necessary, the Operating Owner may be required to complete an additional 15 days of training at a participating Cheeburger Cheeburger Restaurant designated by our Director of Training Our Director of Training may increase the length of training of any trainees based on performance Our Director of Training may require past trainees to be re-certified if their location will open more than 6 months after their initial training or the certified individual has not been employed by a Cheeburger Cheeburger Restaurant for a 6-month period of time All Restaurants you operate must have a minimum of 2 certified Operating Managers before opening another location Additional key personnel may be sent to the 15-day manager program at no additional cost All Trainees must be acceptable to us and complete Initial Training to our satisfaction Basic Management Training includes instruction in marketing, promotion and advertising, sales techniques, computer applications, food and equipment safety, recipes and procedures, operational policies and procedures and Grand Openings guidelines Training programs may differ for each Trainee depending upon their anticipated responsibilities We provide, at our expense, instructors, facilities, training materials and technical training tools for Basic Management Training Basic Management Training will occur after your Franchise Agreement and Lease Agreement are signed and approximately 6 to 12 weeks before the opening of your Cheeburger Cheeburger Franchise

Discretionary Training Program There is no discretionary training program

Pre-Opening On-Site Training, Opening Supervisor We will make available to you on-site training of a minimum of 20 Employee Days, in most instances to be conducted at your Cheeburger Cheeburger Franchise before or during the first few days of operation, as we deems appropriate The on-site training program will cover material aspects of the operation of your Cheeburger Cheeburger Franchise including financial control, marketing techniques, maintenance of quality standards, employee hiring and motivation, inventory control, security standards, merchandising techniques, promotional techniques, operations, purchasing and sales (Section 2 10 of the Franchise Agreement)

New Manager Training If we have permitted the Manager to be an individual other than you, and the Manager fails to satisfy his or her obligations provided in Subsection 4 10(c) of the Franchise Agreement due to death, disability, termination of employment or for any other reason, you must satisfy these obligations until you designate a new Manager of your Cheeburger Cheeburger Franchise acceptable to we who has successfully completed Basic Management Training You are solely responsible for the expenses associated with Basic Management Training for your designated employee participants [Subsection 4 10(d) of the Franchise Agreement]

ADDITIONAL TRAINING PROGRAMS OR REFRESHER COURSES

We may provide compulsory refresher or additional training programs, seminars or advanced management training for you and your employees at our principal training facility (or any other location we designates) that may be required, at our option Training will not be required more often than once a year However, if you receive an unsatisfactory inspection report from us and fail to promptly remedy the deficiencies, we may require your Manager and designated employees to attend refresher training as soon as reasonably possible You are solely responsible for all expenses associated with these programs, including our then-prevailing standard training fee for the programs and all travel, meals and lodging costs for your attendees [Subsection 2 11(f) of the Franchise Agreement]

DEVELOPMENT AGREEMENT

PRE-OPENING OBLIGATIONS

We have no pre-opening obligations to you under the Development Agreement We will approve the locations of future Franchised Outlets in accordance with our then-current standards and criteria for sites and Limited Exclusive Territories

ONGOING OBLIGATIONS AFTER OPENING

We will provide you the services and continual support as to each Franchised Outlet as stated in ARTICLE 2 of each Franchise Agreement (Section 2 4 of the Development Agreement)

ADVERTISING PROGRAMS UNDER DEVELOPMENT AGREEMENT

There are no advertising programs under the Development Agreement

COMPUTER SYSTEMS

There are no separate computer systems for Developers

TRAINING PROGRAM UNDER DEVELOPMENT AGREEMENT

There are no separate training programs for Developers

ITEM 12 - TERRITORY

FRANCHISE AGREEMENT

LOCATION OF FRANCHISED OUTLET

You agree to operate the Franchised Outlet at the location approved by us after you select a site in accordance with Section 4 1 You may not change the location without our written consent and compliance with our relocation procedures You may advertise within your ADI even if outside of your Limited Protected Territory You will not solicit business outside your ADI using a toll-free number, catalog, direct mail, Internet, website or other advertising or solicitation method without our prior written consent

MINIMUM TERRITORY

We grant you a minimum territory (generally be an area comprising a 2-mile radius from the Premises) We and you will negotiate the minimum territory and will be defined in the Franchise Agreement as a Limited Protected Territory

RELOCATION RIGHTS

You have no automatic right to relocate the Franchised Outlet without our consent We would consider relocation if the area in which your Franchised Outlet is located has a significant down turn in its economic structure or if the location did not prove to be viable

ADDITIONAL OUTLETS

You have no right to open additional Franchised Outlets without our written consent

NO OPTION OR RIGHT OF FIRST REFUSAL

You have no option to purchase an additional Cheeburger Cheeburger Franchise, no right of first refusal to purchase an additional Cheeburger Cheeburger Franchise or similar rights to acquire additional Cheeburger Cheeburger Franchises in the Limited Protected Territory or any contiguous territory

NO EXCLUSIVE TERRITORY

You will not receive an exclusive territory You may face competition from other Franchisees, from Company-Owned Outlets, or from other channels of distribution or competitive brands that we control

LIMITED PROTECTED TERRITORY

We grant you a Limited Protected Territory, which Limited Protected Territory will be negotiated by you and us The size of the Limited Protected Territory will be based on population density and other demographics, number of regional draws and trade areas, financial capability of the prospective franchisee and past business and restaurant experience including the prospect's current organization The Limited Protected Territory will be defined by natural and man-made boundaries as described in the Franchise Agreement but will generally be a minimum territory comprised of area within a 2-mile radius from the Premises This does not mean that there might not be overlap with another Franchisee's limited protected territory as long as the Premises of a Company-Owned Outlet or the other Franchised Outlet is not physically located in your Limited Protected Territory All sales must be made at the location granted to you You may not solicit business outside your ADI using a toll free number, catalog, Internet, website, direct mail or other advertising method without our prior written consent During the Term of your Franchise Agreement, we will not open or franchise another Cheeburger Cheeburger Franchise in your Limited Protected Territory if you are not in default under your Franchise Agreement In addition, we reserve for ourselves the rights as stated below including Non-Traditional Outlets located within your Limited Protected Territory that are superior to the rights of you under this Agreement

Conditions to Continued Limited Protection The limited protection of your Limited Protected Territory is not dependent upon the achievement of any certain sales volume, market penetration or other contingency

Our Right to Modify Limited Protected Territory Your Limited Protected Territory may not be altered except by the mutual written agreement between you and us

OUR RESERVED RIGHTS

You must agree that the license of the Proprietary Marks granted to you has no exclusivity In addition to our right to use and grant others the right to use the Proprietary Marks outside the Limited Protected Territory, all rights not expressly granted in your Franchise Agreement to you concerning the Proprietary Marks or other matters are reserved for us These rights include the right to

Non-Traditional Franchised Outlets We have the right to establish, develop, license or franchise a Franchised Outlet within your Limited Protected Territory if the Franchised Outlet is to be located at a Non-Traditional Site Non-Traditional Site" means a Franchised Outlet located in enclosed malls, airports, colleges, toll road facilities or other venues where it is necessary to be a contract or institutional feeder to open a Cheeburger Cheeburger Franchised Outlet

Different Business Models We have the right to establish, develop, and license or franchise other systems, different from the System licensed by your Franchise Agreement within or outside the Limited Protected Territory, without offering or providing you any rights in, to, or under the other systems

Dissimilar Channels of Distribution We have the right to sell similar Cheeburger Cheeburger products and services authorized for the Franchise using the Proprietary Marks through dissimilar channels of distribution, including the Internet, supermarkets, special events, etc and under any terms that we deem appropriate within or outside the Limited Protected

Territory and under any terms that we deem appropriate, regardless of their potential impact on your Franchised Business, without offering or providing you the right to participate or receive any compensation

Acquisition of Competitive Business If we acquire a Competitive Business and outlets of the Competitive Business encroach upon your Limited Protected Territory, we will have 1 year from the date of acquisition of the Competitive Business to sell the encroaching outlets without being in default under this Agreement

NO COMPENSATION TO YOU

We will not compensate you for any revenues we make based on our reserved rights that are made within your Limited Protected Territory

DEVELOPMENT AGREEMENT

NO EXCLUSIVE TERRITORY

You will not receive an exclusive territory You may face competition from other Franchisees, from Company-Owned Outlets, or from other channels of distribution or competitive brands that we control

DEVELOPMENT AREA

We grant to you the right to open and operate Franchised Outlets within the Development Area However, the Development Area does not include enclosed malls of 750,000 square feet or more, an airport or college, or other venue where it is necessary to be a contract or institutional feeder to open a Cheeburger Cheeburger location, even if physically located within the Development Area and whether constructed before or after the Agreement Date For each Franchised Outlet we will grant you a Limited Protected Territory as defined in the Franchise Agreement For the perimeter of the Development Area, you agree that you will not select a site that is within the limited protected territory of a Company-Owned Outlet or a Franchised Outlet that is operating or under construction We agree not to open a Company-Owned Outlet or a Franchised Outlet within the Limited Protected Territory of any of your Franchised Outlets even if the Limited Protected Territory extends outside the Development Area The minimum Development Area will usually be a county We determine a Development Area based on demographics, number of regional draws and trade areas, financial capability of the prospective area developer and past business and restaurant experience including the prospect's current organization

Except as stated in the Development Agreement, while the Development Agreement remains in effect and you have complied with the Development Schedule and have not otherwise defaulted under this Agreement, we

(i) will not enter into Franchise Agreements for the purpose of operating Outlets under the System with any person, corporation or other entity other than you within the Development Area, and

(ii) will not directly or indirectly establish Company-Owned Outlets under the System within the Development Area

If we determine, in our sole discretion, that it is necessary to locate a Company-Owned Outlet or Franchised Outlet in the Development Area to prevent a Competitive Business from being located in the Development Area, we will give you notice of this determination and advise you of the proposed location of the proposed Outlet You have 30 days after the date of the notice, the sole option to purchase the Cheeburger Cheeburger Franchise for the location but must also purchase or assume our assets or agreements for the proposed location at the price we paid for the assets or rights If you fail to exercise this option, the location and related Limited Protected Territory of the proposed Outlet will be deleted from the Development Area We (or an affiliate) have the right, from that time forward, to open a Company-Owned Outlet or franchise a Franchised Outlet at that location

Conditions to Continued Limited Protection The grant of your Development Area is expressly conditioned on you achieving the Development Schedule You achieve the Development Schedule by opening the number of specified Franchised Outlets within the time specified for opening If you become in default under the Development Schedule, we have the right to terminate the Development Agreement and you will lose your Development Rights Upon termination or expiration of the Development Agreement, you will retain all rights under any Franchise Agreement between you and us, provided you are not otherwise in default under the Franchise Agreement

Our Right to Modify Development Area Your Development Area may not be altered except by the mutual written agreement between you and us

OUR RESERVED RIGHTS

The Development Rights granted under this Agreement to you have limited exclusivity In addition to our right to use and grant others the right to use the Proprietary Marks outside the Development Area, all rights not expressly granted in this Agreement to you concerning the Proprietary Marks or other matters are expressly reserved by us We will not compensate you for any of these sales made within your Development Area These rights include our rights to

Non-Traditional Franchised Outlets We can establish, develop, license or franchise a Franchised Outlet within your Development Area if the Franchised Outlet is to be located at a Non-Traditional Site

Different Business Models We can establish, develop, and license or franchise other systems, different from the System licensed by your Franchise Agreement within or outside the Development Area, without offering or providing you any rights in, to, or under the other systems and

Dissimilar Channels of Distribution We can sell similar Cheeburger Cheeburger products and services authorized for the Franchise using the Proprietary Marks through dissimilar channels of distribution, including the Internet, supermarkets, special events, etc and under any terms that we deem appropriate within or outside the Development Area and under any terms that we deem appropriate, regardless of their potential impact on your Franchised Business, without offering or providing you the right to participate or receive any compensation

Acquisition of Competitive Business If we acquire a Competitive Business and outlets of the Competitive Business encroach upon the Limited Protected Territory of any of your Franchised

Outlets, we will have 1 year from the date of acquisition of the Competitive Business to sell the encroaching outlets without being in default under the Development Agreement

<u>NO COMPENSATION TO YOU</u>

We will not compensate you for any revenues we make based on our reserved rights that are made within your Development Area

<u>NO OPTIONS, RIGHTS OF FIRST REFUSAL OR SIMILAR RIGHTS</u>

Except for the Development Rights you have purchased, you have no option to purchase an additional Franchise Business, no right of first refusal to purchase an additional Franchise Business and no similar rights to acquire additional Franchise Business in the Limited Protected or any contiguous territory

ITEM 13 - TRADEMARKS

We grant to you the right to use the Proprietary Property we designate only in the manner we authorize and permit, and only for the operation of your Cheeburger Cheeburger Franchise

<u>REGISTRATIONS AND APPLICATIONS</u>

The following are our principal Proprietary Marks that are licensed for your use under your Franchise Agreement, are owned by us and are registered on the Principal Register of the United States Patent and Trademark Office

Mark	International Class	Registration Number	Registration Date
	42	1,917,040	September 5, 1995
Cheeburger Cheeburger	42	1,590,234	April 3, 1990
Cheeburger	42	2,991,367	September 6, 2005
Cheeburger Big is Better and Design	42	3,025,492	December 13, 2005
Invent Your Own Taste	42	3,156,498	October 17, 2006
Shake-A-Soda	42	3,297,807	September 25, 2007

None of the Proprietary Marks has been registered or filed for registration in any state

We have filed all required affidavits The Proprietary Marks have been renewed

We have used the Proprietary Marks and have acquired common law rights in the Proprietary Marks due to this use

Proceedings

There are no currently effective material determinations of the Patent and Trademark Office, Trademark Trial and Appeal Board, the Trademark Administrator of any state or any court There are no currently pending infringement, opposition or cancellation proceedings There is no currently pending material litigation involving the Proprietary Marks There are no decided infringement, cancellation or opposition proceedings where we unsuccessfully fought to prevent registration of a trademark in order to protect the Proprietary Marks we licenses

Trademark Litigation

There is no currently pending material federal or state court litigation involving our use of, or ownership rights in, the Proprietary Marks There are no pending or decided infringement, cancellation or opposition proceedings where are seeking, or we have unsuccessfully sought, to prevent registration of a trademark in order to protect the Proprietary Marks we license

In *Billy Goat 1, Inc v Cheeburger Cheeburger Restaurants, Inc et. al*, United States District Court for the Northern District of Illinois, Case No 03C 8838, filed on December 8, 2003, the plaintiff, located in Chicago, Illinois and user of the "Cheezborger" name, alleged trademark infringement, trademark cancellation and violation of Illinois law due to the Defendant selling a Cheeburger Cheeburger franchise in Glenview, Illinois The litigation was settled with the parties entering into a Settlement Agreement dated December 11, 2003 In the Settlement Agreement, Billy Goat, Inc agreed not to challenge our "Cheeburger Cheeburger" trademark and logo We agreed that, except for the Cheeburger Franchise located in Glenview, Illinois, we would not open another Cheeburger Cheeburger Restaurant within a 125-mile radius from downtown Chicago On March 22, 2004 the parties entered into a Modified Consent Judgment Order clarifying that we are allowed to franchise a Cheeburger Cheeburger Restaurant in Glenview, Illinois under the trademark "Cheeburger Big is Better" (that has since closed)

Agreements

There are no agreements currently in effect that significantly limit our rights to use or license the use to franchisees of the Proprietary Marks in any manner material to you

Our Indemnification of You

We indemnify you against and will reimburse you for all damages for which you are held liable in any proceeding from your use of any Proprietary Property in accordance with your Franchise Agreement, if you (a) have timely notified us of the claim, (b) have otherwise complied with the Franchise Agreement, and (c) allow us sole control of the defense and settlement of any claim

Modification

If we deem it advisable, in our complete discretion, to modify or discontinue the use of any Proprietary Mark and/or use one or more additional or substitute names or marks, including due to the rejection of any pending registration or revocation or cancellation of any existing registration of any of our Proprietary Marks or the rights of senior users, you are obligated to do so at your sole expense within 30 days of our request

YOUR RIGHTS AND OBLIGATIONS WITH RESPECT TO THE PROPRIETARY PROPERTY INCLUDING THE PROPRIETARY MARKS

Your rights to use the Proprietary Marks are derived solely from your Franchise Agreement and are limited to the operation of your Cheeburger Cheeburger Franchise under your Franchise Agreement and all applicable standards, specifications, and operating procedures we require during the Term Any unauthorized use of the Proprietary Property including the Proprietary Marks is a breach of your Franchise Agreement and an infringement of our rights in and to the Proprietary Marks Your use of the Proprietary Property and any good will established by your use inures to our exclusive benefit The Franchise Agreement does not confer any good will or other interest in the Proprietary Property to you, other than the right to operate a Cheeburger Cheeburger Franchise in compliance with the Franchise Agreement All provisions of the Franchise Agreement applicable to the Proprietary Property will apply to any other trademarks, service marks, commercial symbols, designs, artwork, and logos that we adopt, use, authorize and license to you to use during the Term

You must use the Proprietary Marks as the sole trade identification of your Cheeburger Cheeburger Franchise, and must identify your Cheeburger Cheeburger Franchise in the form we require as the independent owner of the Cheeburger Cheeburger Franchise You must use all Proprietary Marks and other commercial symbols that we license in full compliance with rules we require You are prohibited from using any Proprietary Marks (including any future commercial marks we license) in the sale of any unauthorized product or service or in any manner we have not explicitly authorized You cannot use the Proprietary Marks as, or part of, your corporate or partnership name including the word Cheeburger in any part of your corporate name You must follow our instructions in complying with any fictitious, trade or assumed name statutes for the Cheeburger Cheeburger trade name You may not use the Proprietary Property as security for any obligation or indebtedness

Upon any claim of infringement, unfair competition or other challenge to your right to use any Proprietary Property, or if you become aware of any use of or claims to any Proprietary Property by persons other than we or its franchisees, you must notify promptly (within 7 days) us in writing You may not communicate with anyone except us and its counsel in any infringement, challenge or claim except under judicial process We have sole discretion as to whether it takes any action in any infringement, challenge or claim, and the sole right to control any litigation or other proceeding from any infringement, challenge or claim of any Proprietary Property You must sign all documents, render all assistance, and do all acts that our attorneys deem necessary or advisable to protect and maintain our interest in any litigation or proceeding involving the Proprietary Property or otherwise to protect and maintain our interests in the Proprietary Property

SUPERIOR PRIOR RIGHTS OR INFRINGING USES

There are no infringing uses actually known to us that could materially affect your use of the Proprietary Marks However, our registration of the Proprietary Marks does not prohibit others from using the Proprietary Marks or confusingly similar variations of the Proprietary Marks who may have established prior rights to the use of the Proprietary Marks, or confusingly similar variations of the Proprietary Marks, in the territories where neither we nor its franchisees have operated or advertised under the Proprietary Marks and that are not within the natural zone of expansion for future Franchise Outlets or Company-Owned Outlets, provided others do so in good faith and without actual knowledge of our existence or our franchisees' use of the Proprietary Marks We would therefore be unable to prohibit the use of the Proprietary Marks by others who had prior use of the Proprietary Marks or confusingly similar variations of the Proprietary Marks at the time we first used them If others establish prior rights to the Proprietary Marks in certain territories, we may be restricted in its ability to use the Proprietary Marks when expanding into those territories

ITEM 14 - PATENTS, COPYRIGHTS ANDPROPRIETARY INFORMATION

PATENTS

We do not own any rights in any patents or have any patents pending that are material to the Franchise

COPYRIGHTS

We own all copyrights covering various materials used in its business and the operation of Company-Owned Outlets and Franchises, including advertising and promotional literature and the Manuals We do not license our copyrights in these materials to you under the Franchise Agreement

We loan the Manuals to you as discussed in ITEM 11

The copyrights have not been registered in the United States Copyright Office but may be at our sole discretion

DETERMINATIONS

There currently are no effective determinations of the United States Copyright Office or any court regarding any of our copyrights, nor are there any currently effective agreements between us and third parties pertaining to our copyrights that will or may significantly limit your use of our copyrighted materials Upon any infringement of or challenge to your use of any copyrighted work, you are obligated to immediately notify us and we have sole discretion to take any action, as we deem appropriate

AGREEMENTS

There are no currently effective agreements between us and third parties pertaining to our copyrights that will or may significantly limit your use of our copyrighted materials

OUR INDEMNIFICATION OF YOU

We are required by the Franchise Agreement to defend you against any infringement, unfair competition or other claim respecting your use of any copyrighted work We are obligated to indemnify you against, and to reimburse you for, all damages that you are held liable in any proceeding from the use of any patent or copyrighted work and of all costs you reasonably incur in the defense of any claim, if you have notified we of the claim as described in ITEM 13 and have used the copyrighted work in accordance with your Franchise Agreement

Under your Franchise Agreement, you agree not to contest, directly or indirectly, our ownership, title, right or interest in its copyrights, trade secrets, methods, procedures or any other intellectual property right that are part of Our business or contest Our sole right to register, use or license others to use the copyrights, trade secrets, methods, or any other intellectual property right procedures

<u>MODIFICATION</u>

If we deem it advisable to modify or discontinue use of any copyrighted work and/or use one or more new or derivative copyrighted work, you are obligated to do so

<u>INFRINGING USES</u>

There are no infringing uses actually known to us that could materially affect your use of the copyrights in this state or any other state where your Cheeburger Cheeburger Franchise is to be located

<u>PROPRIETARY RIGHTS</u>

The Manuals and other copyrighted materials made available to you contain confidential and proprietary information and are our trade secrets We possess and will develop and acquire certain confidential and proprietary information and trade secrets consisting of the following categories of information, methods, techniques, procedures and knowledge we, our affiliates, or our franchisees develop (the "Confidential Information") including (1) methods, techniques, tools, specifications, standards, policies, procedures, information, concepts, systems, and knowledge of the experience in our development, operation and franchising, (2) marketing and promotional programs for us, (3) knowledge of specifications for and knowledge of our suppliers of certain materials, equipment, furniture and fixtures, and (4) knowledge of our customer lists, operating results and financial performance

We will disclose to you all parts of the Confidential Information as required for the operation of your Cheeburger Cheeburger Franchise during Basic Management Training, in the Manuals, and in guidance and assistance furnished to you during the Term, and you may learn additional Confidential Information of ours during the Term You must agree to disclose the Confidential Information to your employees only to the extent reasonably necessary

All managers and other persons, whom you permit to have access to the Manuals or any other Confidential Information, must first sign our form of Nondisclosure and Noninterference Agreement Nothing contained in the Franchise Agreement will be construed to prohibit you from using the Confidential Information in the operation of your Cheeburger Cheeburger Franchise under your Franchise Agreement

ITEM 15 - OBLIGATION TO PARTICIPATE IN THE ACTUAL <u>OPERATION OF THE FRANCHISE BUSINESS</u>

<u>BUSINESS ENTITY FRANCHISEE</u>

If a business entity is to be the franchisee, its owners must sign and deliver a Guaranty of Franchisee's Obligations in the form attached as Exhibit G Any Manager and other employees having access to our Manuals and other confidential information must sign a Non-Disclosure and Non-Interference Agreement in the form attached as Exhibit H

Designated Representative

If this Agreement is signed by 2 or more individuals or by a business entity, you agree to designate in writing 1 individual or a Franchise Owner as the Designated Representative upon signing this Agreement We have the right to rely solely on instructions of the Designated Representative concerning the operation of the Franchised Business until we receive a duly signed written notice changing the Designated Representative

Unless we otherwise agree in writing, you must be 1 of the 3 Trainees If you will not be actively involved in the day to day running of the outlet, then you will be 1 of 4 Trainees You or another Trainee must be designated as the Manager and complete Basic Management Training for Managers The Manager must devote his or her best, full-time efforts to the management and operation of your Cheeburger Cheeburger Franchise Any replacement or additional Managers that you hire are required to complete Basis Management Training before managing your Cheeburger Cheeburger Franchise, unless we otherwise agree in writing You are responsible for the expenses of additional Basic Management Training, including tuition, travel, lodging, meals and salary Your Manager and other Trainees must sign our form of Nondisclosure and Noninterference Agreement before you grant access to the Manuals or any other Confidential Information

We do not require any personal participation of any specific person affiliated with a corporate or partnership Franchisee You agree that your Franchise is not a "passive" investment but requires your day-to-day supervision of the operation of your Cheeburger Cheeburger Franchise

You are not our employee but are your own boss subject to our rights under your Franchise Agreement We encourage you to be active in the operation of your Cheeburger Cheeburger Franchise You may hire any Manager acceptable to us (who must successfully complete our training program) rather than be the Manager but this will increase the cost of operation of your Cheeburger Cheeburger Franchise and may impair results

ITEM 16 - RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Use of Premises

You may use the Premises only for the operation of your Cheeburger Cheeburger Franchise You must keep the Cheeburger Cheeburger Franchise open and in normal operation for the minimum hours and days as we requires in the Manuals or otherwise in writing except as may be limited by local law or the landlord's rules and regulations You must refrain from using or permitting the use of the Premises for any other purpose or activity at any time without first obtaining our written consent You may not locate or permit to be located on or about the Premises any pinball machines, electronic or video games, jukeboxes, or other types of amusements or vending machines without our written consent

Approved Products and Services

You must sell or offer for sale only the products, services and menu items that meet our uniform standards of quality and quantity, as we expressly approve for sale in the Manuals or otherwise in writing at retail to consumers from your Cheeburger Cheeburger Franchise and may not sell any items for redistribution or resale You must offer for sale all approved products, services and menu items, must refrain from any deviation from our standards and specifications for providing or selling the approved products, services and menu items without our written consent, and must discontinue selling and offering for sale any items as we, in our discretion, disapproves in writing We have the right to change the authorized products, services and menu items at any time, and there are no contractual limitations on this right If you desire to sell beer or wine at your Outlet, you must apply in writing for our approval and obtain all necessary alcoholic beverage licenses If you do not receive written approval from us the request is deemed denied

SALES RESTRICTIONS

You are not restricted in the customers to whom you may sell approved products or services or the prices the products are sold or services are rendered provided all sales occur at the Premises and are retail sales You may not solicit business outside your ADI through the use of an 800 number, catalog, direct mail or other advertising method

Sales of products and services to your affiliates, if any, must be on terms regularly applicable to your nonaffiliated customers, which in all cases must be at arm's-length

ITEM 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists certain important provisions of the franchise agreement pertaining to renewal, termination, transfer and dispute resolution You should read these provisions in the agreement attached to this franchise disclosure document.

THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise Agreement	Summary
a Term of the franchise	Section 16 1	The initial term of the Franchise Agreement is 10 years beginning on the Agreement Date
b Renewal or extension of the franchise	Section 16 2	You have the right to renew for an unlimited number of additional terms of 5 years each, if you meet the requirements for renewal
c Requirements for you to renew or extend	Sections 16 2, 16 3 and 16 4(1)	1 You must give us written notice of your intention to exercise the option, 2 You must complete to our reasonable satisfaction, all maintenance, refurbishing, renovating and upgrading we require, 3 If renovation or maintenance of your Cheeburger Cheeburger Franchise is not possible or feasible, you must relocate your Cheeburger Cheeburger Franchise within your Exclusive Territory but not within the protected territory of a Company Outlet or another franchisee, 4 You may not be in default of your Franchise Agreement or any other agreement with us,

Provision	Section in Franchise Agreement	Summary
		5 You will be asked to sign a new franchise agreement with materially different terms and conditions than in your existing franchise agreement, except there will be no new Initial Franchise Fee and no changes in the Royalty Fee or in the Protected Territory, 6 You must sign a general release of all claims against us and its affiliates, and their respective officers, directors, shareholders, agents and employees, and 7 You must be entitled to continue to occupy your Premises for the entire Succeeding Term or must obtain our approval of a new location for your Cheeburger Cheeburger Franchise within your Exclusive Territory but not within the protected territory of a Company Outlet or another franchisee
d Termination	Section 11 1	If you are in substantial compliance with your Franchise Agreement, and we materially breach your Franchise Agreement and fails to cure the breach within a reasonable time (at least 30 days), after written notice of breach is delivered to us, you may terminate your Franchise Agreement
e Termination by us without cause	Not Applicable	Not Applicable
f Termination by us with cause(2)	Section 11 2	We may only terminate your Franchise Agreement with cause
g "Cause" defined - defaults which can be cured	Section 11 2	Any default of your Franchise Agreement may be cured within 7 days of written notice from us of the default.
h "Cause" defined - defaults which cannot be cured	Not Applicable	Not Applicable
i Your obligations on termination/ nonrenewal	Section 14 2 Subsection 13 1(b) ARTICLES 6 and 12(3)	You must 1 Not compete with us or any of our franchisees for 24 months after the end of your Franchise Agreement within 10 miles of any Cheeburger Cheeburger franchise then in operation or under construction, 2 Indemnify us from any losses or damages it sustains as a result of your Cheeburger Cheeburger Franchise, 3 Maintain confidentiality of all our Confidential Information, 4 Cease operating your Cheeburger Cheeburger Franchise, 5 Pay all amounts you owe to us including liquidated damages, 6 Comply with our option to purchase your

Provision	Section in Franchise Agreement	Summary
		Cheeburger Cheeburger Franchise, 7 Distinguish your Premises from any indicia of the System, 8 Avoid unfair competition with us, 9 Return all Proprietary Property to us, and 10 If you are a Developer, you may also lose your future Development Rights
j Assignment of contract by us	Section 10 1	There are no restrictions on our right to assign its interest in your Franchise Agreement
k "Transfer" by you definition	Sections 10 2 and 10 3	Transfer means any sale, assignment, transfer, conveyance or gift, whether voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, of any direct or indirect interest in your Franchise Agreement or in your Cheeburger Cheeburger Franchise A transfer of less than 25% of the voting rights or ownership interests in the above and a transfer to any other original owner of your Cheeburger Cheeburger Franchise is not considered a transfer
l Our approval of transfer by franchise	Sections 10 2, 10 3 and 10 4	We have the right to approve or disapprove of any transfers
m Condition for our approval of transfer	Sections 10 2 and 10 3	1 We do not exercise our right of first refusal, 2 You are not in default under any agreement with us, 3 You must sign a general release of us, 4 The transferee may not have any other business that competes with us or any Cheeburger Cheeburger Franchise, 5 The transferee must pay a transfer fee of 50% of the then current Initial Franchise Fee, 6 We must interview and approve the transferee, 7 The transferee must satisfactorily complete our application procedures, 8 The transferee must renovate your Cheeburger Cheeburger Franchise as we specify, 9 The transferee must properly assume all your obligations, including your franchise agreement and lease, 10 The transferee must successfully complete Basic Management Training, and 11 We must approve the proposed terms of sale or other factors involved in the transfer
n Our right of first refusal to acquire your business	Section 10 5	We have the option to purchase on the same terms as contained in the Offer We will give you written notice of election within 30 days after our receipt of the Offer notice

Provision	Section in Franchise Agreement	Summary
o Our option to purchase your business	Section 12 3 and 12 7	We have the right (but not the duty), exercisable upon written notice to you given within 30 days after termination of your Franchise Agreement, to purchase for cash any assets of your Cheeburger Cheeburger Franchise at the fair market value
p Your death or disability	Section 10 4	You must 1 Provide a replacement manager satisfactory to us, and 2 Upon your death, your Cheeburger Cheeburger Franchise must be transferred within 6 months of your death in accordance with the transfer provisions of your Franchise Agreement
q Non-competition covenants during the term of the franchise	Subsection 13 1(a)	You may not 1 Influence any business affiliate of ours to modify its relationship with us, 2 Have any involvement with any Competitive Business, or 3 Interfere with our business or any of its other franchisees
r Non-competition covenants after the franchise is terminated or expires(4)	Subsection 13 1(b)	You may not, for 24 months after the end of your Franchise Agreement 1 Influence any business affiliate of ours to modify its relationship with us , 2 Have any involvement with any Competitive Business, within 10 miles of any Cheeburger Cheeburger Franchise then in operation or under construction, or 3 Interfere with our business or any of its other franchisees
s Modification of the agreement	Sections 6 3, 19 2 and 19 3 Subsection 19 7(b)	Your Franchise Agreement may not be modified without the consent of both you and us except 1 We may change the contents of the Manuals, 2 We may reduce the scope of the noncompetition covenants, 3 We may modify the System, and 4 A court may modify any provision of your Franchise Agreement in accordance with law
t Integration/ merger clause	Sections 15 1 and 19 13	Only the terms of the Franchise Agreement and other written agreements are binding (subject to applicable state law) Any representations or promises outside the FDD and Franchise Agreement may not be enforceable Nothing in the Franchise Agreement or in any other related written agreement is intended to disclaim the representations we made in this FDD

Provision	Section in Franchise Agreement	Summary
u Dispute resolution by arbitration or mediation	ARTICLE 17	All disputes must be resolved first by mediation and, if mediation is not successful, then by arbitration except claims involving 1 The Proprietary Property, 2 Any lease or sublease of real property, 3 Your obligations upon termination or expiration of your Franchise Agreement, 4 Any transfers, 5 Matters involving claims of danger, health or safety, and 6 Requests for restraining orders, injunctions or similar procedures You must also waive your rights to a jury trial and claims for punitive damages See Addendum, if any, to this Franchise Disclosure Document for certain state-specific requirements
v Choice of forum	Section 17 4	Any action begun involving your Franchise Agreement, will be filed in the courts where our principal business address is located at the time of the filing of the action (currently, Lee County, Florida) This may be superseded by state law See Addendum, if any, attached to this Franchise Disclosure Document
w Choice of law	Section 17 6	Except to the extent governed by the United States Trademark Act of 1946 or the United States Arbitration Act, your Franchise Agreement is interpreted under the laws of Florida) This may be superseded by state law See Addendum, if any, attached to this Franchise Disclosure Document

This table lists certain important provisions of the development agreement pertaining to renewal, termination, transfer and dispute resolution You should read these provisions in the development agreement attached to this franchise disclosure document

THE DEVELOPER'S RELATIONSHIP

Provision	Section in Development Agreement	Summary
a Term of the Development Rights	Section 7 1	The initial term of the Development Agreement is 5 years beginning on the Agreement Date
b Renewal or extension of the Development Rights[1]	Section 7 2	You have the right to renew for an unlimited number of additional terms of 5 years each, if you meet the requirements for renewal

c Requirements for you to renew or extend	Sections 7 2 and 7 3	1 You must give us written notice of your intention to exercise the option, 2 You must not be in default of your Development Agreement or any other agreement with us or our Affiliates, 3 You, within 30 days before the end of the Term, must sign and deliver to us a Successor Cheeburger Cheeburger Development Agreement, which agreement may vary the material business terms reflected in this Agreement
d Termination by you	Section 8 1	If you are in substantial compliance with the Development Agreement, and we materially breach the Development Agreement and fail to cure the breach within a reasonable time (at least 30 days), after written notice of breach is delivered to us, you may terminate the Development Agreement
e Termination by us without cause	Not Applicable	Not Applicable
f Termination by us with cause(2)	Section 7 2	We may only terminate your Franchise Agreement with cause
g "Cause" defined - defaults which can be cured	Section 7 3	You have 30 days or any longer period as applicable law may require, after we deliver you a written notice of default to cure any default and provide evidence of cure satisfactory to us If you fail to cure timely any curable default, we have the right to terminate the Area Development Agreement effective upon your receipt of our written notice of termination You have the burden of proving you have timely cured any default, to the extent it is a curable default under the Area Development Agreement
h "Cause" defined - defaults which cannot be cured(3)	Section 7 2	We may terminate the Area Development Agreement by giving you written notice of termination if we terminate any Franchise Agreement between the parties due to your default, after we have given you written notice of default if notice is required, and afforded you an opportunity to cure if you have a right to cure

Provision	Section in Development Agreement	Summary
i Your obligations on termination/nonrenewal	Section 7 4	Upon termination or expiration of this Agreement, all your Area Development Rights cease rights cease and you must comply with your post-termination and post-expiration obligations under the Franchise Agreements and those obligations that survive the termination or expiration of the Franchise Agreement including the obligations of indemnification, confidentiality and non-competition
j Assignment of contract by us	Section 5 1	There are no restrictions on our right to assign our interest in the Development Agreement
k. "Transfer" by you definition	Section 5 2	Transfer means any sale, assignment, transfer, conveyance or gift, whether voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, of any direct or indirect interest in your Development Agreement A transfer of less than 50% of the voting rights or ownership interests and a transfer to any other original owner of your Cheeburger Cheeburger Franchise is not considered a transfer
l Our approval of transfer by you	Section 5 2	We have the right to approve or disapprove of any transfers
m Conditions for our approval of transfer	Section 5 2	You may transfer this Agreement to a Business Entity owned by you but you continue to remain personally liable for all of your obligations under this Agreement If you intend to transfer this Agreement as part of your sale of all of the assets comprising your Franchise Businesses under construction or in operation, we will consent to the transfer provided you comply with your obligations under Subsection 10 2(f) of the Franchise Agreements
n Our right of first purchase to acquire your business	Not Applicable	Not Applicable
o Our option to purchase your business	Not Applicable	Not Applicable

Provision	Section in Development Agreement	Summary
p Your death or disability	Not Applicable	Not Applicable
q Non-competition covenants during the term of the franchise	Not Applicable	Not Applicable
r Non-competition covenants after the franchise is terminated or expires[4]	Not Applicable	Not Applicable
s Modification of the agreement	Sections 9 1 and 9 5	Your Development Agreement may not be modified without the consent of both you and us except 1 We may change the contents of the Manuals, 2 We may modify the System, and 3 A court may modify any provision of your Development Agreement in accordance with applicable law
t Integration/merger clause	Section 9 14	Only the terms of the Development Agreement and other written agreements are binding (subject to applicable state law) Any representations or promises outside the FDD and Franchise Agreement may not be enforceable Nothing in the Franchise Agreement or in any other related written agreement is intended to disclaim the representations we made in this FDD
u Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable
v Choice of forum	Section 9 8	Any action begun involving your Franchise Agreement, will be filed in the courts where our principal business address is located at the time of the filing of the action This may be superseded by state law See Addendum, if any, attached to this Franchise Disclosure Document
x Choice of law	Section 9 12	Except to the extent governed by the United States Trademark Act of 1946 or the United States Arbitration Act your Franchise Agreement is interpreted under the laws of Florida) This may be superseded by state law See Addendum, if any, attached to this Franchise Disclosure Document

ITEM 18 - PUBLIC FIGURES

We do not use any public figure to promote its franchise

ITEM 19 - FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits us to provide information about the actual or potential financial performance of our Company-Owned Outlets and/or Franchised Outlets, if there is a reasonable basis for the information, and if the information is included in this Franchise Disclosure Document Financial performance information that differs from that included in this ITEM19 may be given only if (1) we provide the actual records of an existing outlet you are considering buying, or (2) we supplement the information provided in this ITEM 19, for example, by providing information about possible performance at a particular location or under particular circumstances

We do not make any representations about a franchisee's future financial performance or the past financial performance of company owned or franchised outlets We also do not authorize our employees or representatives to make any such representations either orally or in writing If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet If you receive any other financial performance information or projections of your income, you should report it to the franchisor's management by contacting our CEO, Bruce Zicari at Cheeburger Cheeburger Restaurants, Inc , 11595 Kelly Road, Suite 316, Fort Myers, FL 33908, 800-487-6211 , the Federal Trade Commission, and the appropriate regulatory agencies

ITEM 20 - OUTLETS AND FRANCHISEE INFORMATION

Table No 1

System-Wide Outlet Summary
For Years 2013 to 2015

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2013	66	53	-13
	2014	53	50	-3
	2015	50	43	-7
Company-Owned	2013	3	2	-1
	2014	2	1	-1
	2015	1	1	0
Total Outlets	**2013**	**69**	**55**	**-14**
	2014	**55**	**51**	**-4**
	2015	**51**	**44**	**-7**

Table No 2

Transfers of Outlets from Franchisees to New Owners (other than us)
For Years 2013 to 2015

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Alabama	2013	0
	2014	0
	2015	2
Florida	2013	0
	2014	1
	2015	0
Louisiana	2013	1
	2014	0
	2015	0
New Jersey	2013	1
	2014	0
	2015	1
New York	2013	0
	2014	1
	2015	2
Pennsylvania	2013	1
	2014	1
	2015	0
Virginia	2013	0
	2014	1
	2015	0
Totals	**2013**	**3**
	2014	**3**
	2015	**5**

Table No 3

Status of Franchised Outlets
For Years 2013 to 2015

Col 1 State[1]	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Terminations	Col 6 Non-Renewals	Col 7 Re-acquired by Us	Col 8 Ceased Operations -Other Reasons	Col 9 Outlets at End of the Year
Alabama	2013	4	0	0	0	0	1	3
	2014	3	2	1	0	0	0	4
	2015	4	0	0	0	0	0	4

Col 1 State[1]	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Terminations	Col 6 Non-Renewals	Col 7 Re-acquired by Us	Col 8 Ceased Operations -Other Reasons	Col 9 Outlets at End of the Year
Arizona	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
Arkansas	2013	1	0	0	0	0	1	0
	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
Colorado	2013	1	0	0	0	0	1	0
	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
Delaware	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
Florida	2013	6	0	1	1	0	0	4
	2014	4	0	1	0	0	0	3
	2015	3	0	1	0	0	0	2
Kansas	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
Louisiana	2013	4	1	0	1	0	2	2
	2014	2	0	0	0	0	0	2
	2015	2	0	1	0	0	0	1
Maryland	2013	5	0	0	0	0	1	4
	2014	4	0	0	0	0	0	4
	2015	4	0	0	0	0	0	4
Mass	2013	0	0	0	0	0	0	0
	2014	0	1	0	0	0	0	1
	2015	1	0	1	0	0	0	0
Michigan	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	1	0
	2015	0	0	0	0	0	0	0
Missouri	2013	2	0	0	0	0	0	2
	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
Nevada	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	1	0	0	0	0	2
New Jersey	2013	10	0	0	0	0	4	6
	2014	6	0	0	0	0	0	6
	2015	6	0	3	0	0	0	3

Col 1 State[1]	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Terminations	Col 6 Non-Renewals	Col 7 Re-acquired by Us	Col 8 Ceased Operations -Other Reasons	Col 9 Outlets at End of the Year
New York	2013	14	0	0	1	0	2	11
	2014	11	0	2	0	0	0	9
	2015	9	0	0	0	0	0	9
Ohio	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	1	0	0	0	0
Penn	2113	4	1	0	0	0	1	4
	2014	4	2	0	0	0	0	6
	2015	6	0	0	0	0	0	6
South Carolina	2013	1	0	0	0	0	0	1
	2014	1	1	1	0	0	0	1
	2015	1	0	0	0	0	0	1
Tennessee	2013	2	0	0	0	0	0	2
	2014	2	0	1	0	0	0	1
	2015	1	0	0	0	0	0	1
Texas	2013	1	1	0	0	0	0	2
	2014	2	0	1	0	0	0	1
	2015	1	0	0	0	0	0	1
Virginia	2013	5	0	0	0	0	1	4
	2014	4	0	0	0	0	0	4
	2015	4	0	0	0	0	0	4
TOTALS	**2013**	**66**	**2**	**1**	**4**	**0**	**10**	**53**
	2014	**53**	**6**	**8**	**0**	**0**	**1**	**50**
	2015	**50**	**1**	**8**	**0**	**0**	**0**	**43**

Table No. 4

Status of Company-Owned Outlets
For Years 2013 to 2015

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired From Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
Alabama	2013	1	0	0	1	0	0
	2014	0	0	0	0	0	0
	2015	0	0	0	0	0	0

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired From Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
Texas	2013	1	0	0	0	0	1
	2014	1	0	0	0	1	0
	2015	0	0	0	0	0	0
Virginia	2013	1	0	0	0	0	1
	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
Totals	**2013**	**3**	**0**	**0**	**1**	**0**	**2**
	2014	**2**	**0**	**0**	**0**	**1**	**1**
	2015	**1**	**0**	**0**	**0**	**0**	**1**

Table No 5

Projected Openings as of August 31, 2015

Column 1 State[1]	Column 2 Franchise Agreements Signed But Outlet Not Open	Column 3 Projected New Franchised Outlets In the Next Fiscal Year	Column 4 Projected New Company Owned Outlets in the Next Fiscal Year
Texas	1	0	0
TOTALS	**1**	**0**	**0**

[1] No other states are involved

<u>LIST OF CURRENT FRANCHISEES</u>

Exhibit E contains the names, addresses and telephone numbers of all Cheeburger Cheeburger Franchisees under a Cheeburger Cheeburger Franchise Agreement with us

<u>LIST OF FORMER FRANCHISEES</u>

Exhibit E also contains the names, last known home addresses and home telephone numbers of the 8 Cheeburger Cheeburger Franchisees that have been terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Cheeburger Cheeburger Franchise Agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the effective date of this Franchise Disclosure Document

Your Information

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

Confidentiality Agreements

There are franchisees who have signed confidentiality clauses during the last 3 years In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the franchise system You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you

Franchise Advisory Board

None

Independent Franchisee Association

The following independent franchisee organizations have been asked to be included in this Franchise Disclosure Documents

None

ITEM 21 - FINANCIAL STATEMENTS

Attached as Exhibit F are our audited financial statements as of August 31, 2015, August 31, 2014 and August 31, 2013

Our fiscal year ends August 31

ITEM 22 - CONTRACTS

The following contracts, agreements and other relevant documents are attached as Exhibits to this Disclosure Document

C - Cheeburger Cheeburger Franchise Agreement

G – Guaranty of Franchisee's Obligations

H - Non-Disclosure and Non-Interference Agreement

I - Development Agreement

J - Franchise Closing Questionnaire

K – General Release

L – Agreement with Landlord

ITEM 23 - RECEIPTS

You will find copies of a detachable Receipt attached as Exhibit M at the very end of this Franchise Disclosure Document It is not a binding contract This merely verifies that you have received this Franchise Disclosure Document Please complete and sign both copies Keep a copy of your files and mail the other copy to us

EXHIBIT A - STATE ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT

The States of California, Hawaii, Illinois, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, Virginia and Washington require that we amend the Franchise Disclosure Document and Franchise Agreement to conform to their state's franchise laws as part of the state's registration and approval of the franchise offering We must do this before we offer or sell any franchises to be operated in these states or to residents of these states If we have registered in any of these states, attached are the applicable Addendum to Franchise Disclosure Document in this Exhibit and Addendum to Franchise Agreement (in Exhibit D) that apply only to residents of that state and/or where the Cheeburger Cheeburger Franchise will be operated in that state

CALIFORNIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

1 ITEM 5 is amended as follows

INITIAL FRANCHISE FEE

You must pay to us an Initial Franchise Fee of $24,000 The Initial Franchise Fee will be deferred and is not payable to us until we have complied with all of our pre-opening obligations to you under this Agreement and you are open for business The Initial Franchise Fee is uniform as to all Franchisees currently purchasing a Franchise

2 ITEM 7 is amended as follows

ITEM 7 - ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Column 1 **Type of Expenditure**	Column 2 **Amount**	Column 3 **Method of Payment**	Column 4 **When Due**	Column 5 **To Whom Payment Is To Be Made**
Initial Franchise Fee[1]	$24,000	Lump Sum	When we have fulfilled our pre-opening obligations to you and you are open for business	Us

[1] **Initial Franchise Fee** See **ITEM 5 INITIAL FEES** for a description of the Initial Franchise Fee

2 Please consider the following additional RISK FACTORS before you buy this franchise

RISK FACTORS

1 PURSUANT TO THE FRANCHISE AGREEMENT, THE PARTIES WILL INFORMALLY ATTEMPT TO RESOLVE ANY DISPUTES AT OUR PRINCIPAL PLACE OF BUSINESS IN FLORIDA BEFORE MEDIATION OR ARBITRATION

2 WE RESERVE THE RIGHT TO ESTABLISH, DEVELOP, LICENSE OR FRANCHISE A NON-TRADITOINAL OUTLET WITHIN THE LIMITED PROTECTED TERRITORY

3 WE HAVE THE RIGHT TO BUY A COMPETITIVE BUSINESS IN YOUR DEVELOPMENT AREA,

4 WE HAVE COMPLETE DISCRETION TO MODIFY OR DISCONTINUE THE USE OF THE TRADEMARKS AND YOU MUST COMPLY WITHIN 30 DAYS AT YOUR SOLE COST

5 INDIVIDUAL FRANCHISEES ARE REQUIRED TO SIGN A PERSONAL GUARANTEE AND WILL BE PERSONALLY LIABLE FOR ALL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT

6 THE FRANCHISE AGREEMENT INCLUDES A PROVISION THAT PURPORTS TO WAIVE YOUR RIGHT TO SEEK PUNITIVE DAMAGES

7 THE FRANCHISE AGREEMENT INCLUDES A PROVISION THAT PURPORTS TO WAIVE YOUR RIGHT TO BE PART OF A CLASS ACTION

8 THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS INVOLVING THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT ("FDD")

3 Neither we, nor any person in ITEM 2 of the FDD 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 § 78 *et seq*, suspending or expelling these persons from membership in that association or exchange

4 California Business and Professions Code §§ 20000 through 20043 provides you rights concerning termination or nonrenewal of a Franchise If the Franchise Agreement contains a provision that is inconsistent with the law, the law controls

5 The Franchise Agreement provides for termination upon bankruptcy This provision may not be enforceable under federal bankruptcy law (11 U S C A § 101 *et seq*)

6 The Franchise Agreement contains a covenant not to compete, which extends beyond the termination of the Franchise This provision may not be enforceable under California law

7 The Franchise Agreement contains a liquidated damages clause Under California Civil Code § 1671, certain liquidated damages clauses are unenforceable

8 The Franchise Agreement requires binding arbitration The arbitration will occur in Lee County, Florida with the costs being born by the non-prevailing party Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (including Business and Professions Code § 20040 5, Code of Civil Procedure § 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California

9 The Franchise Agreement requires application of the laws of the State of Florida This provision may not be enforceable under California law

10 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 (California Corporation Code §§ 31000 through 31516)

11 Business and Professions Code § 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§ 2000 through 20043)

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

13 OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www dbo ca gov

ILLINOIS ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The Illinois Attorney General has imposed the deferral requirement described below because of our financial condition

1 ITEM 5 is amended as follows

INITIAL FRANCHISE FEE

You must pay to us an Initial Franchise Fee of $24,000 The Initial Franchise Fee will be deferred and is not payable to us until we have complied with all of our pre-opening obligations to you under this Agreement and you are open for business The Initial Franchise Fee is uniform as to all Franchisees currently purchasing a Franchise

2 ITEM 7 is amended as follows

ITEM 7 - ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Column 1 **Type of Expenditure**	Column 2 **Amount**	Column 3 **Method of Payment**	Column 4 **When Due**	Column 5 **To Whom Payment Is To Be Made**
Initial Franchise Fee[1]	$24,000	Lump Sum	When we have fulfilled our pre-opening obligations to you and you are open for business	Us

[1] **Initial Franchise Fee** See **ITEM 5 INITIAL FEES** for a description of the Initial Franchise Fee

3 ITEM 17, (v) and (w), respectively, are amended to add the following paragraphs

(v) Section 4 of the Illinois Franchise Disclosure Act dictates that any provision in a Franchise Agreement that designates jurisdiction or venue in a forum outside of this State is void as to any cause of action that otherwise is enforceable in this State, but a Franchise Agreement may provide for arbitration in a forum outside of this State

(w) Any governing law or choice of law clause granting authority to a state other than Illinois effectively negates the Illinois Franchise Disclosure Act The Franchise Agreement will be interpreted and construed under Illinois law

MARYLAND ADDENDUM TO
FRANCHISE DISCLOSURE DOCUMENT

1 ITEM 5 is amended to state The Maryland Securities Commissioner has required a financial assurance All initial fees and payments shall be deferred until such time as the franchisor completes its initial obligations under the franchise agreement All initial fees and payments payable under the development agreement shall be deferred until such time as the franchisor completes its initial obligations and the first outlet opens

2 ITEM 17(c)(6) is amended to add the following sentence

The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law

3 ITEM 17(h) is amended to add the following sentence

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 101 *et seq*)

4 ITEM 17(m)(3) is amended to add the following sentence

The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law

5 ITEM 17(v) is amended to replace the existing Summary language with the following sentence

> A franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after the grant of the franchise

NOTICE FOR PROSPECTIVE FRANCHISEES REQUIRED BY THE STATE OF MICHIGAN

Cheeburger Cheeburger Restaurants, Inc
11595 Kelly Road, Suite 316
Fort Myers, Florida 33908
800-487-6211

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 involving a Franchise

(a) A prohibition on your right to join an association of franchisees

(b) A requirement that you assent to a release, assignment, novation, waiver, or estoppel that deprives you of rights and protections provided in the Michigan Franchise Investment Law This will not preclude you, after entering into a Franchise Agreement, from settling any claims

(c) A provision that permits us to terminate a Franchise before the expiration of its term except for good cause Good cause includes your failure to comply with any lawful provision of the Franchise Agreement and to cure any failure after being given written notice of that failure and a reasonable opportunity, which need not be more than 30 days, to cure the failure

(d) A provision that permits us to refuse to renew your Franchise without fairly compensating you by repurchase or other means for the fair market value of your inventory, supplies, equipment, fixtures and furnishings Personalized materials that have no value to us and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the Franchised Business are not subject to compensation This subsection applies only if

(i) the term of the Franchise is less than 5 years, and

(ii) you are prohibited by the Franchise Agreement 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 after the end of the franchise or you do not receive at least 6 months' advance written notice of our intent not to renew the Franchise

(e) A provision that permits us to refuse to renew your 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 arbitration or litigation be conducted outside this state This will not preclude you from entering into an agreement when the dispute arises, to conduct arbitration at a location outside this state

(g) A provision that permits us to refuse to permit a transfer of ownership of your Franchise, except for good cause This subsection does not prevent us from exercising a right of first refusal to purchase your franchise Good cause includes

(i) The failure of the proposed transferee to meet our then current reasonable qualifications or standards

(ii) The fact that the proposed transferee is our competitor

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations

(iv) Your failure or the proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing when the transfer is proposed

(h) A provision that requires you to resell to us items that are not uniquely identified with us This subsection does not prohibit a provision that grants to us a right of first refusal to purchase the assets of your Franchise on the same terms as a bona fide third party willing and able to purchase those assets This subsection does not prohibit a provision that grants us the right to acquire the assets of your Franchise for the market or appraised value of the assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in subsection (c)

(i) A provision that permits us to directly or indirectly convey, assign, or otherwise transfer our obligations to fulfill contractual obligations to you unless provision has been made for providing the required contractual services

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

Any questions regarding the notice should be directed to Consumer Protection Division, Antitrust and Franchise Unit, Michigan Department of Attorney General, 670 Law Building, Lansing, Michigan 48913 (517) 373-7117

NEW YORK ADDENDUM TO OFFERING PROSPECTUS

1 All references made herein to a Franchise Disclosure Document (FDD) shall be amended refer to an Offering Prospectus

2 ITEM 3 is amended to add the following paragraph

Neither the Franchisor, its Predecessor, a person identified in ITEM 2, nor an Affiliate offering Franchises under the Franchisor's principal trademark

A Has an administrative, criminal or civil action pending against that person alleging a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations

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

C Is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange, or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent

3 ITEM 4 is amended to add the following paragraph

Neither the Franchisor or any predecessor, officer or general partner of the Franchisor has, during the 10-year period immediately preceding the date of the Offering Prospectus, been adjudged bankrupt or reorganized due to insolvency, or was a principal office of the company or a general partner in any partnership that was adjudged bankrupt or reorganized due to insolvency during or within on year after the period that any officer or general partner of the Franchisor held that position in that company or partnership, or when any bankruptcy or reorganization proceeding has been commenced

4 ITEM 8, **Revisions to Manuals** is amended to add the following sentence

However, no changes to the Manuals will be made that would impose an unreasonable economic burden on you or unreasonably increase your obligations

5 ITEM 17(c)(6) is amended to add the following

, provided, however that all rights you enjoy and any causes of action from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued under it will remain in force, it being the intent of this proviso that the non-waiver provisions of GBL 687 4 and 687 5 be satisfied

6 ITEM 17(d) is amended to add the following sentence

You may terminate the Franchise Agreement on any ground available by law

7 ITEM 17(j) is amended to add the following sentence

No assignment will be made except to an assignee that, in our good faith judgment is able to assume our obligation under the Franchise Agreement

8 ITEM 17(m)(3) is amended to add the following

, provided, however that all rights enjoyed by you and any causes of action from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued under it will remain in force, it being the intent of this proviso that the non-waiver provisions of GBL 687 4 and 687 5 be satisfied

9 ITEM 17(u) is amended to add the following paragraph

Your agreement to our right to obtain injunctive and other relief for your breach of covenants not to compete and non-disclosure covenants contemplates only our right to obtain injunctive and other relief, only after the proper proofs are made and the appropriate judicial or arbitrative authority grants the relief Nothing in these provisions constitute a waiver by you of your right to defend any action

10 ITEM 17(v) is amended to add the following paragraph

The choice of forum will not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York

NEW YORK MATERIAL FACT STATEMENT

WE REPRESENT THAT THIS OFFERING PROSPECTUS DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT

NORTH DAKOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

1 ITEM 17(c) is amended to delete the requirement that you must sign and deliver to us a general release in our favor as part of the renewal of the franchise

2 ITEM 17(m) is amended to delete the requirement that you must sign and deliver to us a general release in our favor as part of the transfer of the franchise

3 ITEM 17(o) is amended to add the following paragraph

If the parties cannot agree on fair market value within a reasonable time, an independent appraiser will be selected by both parties If the parties are unable to select an appraiser together, then one will be chosen by us, one by you and the two appraisers will select a third

4 ITEMS 17(q) and (r) are amended to state that "Covenants not to complete as mentioned in these ITEMS are generally considered unenforceable in the State of North Dakota

5 ITEM 17(u) is amended is provide that the site of mediation, arbitration or litigation be agreeable to all parties

6 ITEM 17(v) is amended to state that any litigation or arbitration proceeding begun for the purpose of enforcing the Franchise Agreement will be filed in the courts and arbitration board located in the State of North Dakota

7 ITEM 17(w) is amended to change the governing law from Florida to North Dakota

RHODE ISLAND ADDENDUM FRANCHISE DISCLOSURE DOCUMENT

1 ITEM 17(v) is amended to add the following sentence

§ 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 as to a claim otherwise enforceable under this Act

VIRGINIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

1 The Vırgınıa State Corporatıon Commıssıon's Dıvısıon of Securıtıes and Retaıl Franchısıng requıres us to defer payment of the ınıtıal franchıse fee and other ınıtıal payments owed by franchısees to the franchısor has completed ıts pre-openıng oblıgatıons under the franchıse agreement

ITEM 5 ıs amended as follows

INITIAL FRANCHISE FEE

You must pay to us an Inıtıal Franchıse Fee of $24,000 The Inıtıal Franchıse Fee wıll be deferred and ıs not payable to us untıl we have complıed wıth all of our pre-openıng oblıgatıons to you under thıs Agreement and you are open for busıness The Inıtıal Franchıse Fee ıs unıform as to all Franchısees currently purchasıng a Franchıse

2 ITEM 7 ıs amended as follows

ITEM 7 - ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Column 1 **Type of Expendıture**	Column 2 **Amount**	Column 3 **Method of Payment**	Column 4 **When Due**	Column 5 **To Whom Payment Is To Be Made**
Inıtıal Franchıse Fee[1]	$24,000	Lump Sum	When we have fulfilled our pre-openıng oblıgatıons to you and you are open for busıness	Us

[1] **Inıtıal Franchıse Fee** See **ITEM 5 INITIAL FEES** for a descrıptıon of the Inıtıal Franchıse Fee

3 ITEM 17(h) ıs amended to read as follows

Under Sectıon 13 1-564 of the Vırgınıa Retaıl Franchısıng Act, ıt ıs unlawful for us to cancel a Franchıse wıthout reasonable cause If any ground for default or termınatıon stated ın the Franchıse Agreement, Development Agreement or Area Representatıve Agreement does not constıtute "reasonable cause" as that term may be defined ın the Vırgınıa Retaıl Franchısıng Act or the laws of Vırgınıa, that provısıon may not be enforceable

4 ITEM 17(x) ıs amended to read as follows

Vırgınıa law applıes

WASHINGTON ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

STATE OF WASHINGTON FRANCHISEE'S TERMINATION AND RENEWAL RIGHTSRCW 19.100.180(2) (G), (I) AND (J)

GENERAL RELEASE

Any provisions regarding your signing a general release of any claims against us does not apply to a release of any claims arising under the Washington Franchise Investment Protection Act except when signed as part of a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel Provisions that unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act including the right to a jury trial may not be enforceable

RENEWAL

We will not refuse to renew a Franchise without fairly compensating you for the fair market value of your inventory, supplies, equipment, and furnishings purchased from us and goodwill when the franchise expires, exclusive of personalized materials which have no value to us, and inventory, supplies, equipment and furnishing not reasonably required in the conduct of the Franchise Business However, compensation will not be made to you for goodwill if (a) you have been given 1 year's written notice of nonrenewal, and (b) we have agreed in writing not to enforce any covenant which restrains you from competing with us We may offset against amounts we owe you, any amounts you owe us

TERMINATION

We will not terminate a Franchise before the expiration of its term except for good cause Good cause includes your failure to comply with lawful material provisions of the Franchise Agreement or other agreement between you and us and to cure the default after being given written notice and a reasonable opportunity, which need be at least 30 days in which to cure the default, or if the default cannot reasonably be cured in 30 days, your failure to initiate within 30 days substantial and continuing action to cure the default After 3 willful and material breaches of the same provision of the Franchise Agreement occurring within a 12-month period, for which you have been given written notice and an opportunity to cure, you may terminate the Franchise Agreement upon any later willful and material breach of the same provision within the 12-month period without providing you written notice or opportunity to cure We may terminate a Franchise without giving you prior written notice or opportunity to cure a default if you

I are adjudicated a bankrupt or insolvent,

II make an assignment for the benefit of creditors or similar disposition of the assets of the Franchise Business,

III voluntarily abandon the Franchise Business, or

IV are convicted of or plead guilty or no contest to a charge of violating any law involving the Franchise Business

Upon termination for good cause, we will purchase from you at a fair market value your inventory and supplies, exclusive of

I personalized materials that have no value to us,

II inventory and supplies not reasonably required in the conduct of the Franchise Business, and

III if you retain control of the Premises of the Franchise Business, any inventory and supplies not purchased from us or on our express requirement.

We may offset against any amount we owe you, any amounts you owe us

EXHIBIT B -LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Commissioner of Business Oversight California Department of Business Oversight One Sansome Street, Suite 600 San Francisco, CA 94104 (866) 275-2677	Commissioner of Business Oversight California Department of Business Oversight One Sansome Street, Suite 600 San Francisco, CA 94104
HAWAII	Business Regulation Division Securities Compliance Department of Commerce and Consumer Affairs 335 Merchant Street Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities 335 Merchant Street Room 203 Honolulu, HI 96813
ILLINOIS	Illinois Attorney General 500 S Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General 500 South Second Street Springfield, IL 62706
INDIANA	Indiana Secretary of State Securities Division Room E-11 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Securities Division 200 Saint Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 Saint Paul Place Baltimore, MD 21202-2020
MICHIGAN	Franchise Administrator Consumer Protection Division Antitrust and Franchise Outlet Michigan Department of Attorney General 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau 6546 Mercantile Way P O Box 30222 Lansing, MI 48910
MINNESOTA	Franchise Examiner Minnesota Department of Commerce 85 7th Place East Suite 500 St Paul, MN 55101-2198 (651) 539-1600	The Commissioner of Commerce of Minnesota Department of Commerce 85 7th Place East Suite 500 St Paul, MN 55101-2198

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
NEW YORK	Bureau of Investor Protection and Securities Department of Law 120 Broadway New York, NY 10271 (212) 416-8211	Secretary of State of the State of New York 99 Washington Avenue Albany, NY 10271
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capitol 5th Floor, Department 414 Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner 600 East Boulevard Avenue State Capitol Bismarck, ND 58505-0510
OREGON	Department of Consumer and Business Services Labor and Industries Building Salem, Oregon 97310 (503) 378-4140	Department of Consumer and Business Services Labor and Industries Building Salem, Oregon 97310 (503) 378-4140
RHODE ISLAND	Chief Securities Examiner Division of Securities John O Pastore Building 69-1 1511 Pontiac Avenue Cranston, RI 02920-4407 (401) 462-9500	Director of Rhode Island Department of Business Regulation John O Pastore Building 69-1 1511 Pontiac Avenue Cranston, RI 02920-4407
SOUTH DAKOTA	Franchise Administrator Division of Securities 118 West Capital Pierre, SD 57501-5070 (605) 773-4013	Director of South Dakota Division of Securities 445 East Capitol Avenue Pierre, SD 57501-3185
VIRGINIA	State Corporate Commission Division of Securities and Retail Franchising 1300 East Main St, 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street Richmond, VA 23219
WASHINGTON	Administrator Department of Financial Institutions Securities Division P O Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
WISCONSIN	Franchise Administrator Division of Securities Department of Financial Institutions P O Box 1768 Madison, WI 53701 (608) 266-8559	Commissioner of Securities of Wisconsin 101 East Wilson Street Madison, WI 53702
ALL OTHER STATES	Not Applicable	Keith J Kanouse, Esq Kanouse & Walker, P A Suite 324 Atrium One Boca Place 2255 Glades Boca Raton, FL 33431

EXHIBIT C – FRANCHISE AGREEMENT

11/25/15

CHEEBURGER CHEEBURGER FRANCHISE AGREEMENT

between

CHEEBURGER CHEEBURGER RESTAURANTS, INC ,
a Florida corporation

("We," "Us" and "Our")

and

____

("You" and "Your")

Dated ____________, 2015

Location ________

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CHEEBURGER CHEEBURGER FRANCHISE AGREEMENT

THIS CHEEBURGER CHEEBURGER FRANCHISE AGREEMENT is signed on ________, 2014 between Cheeburger Cheeburger Restaurants, Inc, a Florida corporation, as Franchisor, and ______________________________ ________ as Franchisee

This Agreement is written in an informal style to make it easy to read and to help you become thoroughly familiar with all of the important rights and obligations that this Agreement covers before you sign it In this Agreement, Cheeburger Cheeburger Restaurants, Inc, the Franchisor, is referred to as "we," "us" or "our" The Franchisee is referred to as "you" or "your" If you are a business entity, we refer to its equity owners as "Franchise Owners" All Franchise Owners must sign our form of Guaranty of Franchisee's Obligations included as Exhibit G to our Franchise Disclosure Document

BACKGROUND

A The business you will conduct is a restaurant offering gourmet cheeseburgers, french fries, onion rings and milk shakes and other food and beverage products, including beer and wine using our proprietary and confidential business system doing business under the trade name "Cheeburger Cheeburger" (the "System")

B The distinguishing characteristics of the System include uniform standards and procedures for business operations, training in the operation, management and promotion of the Franchise, promotional programs, customer development and service techniques, and other technical assistance

C You recognize the benefits from receiving a Franchise from us and desire to enter into this Franchise Agreement subject to the terms in this Agreement and to receive the benefits provided by us under this Agreement

D We have reviewed your application and have decided to award a Franchise to you under this Agreement

TERMS

The parties agree as follows

ARTICLE 1 - APPOINTMENT

SECTION 1 1 GRANT OF FRANCHISE

We grant to you, subject to this Agreement, the right and you undertake the obligation, to operate a Franchise under the System only at the location described in Section 1 2 You select the following type of Outlet (check one)

☐ Traditional Franchised Outlet

☐ Non-Traditional Franchised Outlet

All capitalized terms are defined in ARTICLE 17

SECTION 1 2 LOCATION OF THE FRANCHISE

You agree to operate the Franchise only at the location approved by us after you select a site in accordance with Section 4 1 The location may not be changed without our written consent and compliance with our relocation procedures You will not solicit business outside your ADI using a toll-free number, catalog, direct mail, Internet, website or other advertising or solicitation method without our prior written consent

SECTION 1 3 LIMITED PROTECTED TERRITORY

0We define your Limited Protected Territory as an area comprised of a 2-mile radius around the approved Premises During the Term, if you are not in default, we agree not to open a Company-Owned Outlet or franchise another Franchised Outlet within the Limited Protected Territory This does not mean that there might not be overlap with another Franchisee's limited protected territory as long as the Premises of a Company-Owned Outlet or the other Franchised Outlet is not physically located in your Limited Protected Territory In addition, we reserve for ourselves the rights stated in Section 5 7 including the right to open and operate or franchise another of Non-Traditional Outlets that become located within your Limited Protected Territory These rights are superior to the rights we grant to you under this Agreement

ARTICLE 2 - OUR DUTIES

We will provide you with the following assistance and services as necessary for the operation of the Franchise if you are not in default under this Agreement

SECTION 2 1 SITE SELECTION ASSISTANCE

(a) National Broker If we have not approved the site for the Premises at the time you sign this Agreement, you must find a site with 12 months from the Agreement Date As part of the development process, you must initially contact our National Broker, Gregory Mallory, Mallory Commercial Real Estate Services, LLC located in Farmington Hills, Michigan Our National Broker will either solely take on the responsibility or decide to work with a broker in your area to assist you in finding a site We will provide all on-site evaluation we deem advisable in response to your request for site selection assistance and approval **NEITHER WE NOR OUR NATIONAL BROKER IS RESPONSIBLE FOR FINDING A SITE THE RESPONSIBILITY FOR FINDING A SITE RESTS SOLELY WITH YOU** However, we will not provide on-site evaluation for any proposed site before receipt of the materials required in the Manuals **THE PROPOSED SITE MUST BE APPROVED US IN WRITING BEFORE BEGINNING ANY CONSTRUCTION OR IMPROVEMENTS**

(b) Site Selection Criteria Our site selection criteria include demographic characteristics, traffic patterns, parking, the predominant character of the neighborhood, competition from other businesses providing similar services within the area, the proximity to other businesses, the nature of other businesses in proximity to the site and other commercial characteristics, the size, appearance and other physical characteristics of the site, and any other factors that we consider relevant in approving or disapproving a site We will review site approval submissions on a first-in basis If we do not approve the selected site within 30 days of submittal, you have 30 days to submit a new site within the Reserved Area for our written approval If you do not find an approved site with 12 months and have a fully executed lease, we may terminate this Agreement

(c) <u>No Special Expertise</u> **NEITHER WE NOR OUR NATIONAL BROKER REPRESENT THAT WE OR THEY HAVE ANY SPECIAL EXPERTISE IN SELECTING SITES WE ARE NOT RESPONSIBLE FOR FINDING A SITE OUR APPROVAL OF A SITE IS NOT A REPRESENTATION OR WARRANTY THAT THE FRANCHISE WILL BE PROFITABLE OR THAT YOUR SALES WILL ATTAIN ANY PREDETERMINED LEVELS OUR APPROVAL IS INTENDED ONLY TO INDICATE THAT THE PROPOSED SITE MEETS OUR MINIMUM CRITERIA FOR IDENTIFYING SITES YOU AGREE THAT OUR APPROVAL OR DISAPPROVAL OF A PROPOSED SITE DOES NOT IMPOSE ANY LIABILITY ON US**

SECTION 2 2 <u>LEASE ASSISTANCE</u>

If you intend to lease the Premises from a third party, we will assist you in your lease negotiations You must have the lease reviewed by a real estate attorney Your attorney must submit to us any changes or comments before we approve a site **WE DO NOT REPRESENT THAT WE HAVE ANY SPECIAL EXPERTISE IN NEGOTIATING LEASES YOU AGREE THAT OUR APPROVAL OR DISAPPROVAL OF A PROPOSED LEASE DOES NOT IMPOSE ANY LIABILITY ON US**

SECTION 2 3 <u>PLANS AND SPECIFICATIONS</u>

We will provide to you

(a) Assistance in developing an appropriate floor plan for the available space,

(b) Specifications of our requirements for design, decoration, layout, equipment, furniture, fixtures and signs for the Franchise (collectively, the "Design Specifications"), and

(c) Specifications for Cheeburger Cheeburger uniforms for your employees to be purchased directly from our approved suppliers

SECTION 2 4 <u>BUSINESS PLANNING ASSISTANCE</u>

We will review and comment upon any business plan and pro forma financial projections you prepare, but only after the Franchise Agreement is signed

SECTION 2 5 <u>LISTS, FORMS AND SCHEDULES</u>

(a) We will supply to you a list of required equipment, supplies, materials, inventory and other items necessary to operate the Franchise and a list of approved suppliers of these items,

(b) We will provide to you an initial set of forms, including standardized periodic reporting forms for reporting accounting information, and

(c) We will make available to you a schedule of recommended equipment and supplies that can be purchased from third-party suppliers

These forms and schedules are contained in the Operation & Policies Manual **WE DO NOT WARRANT THE COMPLETENESS, LEGALITY OR ENFORCEABILITY OF ANY AGREEMENTS OR FORMS WE PROVIDE TO YOU YOU MUST RETAIN YOUR OWN LEGAL COUNSEL TO REVIEW AND REVISE THESE AGREEMENTS AND FORMS SO THEY COMPLY WITH ALL APPLICABLE FEDERAL AND STATE LAWS**

SECTION 2 6 **EMPLOYEE INFORMATION AND ASSISTANCE**

We will give to you employee hiring information and a standardized interviewing/selection system including assisting you in determining pay scale guidelines You are solely responsible for the hiring, disciplining, supervising, promoting and firing of your employees and the establishment of their salaries as provided in Section 4 9 We recommend employee leasing as a viable staffing concept

SECTION 2 7 **BASIC MANAGEMENT TRAINING**

(a) **Basic Management Training** We provide 2 types of Basic Management Training programs that are tailored to your specific requirements and your staff's previous experience in order to maintain the highest degree of product quality and customer service An Operating Owner and a Manager (we strongly recommend another designated individual as lead kitchen person) must attend a minimum 15-day training program Depending on your level of involvement, a minimum of 2 Operating Managers must be certified by completing and successfully passing the 15-day training program before each new restaurant opening The Operating Owner and Manager must be the initial Trainees If we deem it necessary, the Operating Owner may be required to complete an additional 15 days of training at a participating Cheeburger Cheeburger Restaurant designated by the Director of Training The Director of Training may increase the length of training of any trainees based on performance The Director of Training may require past trainees to be re-certified if their location will open more than 6 months after their Basic Management Training or the certified individual has not been employed by a Cheeburger Cheeburger Restaurant for a 6 month period of time All Restaurants you operate must have a minimum of 2 certified Operating Managers before opening another location You may send additional key personnel to the 15-day manager program at no additional cost All Trainees must be acceptable to us All training will take place at our designated training facilities unless otherwise agreed in writing Basic Management Training includes instruction in marketing, promotion and advertising, sales techniques, computer applications, food and equipment safety, recipes and procedures, operational policies and procedures and grand opening guidelines Training programs may differ for each Trainee depending upon their anticipated responsibilities We provide, at our expense, instructors, facilities, training materials and technical training tools for Basic Management Training You are responsible for all other expenses of your Trainees attending Basic Management Training including salary, travel, lodging and meal expenses

(b) **Failure to Complete Basic Management Training** If any Trainee fails to complete satisfactorily Basic Management Training, as determined in our reasonable discretion, we may (i) retrain the Trainee or allow you to hire another Trainee, or (ii) if the Manager fails to complete satisfactorily Basic Management Training, as determined by our sole discretion, we may elect to terminate this Agreement

(c) **No Warranty of Success** Out determination that your Trainees have successfully completed any Initial Training, Pre-Opening On-Site Training or Additional Training is not a warranty or representation that any Trainee can or will successfully operate the Franchise Business or any aspect of the Franchise Business

SECTION 2 8 LOAN OF THE MANUALS

We will loan to you 1 registered copy of each volume of the Manuals (with periodic revisions as required) Our practice is to deliver to you the Manuals at or shortly before Basic Management Training

SECTION 2 9 PRE-OPENING INSPECTION.

We will provide periodic on-site assistance and inspection of the installation of the Cheeburger Cheeburger signage and equipment and will generally inspect the Premises We will provide you with advice, as we deem appropriate to insure that you conform to applicable standards before the Opening Date **YOU CANNOT OPEN WITHOUT OUR FINAL APPROVAL.**

SECTION 2 10 OPENING ASSISTANCE

We will make available to you on-site training of a minimum of 20 Employee Days, in most instances conducted at the Franchise before or during the first few days of operation, as we deem appropriate The on-site training program will cover material aspects of the operation of the Franchise including financial control, marketing techniques, maintenance of quality standards, employee hiring and motivation, inventory control, security standards, merchandising techniques, promotional techniques, operations, purchasing and sales

SECTION 2 11 CONTINUED ASSISTANCE AND SUPPORT

Upon the opening of the Franchise, we will provide to you the following

(a) **Field Visits** We will provide assistance to you in the development and operation of the Franchise by means of periodic visits by our representative

(b) **Advertising and Public Relations Campaigns** We, through our advertising agency, will generally promote our franchisees by recommending advertising and public relations campaigns

(c) **Local Advertising** We or our designated advertising agency will provide advice on Local Advertising

(d) **Promotional Methods and Materials** We or our designated advertising agency will provide you with promotional methods and materials we develop

(e) **Periodic Assistance** We will provide advisory assistance in the operation and promotion of the Franchise, as we deem reasonably necessary Advisory assistance may include additional training and assistance, communication of new developments, improvements in equipment and supplies, and new techniques in advertising, service and management that are relevant to the operation of the Franchise

(f) **Refresher or Additional Training** We may provide compulsory refresher training programs, seminars or advanced management training for you and your employees at our principal training facility that may be reasonably necessary Training will not be required more often than once a year However, if you receive unsatisfactory inspection reports from us and fail to promptly remedy the deficiencies, we may require your Manager and designated employees to attend refresher training as soon as possible You are solely responsible for all expenses associated with these programs including the then prevailing standard training fee we charge for these programs and all travel, meals and lodging costs of your attendees

(g) **Special Assistance** If requested by you, we will furnish non-routine guidance and assistance to address your unusual or unique operating problems and will charge reasonable per diem fees we establish and reimbursement of our reasonable out-of-pocket expenses

(h) **Research and Development** We will continue to research and develop new products, services and techniques, as we deems appropriate in its sole discretion

SECTION 2 12 LICENSE OF PROPRIETARY MARKS.

Subject to this Agreement, we license to you the right to use the "Cheeburger Cheeburger®" trade name and the other Proprietary Property

SECTION 2 13 DUTIES SOLELY TO YOU

All of our obligations under this Agreement are solely to you No other party is entitled to rely on, enforce, or obtain relief for breach of the obligations either directly or by subrogation

SECTION 2 14 OUR RIGHT TO DELEGATE DUTIES

You agree to our right to delegate our duties under this Agreement to a Designee You are required to discharge your duties with the Designee to the extent we request in the same manner that you are otherwise required to do so with us

SECTION 2 15 OUR REASONABLE BUSINESS JUDGMENT

Whenever we reserve discretion in a particular area or where we agree to exercise our rights reasonably or in good faith, we will satisfy our obligations using reasonable business judgment in making our decision or exercising our rights Our decisions or actions are deemed to be using reasonable business judgment, even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended, in whole or significant part, to promote or benefit the Business System generally, even if the decision or action also promotes our financial or other interest Examples of items that will promote or benefit the Business System include enhancing the value of the Intellectual Property, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization and improving the competitive position of the Business System

ARTICLE 3 - FEES AND PAYMENTS

SECTION 3 1 TYPES OF FEES

In consideration of our signing of this Agreement, you must pay to us the following fees, in addition to any others required under this Agreement

(a) **Initial Franchise Fee** You must pay to us an Initial Franchise Fee of $24,000 payable in full at the time you sign this Agreement We fully earn the Initial Franchise Fee on receipt and it is non-refundable upon signing this Agreement

(b) **Royalty Fee** You must pay a continuing weekly non-refundable Royalty Fee during the term of 5 0% of weekly Gross Revenues This fee is due on the Thursday following the close of business on the previous Sunday

(c) **Advertising Contributions** You must pay a continuing weekly Advertising Contribution to the Advertising and Development Fund during the Term of 1% of weekly Gross Revenues This fee is due on the Thursday following the close of business on the previous Sunday We have the sole right to enforce the obligations of you and all other franchisees that make Advertising Contributions Neither you, nor any other franchisee is a third party beneficiary of the funds or has any right to enforce any obligation to contribute the funds We reserve the right to increase the Advertising Contributions paid by you if (i) the increase is reasonably necessary to provide greater advertising and promotional assistance to the System as we determines, (ii) all other franchisees and Company-Owned Outlets within the System are subject to the same relative percentage increase in the Advertising Contributions, and (iii) the Advertising Contributions will not increase to more than 2% of monthly Gross Revenues during the Term

(d) **Our Attorneys' Fees** If, based on your request for any modification of this Agreement, any waiver of any right of ours, our consent to any action of yours, or any letter, or notice of default or notice of termination sent to you, if we retain our attorneys to advise us or to take action, you agree to reimburse us for our attorneys' fees and costs

(e) **Other Fees** There other certain other fees, and reimbursement and indemnification obligations that are specified in this Agreement

SECTION 3 2 PAYMENT SCHEDULE

You must pay the Royalty Fee and Advertising Contributions to us, together with any required weekly reports, by Thursday of each week during the Term for the preceding week ending Sunday All other amounts due to us will be paid as specified in this Agreement If no time is specified, these amounts will be due 30 days after receipt of an invoice from us Any payment or report not actually received by we on or before the due date is overdue You agree that your obligations to make payments under this Agreement and any other agreement entered into with us or our affiliates for the Franchise and the rights of us and our affiliates, if any, to receive these payments are absolute and unconditional and are not subject to any abatement, reduction, setoff, defense, counterclaim or recoupment due or alleged to be due to, or by reason of, any past, present or future claims that you have or may have against us, any of our affiliates, any of its Designees, or against any other person for any reason

SECTION 3 3 PAYMENT SYSTEM

(a) All payments by you to us or our Affiliates, upon our request, will be effectuated by a Payment System by the use of pre-authorized transfers from your operating account through the use of special checks or electronic fund transfers, that we will process at the time any payment is due or through the use of any other payment system we designate You will cooperate with us to implement the Payment System within 15 days before the Opening Date You agree to cooperate with us in maintaining the efficient operation of the Payment System, including depositing all Gross Revenues you receive in your operating account accessed by the Payment System within 1 Business Day of receipt

(b) You will give your financial institution instructions in a form we provide or approve and will obtain the financial institution's agreement to follow these instructions You will provide us with copies of these instructions and agreement The financial institution's agreement may not be withdrawn or modified without our written approval You will also sign all other forms for funds transfer as the financial institution or we may request

(c) We may require your financial institution to send a monthly statement of all activity in the designated account to us at the same time as it sends these statements to you and any other reports of the activity in the operating account as we reasonably determine and request

(d) If you maintain any other bank accounts for your Franchise, you must identify these accounts to us and provide to us copies of the monthly statements for all these accounts and the details of all deposits and withdrawals to them

(e) You will pay all charges imposed by your financial institution We will pay the charges imposed by our financial institution for the Payment System

(f) You agree that your obligations to make payments under this Agreement and any other agreement entered into with us or our Affiliates for your Franchise, and our rights and those of our Affiliates, if any, to receive these payments, are absolute and unconditional, and are not subject to any abatement, reduction, setoff, defense, counterclaim or recoupment due or alleged to be due to, or by reason of, any past, present or future claims that you have or may have against us, any of our Affiliates, any of our Designees, or against any other person for any reason

SECTION 3 4 INTEREST ON LATE PAYMENTS

If any payment under this Agreement or any other agreement between us or our affiliates and you for the Franchise is overdue by more than 3 Business Days for any reason, except for our failure to access your operating account when sufficient funds were in the operating account and the Payment System was in effect, you must pay to us, on demand, in addition to the overdue amount, interest on the overdue amount from the date it was due until paid equal to the lesser of (i) 10% per annum, or (ii) the maximum rate of interest permitted by law Nothing in this Agreement will be construed to mean that you are to pay, or has contracted to pay, any sum in excess of what may lawfully be charged or contracted for under any applicable law The parties intend to conform strictly to applicable usury laws The parties agree that if an excess amount is inadvertently collected it will be applied to reduce the amounts owed for Royalty Fees and Advertising Contributions

SECTION 3 5 APPLICATION OF PAYMENTS

We have sole discretion to apply any payments you makes or effectuated through the Payment System to your past due indebtedness to us or our affiliates including the Royalty Fee, Advertising Contributions, purchases, late charges, or any other indebtedness of you in any manner we chooses regardless of your designation

ARTICLE 4 - YOUR DUTIES

SECTION 4 1 ACQUISITION OF THE SITE

(a) **Site Approval** You are solely responsible for selecting the site You will complete the acquisition or lease arrangements for Premises located in the Reserved Area, at your expense within 6 months of the Agreement Date, after obtaining our written approval under Section 2 1

(b) **Purchase of the Site** If you intend to purchase the site, the purchase agreement will be submitted to us for our written approval You are solely responsible for securing any necessary acquisition, construction, permanent or other financing of the site and the Premises

(c) **Lease of the Site** We must approve any lease of the Premises You must deliver a copy of the proposed lease to us at least 15 days before you sign it You and the landlord must sign our form of Agreement with Landlord, the form of which is included in Exhibit L to the Franchise Disclosure Document

SECTION 4 2 CONSTRUCTION PLANS AND PERMITS

With respect to the construction of the Premises, you will do the following

(a) You must employ a qualified licensed architect or engineer with adequate errors and omissions insurance to prepare a site plan and plans and specifications adapting our standard plans and specifications to your approved location and to applicable laws, lease requirements and restrictions and market conditions The architect or engineer must be especially mindful of all zoning, signage, seating capacity, parking requirements and alcoholic beverage licensing and storage requirements **ALL BUILDING PLANS MUST BE APPROVED BY US BEFORE THE START OF CONSTRUCTION** Any material modification to the standard plans and specifications must be sealed and stamped by the architect or engineer and approved by us The modified plans and approvals, once approved by us, may not be materially changed or modified without our written approval,

(b) You will employ professional supervision reasonably satisfactory to us for the preparation of the site layout and plan and oversee construction of the Premises, and

(c) You must obtain all permits and certifications required for the lawful construction and operation of the Franchise, together with certifications from all governmental authorities having jurisdiction over the Premises and the Franchise You must provide us with evidence that all necessary permits have been obtained and that all requirements for construction and operation have been met, including zoning, access, sign, fire, health, environmental and safety requirements

(d) No construction can commence without our prior written approval

SECTION 4 3 CONSTRUCTION REQUIREMENTS

You will use commercially reasonable efforts to begin construction within 15 Business Days after receipt of all necessary permits and our prior written approval You will provide written notice to us of the date construction of the Franchise began within 10 days after the first day of construction You will construct the Premises in accordance to the approved plans described in Section 4 2 and the Design Specifications You will use commercially reasonable efforts to maintain continuous construction of the Premises and complete construction, including all exterior and interior carpentry, electrical, painting and finishing work and installation of all with the approved fixtures, equipment and signs, in accordance with the site plans and Design Specifications, at your expense, within 6 months after permitting You agree that we and our representatives have the right to inspect the construction at all reasonable times After completion of construction, you will within 10 Business Days, use commercially reasonable efforts to obtain a Certificate of Occupancy After obtaining our approval for opening, you will open the Franchise within 10 Business Days after the date of the Certificate of Occupancy You and we agree that time is of the essence in the construction and opening of the Franchise

SECTION 4 4 OPENING

(a) **Conditions to Opening** You agree not to open the Franchise for business until (a) all of your obligations under Sections 4 1 through 4 3 have been fulfilled, (b) we reasonably determine that the Franchise has been constructed, furnished, equipped, and decorated in accordance with approved plans and specifications, (c) the hiring and training of a sufficient number of Trainees has been completed to our reasonable satisfaction, (d) the Initial Franchise Fee and all amounts due to us and our affiliates under this Agreement have been paid in full, (e) we have been furnished with certificates of insurance and copies of all insurance policies or all other evidence of insurance coverage as we reasonably request, (f) you have obtained a Certificate of Occupancy for the Premises, (g) you have obtained all necessary licenses and permits to operate the Franchise, and (h) our final written approval of the opening of the Franchise is given and is in our reasonable discretion You agree to comply with these conditions and to be prepared to open the Franchise for business within 6 months after the location has been turned over to you by the landlord, subject to anything beyond the reasonable control of you

(b) **Costs to Open** Within 60 days after opening, you will prepare and provide us with a complete and detailed written breakdown of all costs incurred in the development of the Cheeburger Cheeburger Franchise

(c) **Certificate of Performance** After we have performed all of our pre-opening obligations and you are open for business, we may request you to sign a certification in the form included in the Manuals ("Certificate of Performance") confirming our performance If, in good faith, you do not believe that we have not completed certain of our pre-opening obligations, you will note the alleged deficiencies on Schedule A – List of Deficiencies to Certificate of Performance specifically describing the obligations that you believe we have not performed

SECTION 4 5 USE OF THE PREMISES

You must use the Premises solely for the operation of the Franchise You must keep the Franchise open for business and in normal operation for the minimum hours and days as we require in the Manuals or otherwise in writing except as limited by local law or the landlord's rules and regulations You must refrain from using or permitting the use of the Premises for any other purpose or activity at any time without obtaining our written consent You have the right to temporarily close the Franchise for any legitimate reason including religious holidays, storm warnings, substantial renovations, etc You will provide to we written notice of such temporary closure

SECTION 4 6 MAINTENANCE AND REPAIRS

You will use commercially reasonable efforts to maintain the Franchise in the highest and most uniform degree of sanitation, repair, appearance, condition and security as stated in the Manuals and as a modern, clean, adequately lighted and efficiently operated Franchise providing high quality products and services with efficient, courteous and friendly customer service as we reasonably require You must make all additions, alterations, repairs and replacements to the Franchise as required for that purpose, including all periodic repainting, changes in appearance, repairs to impaired equipment and replacement of obsolete signs as we direct You must meet and maintain the highest safety standards and ratings applicable to the operation of the Franchise, as we require, including the maintenance of the highest sanitation rating

SECTION 4 7 OPERATIONAL REQUIREMENTS

You agree to operate the Franchise in conformity with all uniform methods, standards and specifications as we reasonably require in the Manuals or otherwise, to ensure that the highest degree of quality and service is uniformly maintained In this regard you agree to

(a) Record all Gross Revenues on the approved PAR P O S System,

(b) Comply with the procedures and systems we begin both now and in the future, including those on sales, good business practices, advertising and other obligations and restrictions,

(c) Maintain in sufficient supply (as we reasonably require in the Manuals or otherwise in writing) and use at all times, only inventory, equipment, materials, advertising methods and formats, and supplies that conform with our standards and specifications, if any, at all times sufficient to meet the anticipated volume of business, and to refrain from deviating from these requirements without our written consent,

(d) Use menus that comply with our specifications for materials, finish, style, pattern and design,

(e) Adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct in all dealings with customers, suppliers, employees, independent contractors, us and the public,

(f) Sell or offer for sale only the products, services, and menu items that meet our uniform standards of quality and quantity, have been expressly approved for sale in the Manuals or otherwise in writing by us at retail to consumers from the Franchise, not sell any items for redistribution or resale, sell or offer for sale all approved products and services, refrain from any deviation from our standards and specifications for providing or selling the approved products and services without our written consent, and discontinue selling and offering for sale any items that we disapprove in writing at any time If you desire to sell beer or wine at your Outlet, you must apply in writing for our approval and obtain all necessary alcoholic beverage licenses If you do not receive written approval from us the request is deemed denied, and

(g) Purchase and install, at your expense, all fixtures, furnishings, signs and equipment as we specify which will not be materially different from what is required for other Franchised Outlets and Company-Owned Outlets The equipment must be maintained in a condition that meets the operational standards specified in the Manuals As equipment becomes obsolete or inoperable, you will replace the equipment with the types and kinds of equipment as are then approved for use in the Franchise If we determine that additional or replacement equipment is needed because of a change in menu items or method of preparation and service, a change in technology, customer concerns or health or safety considerations, you will install the additional equipment or replacement equipment within the time we specify You agree to refrain from installing or permitting to be installed on or about the Premises (unless submitted in writing to us before purchase and installation and approved in writing by us) any products, fixtures, furnishings, signs, cards, vending machines, pinball machines, electronic or video games, lottery ticket terminals, promotional literature, equipment or other items and service concepts not previously specifically approved

SECTION 4 8 **P.O.S. SYSTEM**

(a) Before the opening of the Franchise, you must procure and install at the Franchised Premises the P O S System we specify in the Manuals or otherwise You will provide any assistance we require to bring the P O S System "on-line" with our computer You agree that we have the right to retrieve all data and information from your P O S System as we, in our reasonable discretion, deem necessary, with the telephonic cost of retrieval to be paid by us All of the items to be installed or purchased, or activities to be accomplished by you, and the delivery of all hardware and software, are at your sole expense

(b) To ensure full operational efficiency and communication capability between our computers and those of all franchisees, you will keep the P O S System in good maintenance and repair and following our testing and determination that the changes will prove economically or systemically beneficial to you and us, to install all additions, changes, modifications, substitutions and/or replacements to its computer hardware, software, telephone and power lines and other computer-related facilities as we direct on those dates and within those times we specify in our sole discretion, in the Manuals or otherwise Upon termination or expiration of this Agreement, all software, disks, tapes and other magnetic storage media we provide to you must be returned to us in good condition (reasonable wear and tear excepted) You will delete all software and applications from all memory and storage

SECTION 4 9 **HIRING, TRAINING AND APPEARANCE OF EMPLOYEES**

You will maintain a competent, conscientious staff and employ the minimum number of employees necessary to meet the anticipated volume of business and to achieve the goals of the System You will take all steps as are reasonably necessary to ensure that your employees meet the employment criteria and keep a neat appearance and comply with any dress code we reasonably require, subject to the requirements of landlords You are solely responsible for the terms of their employment and compensation and, except for training required under this Agreement, for the proper training of the employees in the operation of the Franchise You are solely responsible for all employment decisions and functions, including hiring, firing, establishing wage and hour requirements, disciplining, supervising, and record keeping You will not recruit or hire any employee of we or another franchisee within the System without obtaining our or the other franchisee's written permission

SECTION 4 10 <u>MANAGEMENT OF THE FRANCHISE</u>

(a) You are solely lıable and responsıble for the operatıon of the Cheeburger Cheeburger Franchıse ın accordance wıth the terms of thıs Agreement as contaıned ın the Manuals and regardless of whether you choose to operate the Cheeburger Cheeburger Franchıse as a full-tıme owner/operator together wıth a Manager

(b) If thıs Agreement ıs sıgned by 2 or more ındıvıduals or by a busıness entıty, you agree to desıgnate ın wrıtıng Sectıon 18 1 an ındıvıdual or a Franchıse Owner as the Desıgnated Representatıve We have the rıght to rely solely on ınstructıons of the Desıgnated Representatıve concernıng the operatıon of the Cheeburger Cheeburger Franchıse untıl we receıve a duly sıgned wrıtten notıce changıng the Desıgnated Representatıve

(b) If thıs Agreement ıs sıgned by 2 or more ındıvıduals or by a busıness entıty, you agree to desıgnate ın We have the rıght to rely solely on ınstructıons of the Desıgnated Representatıve concernıng the operatıon of the Franchısed Busıness untıl we receıve a duly sıgned wrıtten notıce changıng the Desıgnated Representatıve

(c) The Manager must devote hıs or her best full-tıme efforts to the management and operatıon of the Franchıse You agree that the Franchıse requıres the day-to-day supervısıon of the Manager at all tımes the Franchıse ıs open for busıness The Manager, and all successıve Managers, ıf any, are requıred to complete Basıc Management Traınıng before managıng the Franchıse, unless we otherwıse agree ın wrıtıng

(d) If we have permıtted the Manager to be an ındıvıdual other than the Franchıse Owner, and the Manager faıls to satısfy your oblıgatıons provıded ın Subsectıon 4 10(c) due to death, dısabılıty, termınatıon of employment or for any other reason, the Franchıse Owner wıll satısfy these oblıgatıons untıl you desıgnate a new Manager of the Franchıse acceptable to us who has successfully completed Basıc Management Traınıng You are solely responsıble for the expenses assocıated wıth Basıc Management Traınıng for your desıgnated employee partıcıpants

SECTION 4 11 <u>APPROVED SPECIFICATIONS AND SOURCES OF SUPPLY</u>

(a) **<u>Authorızed Specıfıcatıons and Supplıers.</u>** You must purchase or lease equıpment, supplıes, ınventory, advertısıng materıals, constructıon servıces and other products and servıces used for the operatıon of the Franchıse only from authorızed manufacturers, contractors and other supplıers who demonstrate, to our contınuıng satısfactıon the abılıty to meet our standards and specıfıcatıons for these ıtems, possess adequate qualıty controls and capacıty to supply your needs promptly and relıably, and have been reasonably approved ın wrıtıng by us and not later dısapproved We may approve a sıngle supplıer for any brand and may approve a supplıer only as to a certaın brand or brands In approvıng supplıers for the System, we take ınto consıderatıon factors lıke the prıce and qualıty of the products or servıces and the supplıer's relıabılıty We may concentrate purchases wıth 1 or more supplıers to obtaın the lowest prıces and/or the best advertısıng support and/or servıces for any group of Franchıses or Company-Owned Outlets wıthın the System Approval of a supplıer may be condıtıoned on requırements on the frequency of delıvery, standards of servıce, warranty polıcıes ıncludıng prompt attentıon to complaınts, complıance wıth law, and concentratıon of purchases, as stated above, and may be temporary, pendıng our addıtıonal evaluatıon of the supplıer We may receıve revenues but wıll not receıve preferentıal prıcıng to Company-Owned Outlets from your purchase of products ın accordance wıth our standards or specıfıcatıons

(b) **Approval of New Specifications and Suppliers.** If you propose to purchase or lease any equipment, supplies, inventory, advertising materials, construction services or other products or services from an unapproved supplier, you must submit to us a written request for approval, or request the supplier to do so We will have the right to require, as a condition of our approval, that our representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered, at our option, either to us or to an independent, certified laboratory we designates for testing We are not liable for damage to any sample that results from the testing process You must pay a charge not to exceed the reasonable cost of the inspection and the actual cost of the testing (not to exceed $1,000) We may also require as a condition to our approval, that the supplier present satisfactory evidence of insurance, for example, product liability insurance, protecting us and our franchisees against all claims from the use of the item within the System We will give approval or disapproval in writing and delivered to you by regular mail within 10 days after all inspections, testing and the above conditions have been completed We will notify you in writing of the approval or disapproval of the supplier We reserve the right, at our option, to reinspect the facilities and products of any approved supplier and continue to sample the products at the supplier's expense and to revoke approval upon the supplier's failure to continue to meet our standards and specifications

SECTION 4 12 REQUIRED INVENTORIES

You agree that the Franchise Business will at all times maintain using commercially reasonable efforts an inventory of ingredients, food and beverage products and other products, materials and supplies that will permit operation of the Franchise at the anticipated demand

SECTION 4 13 BEER AND WINE LICENSE

You must secure and maintain in force a beer and wine license that permits beer and wine sales 7 days a week If your Franchise Business is open and operating and a change occurs in applicable state or local law that does not permit beer and wine sales on Sundays, it will not be a breach of this Agreement If your beer and wine license is suspended or revoked, in addition to our right to terminate this Agreement, we reserve the right to charge you the Royalty Fee on the Gross Revenues you would have received on the lost beer and wine sales during the license suspension, if we are allowed to collect Royalty Fees on the sale of beer and wine We will estimate the Gross Revenues based on the prior year's Gross Revenues during the suspension period

SECTION 4 13 SALES OF PRODUCTS AND SERVICES TO YOUR AFFILIATES

All sales of products and services to your affiliates, if any, must be on terms regularly applicable to your nonaffiliated customers, and in all cases must be arm's-length

SECTION 4 14 CREDIT CARDS AND OTHER METHODS OF PAYMENT, GIFT CARD PROGRAM

You will maintain credit card relationships with VISA, MasterCard, American Express and any other nationally recognized credit card company, the Franchisor deems appropriate You will participate in any gift card program we develop

SECTION 4 15 TELEPHONES AND ANSWERING SERVICE

You will

(a) Maintain continuously the number of operating telephone lines and telephone numbers to be used exclusively by you for the operation of the Franchise as we reasonably require, with sufficient staff to handle telephone calls in an efficient and courteous manner at all times during normal business hours, and

(b) Upon our written request, maintain continuously a dedicated operating telephone line and telephone number at the Franchise that only we may use, and that permits us to monitor accounting and operational information via a modem with all costs to be paid by us

SECTION 4 16 COMPLIANCE WITH LAWS, RULES AND REGULATIONS

You will comply with all federal, state, and local laws, rules and regulations, and will timely obtain, maintain and renew when required all permits, certificates, licenses or franchises necessary for the proper conduct of the Franchise under this Agreement These include anti-terrorism laws (Executive Order 13224), qualification to do business, fictitious, trade or assumed name registration, building and construction permits, occupational licenses, sales tax permits, health and sanitation permits and ratings, fire clearances and environmental permits, and liquor licenses to dispense alcoholic beverages at the Premises You must forward copies of all inspection reports, warnings, certificates and ratings, issued by any governmental entity during the Term on the conduct of the Franchise that indicate your material non-compliance with any applicable law, rule or regulation, to we within 2 days of your receipt of these items

SECTION 4 17 TAX PAYMENTS, CONTESTED ASSESSMENTS

You will promptly pay when due all taxes levied or assessed by any federal, state or local tax authority including unemployment taxes, withholding taxes, sales taxes, use taxes, income taxes, tangible commercial personal property taxes, real estate taxes, intangible taxes and all other indebtedness you incur in the conduct of the Franchise You will pay to us an amount equal to any sales tax, goods and services taxes, gross receipts tax, or similar tax imposed on us for any payments to we required under this Agreement, unless the tax is measured by or relates to our net income or to its corporate status in a state If we pay any tax for you, you will promptly reimburse us the amount paid If there is any bona fide dispute as to liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law However, you will not permit a tax sale, seizure by levy or signing a similar writ or warrant, or attachment by a creditor, to occur against the Premises or any assets used in the Franchise

SECTION 4 18 CUSTOMER SURVEYS

Upon our request, you will present to customers all evaluation forms we periodically require and will participate and/or request your customers to participate in any marketing surveys performed by or for us

SECTION 4 19 INSPECTIONS

You will permit us and/or our representatives to enter the Premises or your office at any time during normal business hours, for purposes of conducting inspections You will cooperate fully with us and/or our representatives in inspections by rendering assistance as they request and by permitting them, at their option, to observe how you are selling the products and rendering the services, to monitor sales volume, to conduct a physical inventory, to confer with your employees and customers and to remove samples of any products, supplies and materials in amounts reasonably necessary to return to our office for inspection and record-keeping The inspections may be conducted without notice at any time when you or an employee is at the Franchise The inspections will be performed in a manner that minimizes interference with the operation of the Franchise We may videotape the inspections Upon notice from us, and without limiting our other rights under this Agreement, you will take all steps necessary to correct immediately any deficiencies detected during inspections, including immediately stopping use of any equipment, advertising, materials, products, supplies or other items that do not conform to our then-current requirements

SECTION 4 20 NOTICES TO US

(a) You will notify us in writing within 5 days of any of the following events if any event occurs to the Franchise or may have an adverse effect on the Franchise

(i) The actual start of, any action, suit, counter suit or other proceeding against you or any of your employees,

(ii) The receipt of any notice of noncompliance by you or any of your employees with any law, rule or regulation, or

(iii) The issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality entered against you or any of your employees

(b) You will provide us with any information we reasonably request, within 5 days of request, about the progress and outcome of events

SECTION 4 21 OPERATIONAL SUGGESTIONS

You are encouraged to submit suggestions in writing to us for improving elements of the System, including products, services, equipment, service format, advertising and any other relevant matters, that we considers when adopting or modifying standards, specifications and procedures for the System You agree that any suggestions you make are our exclusive property We have no obligation to use any suggestions and no obligation to provide compensation for any suggestion You may not use any suggestions inconsistent with your obligations under this Agreement without our written consent

SECTION 4 22 RENOVATION AND UPGRADING

You will abide by our reasonable requirements for alterations, remodeling, upgrading or other improvements to the Franchise to achieve the strategic marketing goals of the System The standards to comply satisfactorily will not exceed those applicable to new Franchised Outlets and new Company-Owned Outlets For any changes in, or additions of, equipment, furnishings, fixtures, lighting, carpeting, painting or the taking of other actions as we specifies to satisfy our then-current standards for image, positioning, marketing strategy, cleanliness or appearance, you will bear the entire cost of the changes or additions

SECTION 4 23 <u>LIQUIDATED DAMAGES FOR SALE OF PROHIBITED PRODUCTS OR SERVICES</u>

You agree that the offer to sell or the sale of unauthorized or prohibited products and services will result in damages to us These damages will be measured as being $200 for each day of the prohibited offer or sale The full amount of damages is immediately payable to us Our right to collect damages is in addition to our other rights under this Agreement, including our right strictly to enforce or terminate this Agreement as provided in this Agreement and obtain injunctive relief, except to the extent any other rights are excluded by law in light of this Section You agree that a precise calculation of the full extent of the damages that we will incur from the offer or sale of unauthorized products and services is difficult to determine and we and you desire certainty in this matter and agree that the damages provided in this Section are reasonable and are not a penalty

SECTION 4 24 <u>PUBLICITY</u>

You grant us the right to freely use, without your consent, any pictures, financial information, or biographical material relating to you or your Cheeburger Cheeburger Franchise for use in promotional literature or in any other way beneficial to the Cheeburger Cheeburger organization as a whole You will cooperate in securing photographs, including obtaining consents from any persons appearing in photographs If we publish anything you feel reflects unfairly or inaccurately on your Cheeburger Cheeburger Franchise or you, we will take all reasonable steps in our power to retract the material

ARTICLE 5 - PROPRIETARY PROPERTY

SECTION 5 1 <u>OUR REPRESENTATIONS AS TO THE PROPRIETARY MARKS</u>

We represent to you that

(a) We are the owner of the Proprietary Marks subject to the rights of senior users, if any, and

(b) We have the right to use the Proprietary Marks for our Company-Owned Outlets and to sublicense the Proprietary Marks to Franchisees

SECTION 5 2 <u>YOUR USE OF THE PROPRIETARY PROPERTY</u>

You may use the Proprietary Property only in accordance with standards and specifications we determine You agree that

(a) You will use the Proprietary Property only for the promotion and operation of the Franchise,

(b) You have no right to pre-package or sell pre-packaged food products or beverages using the Proprietary Marks unless we approve in writing,

(c) You will use the Proprietary Marks as the sole service mark identifications for the Franchise and will display prominently the Proprietary Marks on and/or with all materials we designate and authorize, and in the manner we reasonably require,

(d) You will not use the Proprietary Property as security for any obligation or indebtedness,

(e) You cannot use the Proprietary Marks as, or part of, your corporate or partnership name including the word Cheeburger in any part of your corporate name You will comply with our reasonable instructions in filing and maintaining the requisite fictitious, trade or assumed name registrations for the Cheeburger Cheeburger trade name, and will sign all documents we or our counsel deem reasonably necessary to obtain protection for the Proprietary Property and our interest in the property, for example, John Jones d/b/a "Cheeburger Cheeburger" or ABC, Inc d/b/a "Cheeburger Cheeburger,"

(f) You will maintain a suitable sign or graphics package at, or near the front of the Premises, on any pylon sign, building directory or other area identifying the Premises only as "Cheeburger Cheeburger" The signage must conform in all respects to our reasonable requirements except to the extent prohibited by local legal restrictions or landlord regulations,

(g) All materials including place mats, menus, matchbook covers, order books, plastic or paper products and other supplies and packaging materials used in the System will bear our Proprietary Marks, as we require, and

(h) You will exercise caution when utilizing our Proprietary Property to ensure that the Proprietary Property is not jeopardized in any manner

SECTION 5 3 **INFRINGEMENT BY YOU**

You agree that the use of the Proprietary Property outside the scope of this Agreement, without our written consent, is an infringement of our rights in the Proprietary Property You agree that during the Term, and after the expiration or termination of this Agreement, you will not, directly or indirectly, commit an act of infringement or contest or aid in contesting the validity or our rights to the Proprietary Property, or take any other action in derogation of our rights in the Proprietary Property

SECTION 5 4 **CLAIMS AGAINST THE PROPRIETARY PROPERTY**

If there is any claim of infringement, unfair competition or other challenge to your right to use any Proprietary Property, or if you become aware of any use of, or claims to, any Proprietary Property by persons other than us or our franchisees, you will promptly (within 7 days) notify us in writing You will not communicate with anyone except us and our counsel on any infringement, challenge or claim except under judicial process We have sole discretion as to whether we take any action on any infringement, challenge or claim, and the sole right to control any litigation or other proceeding involving any infringement of, challenge or claim to any Proprietary Property You must sign all documents, render all assistance, and do all acts that our attorneys deem necessary or advisable in order to protect and maintain our interest in any litigation or proceeding involving the Proprietary Property or otherwise to protect and maintain our interests in the Proprietary Property

SECTION 5 5 **INDEMNIFICATION OF YOU**

We indemnify you against and will reimburse you for all damages for which you are held liable in any proceeding from your use of any Proprietary Property in accordance with this

Agreement, if you (a) has timely notified us of the claim or proceeding in accordance with Section 5 4, (b) has otherwise complied with this Agreement, and (c) allow us sole control of the defense and settlement of the action in accordance with Section 5 4

SECTION 5 6 OUR RIGHT TO MODIFY THE PROPRIETARY MARKS

If we deem it advisable in our sole discretion to modify or discontinue the use of any of the Proprietary Marks and/or use 1 or more additional or substitute names or marks, including due to the rejection of any pending registration or revocation of any existing registration of any of the Proprietary Marks, or due to the rights of senior users, you are obligated to do so at your sole expense within 30 days of our request

SECTION 5 7 OUR RESERVATION OF RIGHTS

You agree that the license of the Proprietary Marks granted to you has limited exclusivity and that, in addition to our right to use and grant others the right to use the Proprietary Marks outside the Protected Territory, all rights not expressly granted in this Agreement to you concerning the Proprietary Marks or other matters are expressly reserved for us, including the right to

(a) **Non-Traditional Franchised Outlets** Establish, develop, license or franchise a Franchised Outlet within your Protected Territory if the Franchised Outlet is to be located at a Non-Traditional Site

(b) **Different Business Models** Establish, develop, and license or franchise other systems, different from the System licensed by your Franchise Agreement within or outside the Protected Territory, without offering or providing you any rights in, to, or under the other systems and

(c) **Dissimilar Channels of Distribution** Sell similar Cheeburger Cheeburger products and services authorized for the Franchise using the Proprietary Marks through dissimilar channels of distribution, including supermarkets, special events, etc and under any terms that we deem appropriate within or outside the Protected Territory We will not compensate you for any sales made within your Protected Territory

(d) **Acquisition of Competitive Business** If we acquire a Competitive Business and outlets of the Competitive Business encroach upon your Protected Territory, we will have 1 year from the date of acquisition of the Competitive Business to sell the encroaching outlets without being in default under this Agreement

SECTION 5 8 OWNERSHIP, INUREMENT SOLELY TO US

You agree that you have no ownership or other rights in the Proprietary Property, except as expressly granted in this Agreement, and we are the owner or authorized licensor of the Proprietary Property You agree that all good will associated with the Franchise inures directly and exclusively to our benefit and is our exclusive property except through profit received from the operation or possible permitted sale of the Franchise during the Term If you secure in any jurisdiction any rights to any of the Proprietary Marks (or any other Proprietary Property) not expressly granted under this Agreement, you will immediately notify us and immediately assign to us all of your right, title and interest to the Proprietary Marks (or any other Proprietary Property) not expressly granted under this Agreement

ARTICLE 6 - MANUALS AND OTHER CONFIDENTIAL INFORMATION

SECTION 6 1 IN GENERAL

To protect our reputation and good will, and to maintain uniform standards of operation under the Proprietary Marks, you will conduct your Franchise in accordance with the Manuals The Manuals are an integral part of this Agreement with the same effect as if fully stated in this Agreement

SECTION 6 2 CONFIDENTIAL USE

(a) You will treat and maintain the Confidential Information as confidential and our trade secrets The Manuals will be kept in a secure area within the Premises You will strictly limit access to the Confidential Information to your employees, attorneys and accountants to the extent they have a "need to know" in order to perform their jobs You will report the theft, loss or destruction of the Manuals or any portion of the Manuals immediately to us Upon the theft, loss or destruction of any of the Manuals, we will loan a replacement copy to you at a fee of $200 for each Manual A partial loss or failure to update any Manual is considered a complete loss

(b) You agree that, during and after the Term, you, your owners and employees will

(i) not use the Confidential Information in any other business or capacity, including any derivative or spin-off of the Cheeburger Cheeburger concept,

(ii) maintain the absolute secrecy and confidentiality of the Confidential Information during and after the Term,

(iii) not make unauthorized copies of any portion of the Confidential Information disclosed or recorded in written or other tangible form, and

(iv) adopt and implement all procedures that we require to prevent unauthorized use or disclosure of, or access to, the Confidential Information

(c) You must require all persons whom you permit to have access to the Manuals or any other Confidential Information to sign our form of confidentiality agreement

SECTION 6 3 PERIODIC REVISIONS

We may change the contents of the Manuals You will comply with each new or changed provision beginning on the 30th day (or any longer time as we specify) after written notice from us Revisions to the Manuals will be based on what we, in our sole discretion, deem is in the best interests of the System, including to promote quality, enhance good will, increase efficiency, decrease administrative burdens, or improve profitability of us and our franchisees You agree that because complete and detailed uniformity under many varying conditions may not be possible or practical, we reserve the right, in our sole discretion, to vary standards for any Franchisee due to the peculiarities of the particular site or circumstances, density of population, business potential, population of trade area, existing business practices or any condition that we deem important to the successful operation of the Franchise You are not entitled to require us to grant to you a similar variation under this Agreement You will ensure that your copy of the Manuals contains all updates you received from us If there is any dispute as to the contents of the Manuals, the terms contained in the master copy of each of the Manuals we maintain at our home office is controlling

SECTION 6 4 PRIOR INFORMATION

You agree that all Confidential Information received before the Agreement Date was unknown to you except through our disclosure and that the marketing practices and operating procedures we develop and franchise to you for the operation of the Franchise are important for the success of the System To the extent you receive any Confidential Information after signing this Agreement, and you do not object in writing to us within 30 days after signing this Agreement that any of the information comprising the Confidential Information should not be considered Confidential Information, then you have irrevocably waived your right to make any objection You agree that this representation and warranty is a material inducement for us to enter into this Agreement, and any breach is an Event of Default

ARTICLE 7 - ADVERTISING

SECTION 7 1 ADVERTISING BY YOU

(a) We require you to develop a grand opening advertising program costing $4,000 to $5,000 to minimize early lack of awareness of the Cheeburger Cheeburger Franchise among large numbers of consumers in your local trade area Included in this amount is food products used for initial promotional activities You are required to use our advertising agency, which is provided to you free of charge by us

(b) Recognizing the value of advertising, and the importance of the standardization of advertising programs to the benefit of the good will and public image of the System, we recommend that you spend at least 4% of Gross Revenues on local, regional and national advertising

(c) We strongly recommend that that you spend during each calendar month during the Term, beginning on the Opening Date, at least 2% of Gross Revenues for Local Advertising We will assist you in your Local Advertising efforts All advertising must be approved and/or created by Wright & Company You are free to own your advertising material subject to Wright & Company's written approval

(d) **YOU MUST SUBMIT TO WE, OR OUR DESIGNEE, FOR OUR APPROVAL, ALL MATERIALS TO BE USED FOR LOCAL ADVERTISING,** unless they have been approved before or they consist solely of materials we provided All materials on which the Proprietary Marks are used must include the applicable designation servicemark℠, trademark™, registered® or copyright©, or any other designation we specifies If our written or oral disapproval of materials submitted is not received by you within 15 days from the date we received the materials, the materials are approved We may require you to withdraw and/or discontinue the use of any promotional materials or advertising, even if previously approved, if in our judgment, the materials or advertising may injure or be harmful to the System This requirement must be made in writing by us, and you have 5 days after receipt of notice to withdraw and discontinue use of the materials or advertising, unless otherwise agreed in writing The submission of advertising to us for approval will not affect your right to determine the prices at which you sell your products or services

(e) You must follow our requirements for the use of social media including creating and maintaining a Twitter account, Facebook page, Instagram, GoMoBo account, 4 Square account, and other similar types of social media we may add in the future in the Operation & Policies Manual or otherwise in writing

SECTION 7 2 **REGIONAL COOPERATIVE ADVERTISING**

You agree that we have the right to establish a regional advertising cooperative in any ADI Upon our request, you will immediately become a member of the Cooperative for the ADI that includes your Protected Territory Your Franchised Business does not have to be a member of more than 1 Cooperative Non-Traditional Outlets do not have to participate in a Cooperative

(a) **Purposes of Cooperative** We will organize the Cooperative for the exclusive purposes of administering advertising programs and developing standardized promotional materials for use by its members The Cooperative may adopt its own rules and procedures, but we must approve the rules or procedures The rules and procedures must not restrict or expand your rights or obligations under this Agreement Except as otherwise contained in the Franchise Agreement, and subject to our approval, any lawful action of the Cooperative at a meeting attended by 67% of the members, including assessments for Local Advertising, binds you if approved by 67% of the members present Each Franchised Outlet and Company-Owned Outlet has 1 vote, however no Franchisee (or controlled group of Franchisees) has more than 25% of the vote in the Cooperative regardless of the number of Franchised Businesses owned by any Franchisee

(b) **Our Approval of Advertising** We must approve in writing all advertising or promotional plans or materials the Cooperative proposes to use or furnish to its members The Cooperative must submit to us all plans and materials in accordance with the procedure stated in Subsection 7 1(c)

(c) **Members' Contributions to Cooperative** The Cooperative has the right to require each of its members to contribute to the Cooperative an amount not to exceed _2% of that member's weekly Gross Revenues We credit this amount against your obligation for Local Advertising as provided by Subsection 7 1 Each member will submit to the Cooperative, no later than Thursday of each week, his, her or its contribution together with all other statements or reports we or the Cooperative requires The Cooperative will render quarterly reports to us of its advertising and marketing expenditures

(d) **Quarterly Reports** The Cooperative will prepare quarterly unaudited reports of its advertising and marketing expenditures The reports will be sent by the Cooperative to its members and to us

(e) **Impasses** If an impasse occurs based on its members' inability or failure to resolve within 45 days any issue affecting the establishment or effective functioning of the Cooperative, the issue, upon request of a member of the Cooperative, will be submitted to us for consideration Our resolution of the issue is final and binding on all members of the Cooperative

(f) **Changes, Dissolution or Merger of Cooperatives.** We have the right to form, change, dissolve or merge any Cooperative

SECTION 7 3 WEBSITE ADVERTISING

We own and manage the URL, www cheeburger com and will include your location on it ("Website") Without our express written consent, at no time are you authorized to maintain, or have maintained on your behalf, either alone or in concert with others, any electronic medium or method of communication, including a website, home page, HTML document, Internet Site, web page, ownership of a domain, or other World Wide Web document with respect to its operation or the advertisement or other publication of the Franchised Business Before establishing a website, you must submit to us a sample of the website format and information in the form and manner that we reasonable require In addition to any other applicable requirements, you must comply with our standards and specifications for websites as set forth in the Manuals We will hyperlink your website as part of www cheeburger com If you propose any material revision to your website or any information contained in your website, you must submit each revision to us for our prior written approval Any website is deemed Local Advertising under this Agreement

SECTION 7 4 ADVERTISING AND DEVELOPMENT FUND

(a) We have created a special fund called the "Advertising and Development Fund" (the A & D Fund") for the benefit of all Franchised Outlets and Company-Owned Outlets who contribute to the A & D Fund Non-Traditional Outlets may not have to contribute to the A & D Fund The monies paid to the A&D Fund will be used to pay our advertising agency and for the creation of advertising and materials to be used throughout the System All marketing materials will be prepared by our agency

(b) All expenditures are at our sole discretion We may spend in any calendar year an amount greater or less than the total Advertising Contributions to the A & D Fund in that year and the A & D Fund may borrow from us or other lenders to cover deficits of the A & D Fund or cause the A & D Fund to invest any surplus for future use by the A & D Fund You authorize us to collect for remission to the A & D Fund any advertising monies or credits due from any supplier to you or other rebates from suppliers from purchases by us and/or you

SECTION 7 5 CONTENT AND CONCEPTS

We retain sole discretion over all advertising, marketing and public relations programs and activities financed by the A & D Fund, including the creative concepts, materials and endorsements used and geographic, market and media placement and allocation You agree that the A & D Fund may be used to pay the costs of preparing and producing associated materials and programs as we determine, including video, audio and written advertising materials employing advertising agencies, sponsorship of sporting, charitable or similar events, administering regional and multi-regional advertising programs including purchasing direct mail and other media advertising and employing advertising agencies to assist with marketing efforts, and supporting public relations, market research and other advertising, promotional and marketing activities We have the right to take photographs of the Franchised Outlet for use in our publicity or advertising You will cooperate in securing photographs, including obtaining consents from any persons appearing in photographs You agree that the Advertising Contributions are intended to maximize general public recognition of and the acceptance of the Proprietary Marks for the benefit of the System as a whole We undertake no obligation, in administering the A & D Fund, to make expenditures for you that are equivalent or proportionate to your contribution, or to insure that any particular Franchisee benefits directly or pro rata from advertising or promotion conducted with the Advertising Contributions

SECTION 7 6 **ADVERTISING CONTRIBUTIONS NOT AN ASSET**

The Advertising Contributions are not our asset A report of the operations of the A&D Fund will be prepared annually and mailed to all Franchisees Except as expressly provided in this ARTICLE, we assume no other direct or indirect obligation to you for the maintenance, direction or administration of the A&D Fund The A&D Fund will not be audited

SECTION 7 7 **TERMINATION OF EXPENDITURES**

We maintain the right to terminate the collection and disbursement of the Advertising Contributions and the A&D Fund Upon termination, we will disperse the remaining funds for the purposes authorized under this Agreement

SECTION 7 8 **ADVERTISING CONTRIBUTIONS BY US**

Company-Owned Outlets are required to contribute to the A & D Fund and any Cooperative on the same basis as you contribute

ARTICLE 8 - ACCOUNTING AND RECORDS

SECTION 8 1 **RECORDS**

You will maintain complete and accurate records for the operations of the Franchise Records must be segregated from all other information not concerning the Franchise and be preserved for at least 6 years from the dates of their preparation (including after termination or expiration of this Agreement)

SECTION 8 2 **REPORTS AND STATEMENTS, CONFIDENTIALITY**

(a) You will submit to us by Thursday of each week during the Term, in the form we require, accurate records reflecting all Gross Revenues of the preceding week ending Sunday and all other information we require If you must collect and remit sales taxes, you must also supply to us copies of your sales tax return, if we request You must submit, on a monthly basis, an income statement within 30 days of the end of the month prepared in accordance with our approved format You must also submit, an annual balance sheet and income statement, within 90 days of the end of your fiscal year prepared in accordance with Generally Accepted Accounting Principles Each annual statement must be signed by you or by your treasurer or chief financial officer attesting that the financial statements are correct and fairly present your financial position at and for the times indicated

(b) All information will remain confidential, except that you give us permission to release information to your landlord, lenders or prospective landlords and lenders, and to include information in any document under federal or state franchise laws about you or the Franchise The information may be used within the franchise system without revealing individual store or franchisee identities

SECTION 8 3 **REVIEW AND AUDIT BY US**

We and our representatives have the right at all reasonable times to examine and copy, at our expense, your records and inspect all cash control devices and systems and conduct a physical inventory We have the right to access your P O S System via modem to determine, among other things, sales activity and Gross Revenues We also have the right upon reasonable notice, at any time, to have an independent audit made of your records If an inspection reveals that any financial information reported to us (for example, Gross Revenues or payments owed to us) have been understated in any report to us, you must immediately pay to us, upon demand, the amount understated in addition to interest at the maximum rate permitted by law beginning from the time the required payment was due If any inspection discloses an understatement of 2% or more of Gross Revenues, you must, in addition, reimburse us for the expenses for the inspection (including reasonable accounting and attorneys' fees and costs) In addition, we reserve the right to require that all your future year-end financial statements be audited and certified by an independent certified public accountant reasonably acceptable to us at your expense These remedies are in addition to any other remedies that we have under this Agreement or under applicable law If the audit discloses an overpayment, in any amount paid by you to us, we will promptly pay to you the amount of the overpayment or offset the overpayment against any amounts owed to us

SECTION 8 4 **YOUR NAME, HOME ADDRESS AND TELEPHONE NUMBER**

You agree that, under state and federal franchise registration and disclosure laws and other applicable laws, we may be required to disclose your name, home address and telephone number and you agree to the disclosure of your name, home address and telephone number You must notify us of any change in your name, home address and telephone number within 10 days of the change This obligation survives the expiration or termination of this Agreement

ARTICLE 9 - INSURANCE

SECTION 9 1 **TYPES AND AMOUNTS OF COVERAGE**

You must obtain and maintain insurance, at your expense, as we require, in addition to any other insurance that may be required by applicable law, your landlord, lender or otherwise All policies must be written by an insurance company reasonably satisfactory to us with a Best rating of "A" or better, and must include at a minimum those risks and amounts of coverage set forth in the Manuals

(a) Commercial general liability insurance and completed operations coverage in the amount of $1,000,000 per person/per occurrence for bodily injury and property damage combined with a general aggregate of $3,000,000, and naming us as an additional named insured in each policy,

(b) Workers' compensation coverage in the amount of at least $100,000/$500,000/$100,000, unemployment insurance and employer's liability insurance and all other insurance required by statute or rule of the state where the Franchise is located,

(c) Fire, lightning, vandalism, theft, malicious mischief, flood (if in a special flood hazard area), sprinkler damage and the perils described in extended coverage insurance with primary and excess limits of at least the full replacement value of the supplies, furniture, fixtures, equipment, machinery, inventory, and plate glass having a deductible of not more than $1,000 and naming us as an additional insured, and

(d) All other insurance, and in the amounts, as we reasonably require for our own and your protection We may periodically adjust the amounts of coverage required under the insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances, provided these changes are effectuated throughout the System including any Company-Owned Outlets

SECTION 9 2 EVIDENCE OF INSURANCE

You will obtain the insurance coverage at least 5 days before any construction is begun and present to us a certificate of insurance issued by an approved insurance company showing compliance with these requirements The certificate of insurance must include a statement by the insurer that the policies will not be canceled, subject to nonrenewable or materially altered without at least 30 days' written notice to us Copies of all insurance policies and proof of payment will be submitted promptly upon our request You will send to us current certificates of insurance and copies of all insurance policies on an annual basis

SECTION 9 3 REQUIREMENTS FOR CONSTRUCTION AND RENOVATION

For any construction, renovation, refurbishment, or remodeling of the Premises, you will cause the general contractor to maintain with a reputable insurer commercial general liability insurance (with comprehensive automobile liability coverage for both owned and non-owned vehicles, builder's risk, product liability, and independent contractor's coverage) for at least $1,000,000, with us and you as additional named insures, as their interests may appear, together with workers' compensation and employer's liability insurance as required by law

SECTION 9 4 OUR RIGHT TO PARTICIPATE IN CLAIMS PROCEDURE

We, or our insurer, have the right to participate in discussions with your insurance company or any claimant (with your insurance company) regarding any claim You agree to adopt our reasonable recommendations to your insurance carrier regarding the settlement of any claims

SECTION 9 5 WAIVER OF SUBROGATION

To the extent that this Section may be effective without invalidating it or making it impossible to secure insurance coverage obtainable from responsible insurance companies doing business in the state where the Franchise is located (even though an extra premium may result), the parties agree that, for any loss that is covered by insurance then being carried by them, their respective insurance companies have no right of subrogation against the other

SECTION 9 6 EFFECT OF OUR INSURANCE

Your obligation to maintain the policies in the amounts specified is not limited in any way by reason of any insurance we maintain, nor will our performance of your obligations relieve you of liability under the indemnity provisions in this Agreement

ARTICLE 10 - TRANSFER OF INTEREST

SECTION 10 1 TRANSFER BY US

We have the absolute right to transfer, assign or delegate any of our rights or obligations under this Agreement to any person without your consent or approval We can also transfer our stock, engage in public and private securities offerings, merge, consolidate, acquire other businesses including Competitive Businesses (subject to Section 5 7), sell all or substantially all of its assets, borrow money (secured or unsecured), deal in our assets or otherwise operate our business without your consent or approval

SECTION 10 2 TRANSFER BY YOU

(a) **Personal Rights** The rights and duties stated in this Agreement are personal to you We have granted the Franchise in reliance on your business and personal skill, reputation, aptitude and financial capacity Accordingly, you agree that, unless otherwise expressly permitted by this Agreement, you will not sell, assign, transfer, convey or give voluntarily, involuntarily, directly or indirectly, by operation of law or otherwise (collectively "transfer") any direct or indirect interest in this Agreement or in the Franchise without our written consent (that may be granted or withheld by us in our reasonable discretion) A transfer of 49% or more of the voting or ownership interests in a corporate or partnership Franchisee, individually or in the aggregate, directly or indirectly, is for purposes of this Agreement be a transfer of an interest in this Agreement by you Any purported transfer by you, excluding transfers among existing shareholders of you or their spouses or families, by operation of law or otherwise in violation of this Agreement, is void and is an Event of Default

(b) **No Sub-Franchising Rights** You have no right to grant a subfranchise

(c) **No Encumbrance** You agree that neither the rights of you under this Agreement nor any voting or ownership interest of more than 25% in you (or in any owner of you) may be pledged, mortgaged, hypothecated, given as security for an obligation or in any manner encumbered

(d) **"For Sale" Restrictions** You will not permit to be placed upon the Premises a "Business for Sale" or "For Sale" sign, or any sign of a similar nature or purpose, nor in any manner use the Proprietary Marks to advertise the sale of the Franchise or the sale or lease of the Premises These prohibitions apply to any activities under a listing agreement that you may enter into with a real estate or business broker

(e) **Transfer to your Corporation** You may assign this Agreementto a business entity where you own the entire issued and outstanding equity interest if

(i) You or an approved Manager actively manages the business entity and continues to devote your best efforts and full and exclusive time to the day-to-day operation and development of the Franchise You must advise we of the name of the Manager and the Manager must meet our standards,

(ii) The business entity is newly organized and its activities are confined exclusively to acting as a Franchisee under this Agreement,

(iii) You cannot use the name "Cheeburger Cheeburger" in any derivative or form in the corporate name,

(iv) The Board of Directors (Management Committee) and Shareholders (Members) of the business entity approve the assumption of this Agreement, authorize an officer or manager to sign a joinder agreement or assumption of franchise agreement and appoint a Designated Representative

(iv) An authorized officer (manager) of the business entity signs a document in a form we approve, agreeing to become a party bound by all the provisions of this Agreement,

(v) You remain personally liable under this Agreement and you sign, in a form we approve, a personal guaranty and agreement not to sell, assign, pledge, mortgage or otherwise transfer or encumber the equity interests of the business entity, other than as provided in this Agreement, and

(vi) All certificates representing equity interests bear a legend that they are subject to this Agreement

(f) **Permitted Transfer to Family Member** We will consent to the transfer of you or a majority interest in the stock of a corporate Franchisee by the Franchise Owner to a family member provided the Manager has successfully passed Basic Management Training and notice is given to us without the payment of a transfer fee However, you will reimburse us for our direct out-of-pocket costs including attorneys' fees, relating to the transfer

(g) **Permitted Transfer to Third Party** We will consent to a transfer of any interest in this Agreement if the following requirements are satisfied or waived by us in our sole discretion

(i) We do not exercise our right of first refusal as provided in Section 10 5,

(ii) You are not in default of any provision of this Agreement or any other agreement between you and us or our affiliates,

(iii) You sign a general release of all claims against us, our affiliates, and their respective officers, directors, shareholders, representatives, agents and employees, in their corporate and individual capacities, except for liabilities from which we may not be released under any applicable state law,

(iv) The transferee is not in the same business as us either as a franchisor, licensor or as a licensee or franchisee of any chain or system that is similar in nature or in competition with us, except that the transferee may be our existing franchisee,

(v) The transferee assumes this Agreement and ancillary agreements,

(vi) The Transferee pays a transfer fee of 50% of the then current Initial Franchise Fee (the "Transfer Fee") If the transfer is a wholly owned corporation, spouse or child of the transferor, no transfer fee is charged

(vii) The transferee is interviewed at our principal office without expense to us and demonstrates to our satisfaction that the transferee has the business and personal skills, reputation and financial capacity we require,

(viii) The transferee satisfactorily completes our application procedures for new franchisees,

(ix) The transferee renovates, at the transferee's expense, the Franchise to conform to the Trade Dress, operating and/or design concepts then being used in the System, and completes the renovation and other requirements within the time we specify,

(x) The transferee demonstrates to our sole satisfaction that he or she has properly assumed and will be able to comply with all of your obligations to the Franchise, including an assumption of the lease, if the Premises are leased,

(xi) You remain liable for all obligations to us under this Agreement before the effective date of the transfer and must sign all instruments we request to evidence these liabilities,

(xii) At the transferee's expense, the transferee or transferee's Manager completes Basic Management Training then in effect for new franchisees upon all terms we require, and

(xiii) We are satisfied that the proposed terms of sale or other factors involved in the transfer do not materially reduce the potential ability of the transferee effectively to assume and carry out your obligations

We have no duty to consider these factors and approval of a proposed transfer is not an expression of opinion of the appropriateness or fairness of the terms of the transfer or the likelihood of success of the transferee No disapproval of the transferee for failure to satisfy the transfer conditions described in this Subsection, or of any other condition to transfer stated in this Agreement causes any liability of us to the transferee Our consent to a transfer is not a waiver of any claims we may have against you, nor is it a waiver of our right to demand exact compliance with this Agreement by the transferee In addition, no transfer (even if we approve) relieves you of liability for your conduct before the transfer, including conduct in breach of this Agreement

SECTION 10 3 **<u>TRANSFER UPON DIVORCE OR PARTNERSHIP DISSOLUTION</u>**

If this Agreement is in the name of 2 persons who are husband and wife or 2 or more persons who are partners as franchisees, this Section describes the policies to be applied upon divorce or dissolution of the partnership During the period when a divorce or partnership dissolution action is pending, you must adopt one of the following methods of operation

(a) If one of the parties is willing to relinquish your right and interest in the Franchise, thereby leaving your spouse or partners to carry on the Franchise, he or she may do so by assigning the interest to the spouse or to your partners provided the remaining spouse or partner has successfully completed Basic Management Training

(b) If the parties to a divorce or dissolution action agree that, despite their difficulties, they can continue to operate the Franchise jointly on a "business-as-usual" basis during the proceeding, they may do so

(c) If the parties in a divorce action or in a partnership dissolution are not agreeable to operate under alternates (a) or (b) then they must make arrangements to have their Franchise operated by a third party as a Manager until the divorce or dissolution has been completed The Manager must be approved by us and have satisfactorily completed Basic Management Training

(d) Divorcing parties may, after a final order or judgment, continue to operate their Franchise in the form of a partnership or other business entity even though they are no longer husband and wife In such a case, however, they must enter a formal agreement, which defines their respective rights, and obligations, file a signed copy with us, assign this Agreement to the new entity, and comply with all other requirements for establishing the Franchise as a partnership or other business entity

SECTION 10 4 <u>TRANSFER UPON DEATH OR DISABILITY</u>

(a) If any Operating Owner/Manager becomes disabled from any cause and is unable to perform your obligations under this Agreement for a continuous period in excess of 6 consecutive months, or on the death of the Franchise Owner, you (or its legal representative) will within 6 months after the death or disability provide and maintain a replacement to perform the obligations who is satisfactory to us For all purposes of this Agreement, any period of disability that is interrupted by a return to active work and proper performance of duties under this Agreement for 14 days or less is deemed continuous

(b) If (i) any individual who holds a 25% or greater voting or ownership interest in you (or in any owner of you), or (ii) any individual who is you, dies during the Term, the interests of that individual in you (or in any owner of you) or in this Agreement are required to be transferred within 6 months to an approved transferee in accordance with the terms of this ARTICLE

SECTION 10 5 <u>OUR RIGHT OF FIRST REFUSAL</u>

(a) If during the Term any person who owns at least a 49% ownership or voting interest in you (or in any entity with an ownership interest in you) receives an offer from a third party to purchase any of that person's interest (that person's interest referred to as the "Interest", and the type of offer later referred to as the "Interest Offer"), or you receive an offer from an third party to purchase any of your interests under this Agreement or, outside the ordinary course of business, a material part or all of the assets used in the Franchise and the Premises if owned by you or an affiliate (all assets subject to the offer later referred to as the "Assets", and the type of offer later referred to as the "Asset Offer"), then you must ensure that the person receiving the Interest Offer, or you receiving the Asset Offer (and in either case the person receiving the third party's offer is referred to as the "Offeror") will, if he or she desires to accept the offer, first offer to sell to us the Interest or the Assets for the consideration and on the terms stated in the third party's written offer The Offeror's offer (the "Offer") must be made by written notice to us and include a copy of the Offer that includes the name and address of the prospective purchaser, the price and terms of the Offer together with a franchise application completed by the prospective purchaser, and any other information that we request in order to evaluate the Offer including any purchase agreement and related agreements proposed to be signed or actually signed by you or the third party We have the first option to purchase the Interest or the Assets by accepting the Offer, within 15 business days after our receipt of the Offer and required information

(b) If we give notice of acceptance of the Offer, then the Offeror will sell the Interest or the Assets to us and we will purchase the Interest or the Assets from the Offeror, for the consideration and upon the terms stated in the Offer, less any broker's commission regardless of whether payable if we exercise our right of first refusal but payable by the Offeror upon the sale to the prospective purchaser Our creditworthiness is deemed at least equal to the creditworthiness of any proposed purchaser

(c) If an Offer (and the Offeror's corresponding offer to we) provides for the purchaser's payment of a Unique Consideration that is of a nature that we cannot reasonably duplicate, we may, in our notice of exercise, in lieu of the Unique Consideration, substitute cash or stock (if a public company with registered shares) consideration determined by mutual agreement of the Offeror and us within 45 days after the Offer is made If the parties cannot agree on the fair market value of the assets the fair market value will be determined by an independent appraiser selected by the parties If they are unable to agree on an independent appraiser within 10 days, the parties will each select one independent appraiser, who will select a third independent appraiser (the "Third Appraiser"), and the fair market value will be the value determined by the Third Appraiser If either party fails to select an appraiser and give notice to the other of the identity of the appraiser within the 10 days, the appraiser selected by the other party will select the Third Appraiser The Third Appraiser will be given full access to the Franchise, the Premises and your records during customary business hours to conduct the appraisal and must value the leasehold improvements, equipment, furnishings, fixtures, signs and inventory in accordance with the standards of this Section The parties will pay the Third Appraiser's fees and costs equally

(d) If the proposed sale includes assets of the Offeror that are not part of the operation of the Franchise, we may, at our option, elect to purchase only the assets that are part of the operation of the Franchise and an equitable purchase price will be determined in our discretion and allocated to each asset included in the proposed sale

(e) We will purchase the Interest or Assets subject to all customary warranties given by a seller of the assets of a business or voting stock of an incorporated business, as applicable, including warranties as to ownership, condition and title to the Interest and/or Assets, liens and encumbrances on the Interest and/or Assets, validity of contracts and liabilities of the corporation whose stock is purchased and affecting the assets, contingent or otherwise

(f) Unless otherwise agreed by the Offeror and us, the closing of the purchase of the Interest or the Assets will be held at our then principal office or other location we designate, no later than the 60th day after the Offer is delivered to us The closing of any purchase where a cash or stock consideration is determined in accordance with Subsection 10 5(c) will be held on the 15th day after the cash or stock consideration is finally determined At any closing, the Offeror must deliver to us an assignment and other documents we request representing a transfer of ownership of the Interest or the Assets free of all liens, claims, pledges; options, restrictions, charges and encumbrances, in proper form for transfer and with evidence of payment by the Offeror of all applicable transfer taxes We will simultaneously make payment of any cash consideration for the Interest or Assets by a cashier's check drawn on a bank or thrift doing business in the county of our principal place of business or payment by the issuance of our or affiliate's registered shares, after set off against the amount due to the Offeror for all amounts you owes us, if any The remaining terms of the purchase and sale will be stated in the Offer

(g) If we do not accept the Offer, the Offeror is free, for 60 days after we have elected not to exercise our option, to sell the Interest or the Assets to the independent third party for the consideration and upon the terms specified in the Offer, subject to full compliance with all terms of transfer required under this Agreement, including those stated in Section 10 2 Before any sale of the Interest to a third party, there must be delivered by the third party an acknowledgment that the Interest purchased by the third party is subject to the terms of this Agreement and that the third party agrees to be bound to the terms of this Section on transferring the Interest, in the same manner as the Offeror If the Offeror does not sell the Interest or the Assets within the 60-day period, then any transfer by you of the Interest or the Assets is again subject to the restrictions stated in this Agreement

(h) If a proposed transferee is the spouse or child of the Offeror, or an existing shareholder of you, we will not have any right of first refusal All transferees are subject to all of the restrictions on transfer of ownership imposed on the Offeror under this Agreement

ARTICLE 11 - DEFAULT AND TERMINATION

SECTION 11 1 TERMINATION BY YOU

If you have substantially complied with this Agreement and we materially breach this Agreement, you have the right to terminate this Agreement if we do not cure the breach within 30 days after we receive a written notice of default from you However, if the breach cannot reasonably be cured within 30 days, you have the right to terminate this Agreement if, after our receipt of a written notice of default from you, we do not, within 30 days, undertake and continue efforts to cure the breach until completion You may also terminate this Agreement upon the mutual written agreement with us Any termination of this Agreement by you other than as stated above is a wrongful termination by you

SECTION 11 2 TERMINATION BY US

You are in default and we may, at our option, terminate all rights granted to you under this Agreement, upon 7 days' written notice of the opportunity to cure the default, upon the occurrence of any of the following Events of Default

(a) If you fail to make any payment to us on it due date or fail to send us any report by the date we are supposed to receive it,

(b) If you cease to do business at the Premises for more than 14 days in any calendar year or for more than 7 consecutive days (except for a seasonal store that will require our prior written approval), or lose the right to possession of the Premises after the expiration of all redemption periods and have not satisfied the provisions of Section 1 4, if applicable, or otherwise forfeit the right to do or transact business in the jurisdiction where the Franchise is located,

(c) If a serious or imminent threat or danger to public health or safety results from the construction, maintenance or operation of the Franchise and the threat or danger remains uncorrected for 2 Business Days after your receipt of written notice from us or a governmental authority If a cure cannot be reasonably completed in this time, then all reasonable steps to cure must begin within this time, but a cure must be completed promptly within 5 Business Days after receipt of written notice,

(d) If you fail to comply with any mandatory specification, standard or operating procedure we require in this Agreement, in the Manuals or otherwise in writing, and do not correct the failure within 3 days after written notice from us or a governmental authority If a cure cannot be reasonably completed in this time, then all reasonable steps to cure must begin within this time, but a cure must be completed within 30 days after receipt of written notice,

(e) If you, or any officer, director, owner or managerial employee of you, is convicted of a felony, a crime of moral turpitude or any other crime or offense that we reasonably believe is likely to have a material adverse effect on the System, the Proprietary Property, the good will associated with the Proprietary Marks, or our interest in any of the Proprietary Property, unless you immediately and legally terminate the individual as your officer, director, owner and/or employee,

(f) If you deny us the right to inspect the Franchise or to audit the sales and accounting records of the Franchise,

(g) If you engage in conduct that is deleterious to or reflects unfavorably on you or the System in that the conduct exhibits a reckless disregard for the physical or mental well being of employees, customers, our representatives or the public at large, including battery, assault, sexual harassment or discrimination, racial harassment or discrimination, alcohol or drug abuse or other forms of threatening, outrageous or unacceptable behavior as determined in our sole discretion,

(h) If you, contrary to this Agreement, purports to transfer any rights or obligations under this Agreement (including transfers of any interest in you), without our written consent as required under this Agreement,

(i) If any breach occurs under Sections 6 2 or 13 1 concerning confidentiality and non-competition covenants,

(j) If you knowingly maintain false books or records, or knowingly submit any false reports to us,

(k) If you misuse or make any unauthorized use of the Proprietary Property or otherwise materially impair the good will associated with the Proprietary Property or our rights in the Proprietary Property,

(l) If you default under any other provision of this Agreement, or

(m) If you receive from us 3 or more Notices of Default for the same or similar defaults during any 12 consecutive-month period, even if all defaults were cured

ARTICLE 12 - YOUR OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, the Sections of this ARTICLE apply to the rights and obligations of the parties

SECTION 12 1 CEASE OPERATIONS OF THE FRANCHISED BUSINESS

You will immediately cease to operate the Franchise You will not, directly or indirectly, uses any of the Proprietary Property nor represent yourself as a present or former franchisee of us or in any other way affiliate yourself with the System You will immediately cease using all stationery, signage and other materials containing the Proprietary Marks You will also immediately cease using all telephone numbers for the Franchise used at any time before termination or expiration, and empower us to take all actions necessary to comply with this Section

SECTION 12 2 PAYMENT OF OUTSTANDING AMOUNTS

We may retain all fees paid under this Agreement except for refunds expressly required in this Agreement In addition, within 10 days after the effective date of the termination or expiration, or any later dates as we determine that amounts are due to us, you must pay to us all Royalty Fees, Advertising Contributions, amounts owed for products or services purchased by you from us or our affiliates, and all other amounts owed to us, our affiliates and your other creditors that are then unpaid

SECTION 12 3 OUR OPTION TO PURCHASE THE FRANCHISE

(a) Upon the termination of this Agreement, we have the option, exercisable by giving written notice within 30 days from the date of termination, to purchase from you all the assets used in the Franchise As used in this Section, "assets" means leasehold improvements, equipment, vehicles, furnishings, fixtures, signs, inventory (non-perishable products, materials and supplies) and the lease or sublease for the Premises We have the unrestricted right to assign this option to purchase We or our assignee are entitled to all customary warranties given by a seller of a business, including ownership, condition and title to the assets, the absence of liens and encumbrances on the assets, and validity of contracts and liabilities, inuring to we or affecting the assets, contingent or otherwise The purchase price for the assets of the Franchise is their fair market value, determined as of the effective date of purchase in a manner consistent with reasonable depreciation of your leasehold improvements and your equipment, vehicles, furnishings, fixtures, signs and inventory The purchase price will take into account the termination of the Franchise granted under this Agreement and will not contain any factor or increment for any trademark, service mark or other commercial symbol used in the operation of the Franchise or any good will or "going concern" value for the Franchise We may exclude from the assets purchased any equipment, vehicles, furnishings, fixtures, signs and inventory that are not approved as meeting the then-current standards for the Franchise The length of the remaining term of the lease or sublease for the Premises will not be considered in determining fair market value

(b) If the parties cannot agree on the fair market value of the assets within 30 days after your receipt of our notice exercising our option, the fair market value will be determined by an independent appraiser selected by the parties If they are unable to agree on an independent appraiser within 10 days after expiration of the 30 days, the parties will each select one independent appraiser, who will select a third independent appraiser (the "Third Appraiser"), and the fair market value will be the value determined by the Third Appraiser If either party fails to select an appraiser and give notice to the other of the identity of the appraiser within the 10 days, the appraiser selected by the other party will select the Third Appraiser The Third Appraiser will be given full access to the Franchise, the Premises and your records during customary business hours to conduct the appraisal and must value the leasehold improvements, equipment, furnishings, fixtures, signs and inventory in accordance with the standards of this Section The parties will pay the Third Appraiser's fees and costs equally

(c) The purchase price will be paid in cash equivalent at the closing of the purchase, which will take place within 90 days after receipt by you of notice of exercise of the option to purchase At the closing, you will deliver instruments transferring to us or its assignee good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us or our assignee), all licenses and permits of the Franchise that may be assigned or transferred, and the lease for the Premises If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, the closing of the sale will be accomplished through an escrow The parties will comply with all applicable legal requirements, including the bulk sales provisions of the Uniform Commercial Code of the state where the Franchise is located and the bulk sales provisions of any applicable tax laws and regulations You will, before or simultaneously with the closing of the purchase, pay all tax liabilities incurred in the operation of the Franchise We have the right to set off against and reduce the purchase price by all amounts owned by you to us, and the amount of any encumbrances or liens against the assets or any obligations we assume

(d) If we or our assignee exercise the option to purchase, pending the closing of the purchase, we have the right to appoint a manager to maintain the operation of the Franchise Alternatively, we may require you to close the Franchise during this time without removing any assets You will maintain in force all insurance policies required in this Agreement until the date of closing If the Premises is leased, we agree to use reasonable efforts to effect a termination of the existing lease for the Premises and enter into a new lease on reasonable terms with the landlord If we are unable to enter into a new lease and your rights under the existing lease are assigned to us or we sublease the Premises from you, we indemnify you from any ongoing liability under the lease occurring after the date we assume possession of the Premises If you own the Premises, upon purchase of the assets, you must enter into a new lease with us, if we request, under a standard lease on terms comparable to those for similar commercial properties in the area that are then being leased, for a term of at least 10 years and for a rental equal to the fair market rental value of the Premises If the parties cannot agree on the fair market rental value of the Premises, then the rental value will be determined by the Appraiser (selected in the manner described above)

SECTION 12 4 DISTINGUISHING OPERATIONS

(a) If we do not exercise our option under Section 12 3 and you desire to operate a noncompetitive business at the Premises, you must make all modifications or alterations to the Premises immediately upon termination or expiration of this Agreement as necessary to distinguish the appearance of the Premises from that of other Franchisees operating under the System You will make all specific additional changes to the Premises as we request for that purpose including a change of use of the Premises You agree to refrain from taking any action to reduce the good will of your customers or potential customers toward us, our franchisees or any other aspect of the System

(b) You must remove immediately all identifying architectural superstructure and signage on or about the Premises bearing the name or logos of Cheeburger Cheeburger (or any name or logo similar to Cheeburger Cheeburger), in the manner we specify All property belonging to us will be held by you for delivery to us, at our expense, upon request Any signage that you are unable to remove within 1 Business Day of the expiration or termination of this Agreement must be completely covered by you until the time of its removal If you fail or refuse to comply with this obligation, we have the right to enter upon the Premises, without being guilty of trespass or any other tort for the purpose of **REMOVING THE SIGNAGE AND STORING IT AT ANOTHER LOCATION, AT YOUR EXPENSE (FOR SIGNAGE NOT OWNED BY US) PAYABLE BY YOU ON DEMAND**

(c) Until all modifications and alterations required by this Section are completed, you must maintain a conspicuous sign at the Premises in a form we specify stating that your business is no longer associated with our System and advise all customers or prospective customers telephoning your business that the business is no longer associated with our System

(d) If you fail or refuse to comply with the requirements of this Section, we have the right to enter upon the Premises for the purpose of making or causing to be made, all required changes, at your expense (which expense you will pay upon demand) and at your sole risk, without responsibility for any actual or consequential damages to the property of you or others, and without liability for trespass or other tort or criminal act You expressly agree that your failure to make these alterations will cause irreparable injury to us

SECTION 12 5 <u>UNFAIR COMPETITION</u>

You agree, if you continue to operate or later begins to operate any other business, not to use any reproduction or colorable imitation of the Proprietary Marks, Trade Dress, methods of operation or undertake any other conduct either in any other business or the promotion of any other business, that is likely to cause confusion, mistake or deception, or that is likely to dilute our rights in and to the Proprietary Marks In addition, you agree not to utilize any designation of origin or description or representation that falsely suggests or represents an association or connection with us or any of our affiliates This Section does not relieve, directly or indirectly, your obligations under ARTICLE 13

SECTION 12 6 <u>RETURN OF MATERIALS</u>

You will immediately deliver to us all tangible Proprietary Property in your possession or control, and all copies and any other forms of reproductions of these materials You agree that all these materials are our exclusive property

SECTION 12 7 <u>OUR PURCHASE RIGHTS OF ITEMS BEARING PROPRIETARY MARKS</u>

If we do not exercise our option to purchase under Section 12 3, we have the option (but not the obligation) to be exercised by notice of intent to do so within 30 days after termination or expiration, to purchase any items bearing the Proprietary Marks you own including signs, advertising materials, supplies, inventory or other items at a price equal to your cost or fair market value, whichever is less If the parties cannot agree on the fair market value of the assets the fair market value will be determined by an independent appraiser selected by the parties If they are unable to agree on an independent appraiser within 10 days, the parties will each select one independent appraiser, who will select a third independent appraiser (the "Third Appraiser"), and the fair market value will be the value determined by the Third Appraiser If either party fails to select an appraiser and give notice to the other of the identity of the appraiser within the 10 days, the appraiser selected by the other party will select the Third Appraiser The Third Appraiser will be given full access to the Franchise, the Premises and your records during customary business hours to conduct the appraisal and must value the leasehold improvements, equipment, furnishings, fixtures, signs and inventory in accordance with the standards of this Section The parties will pay the Third Appraiser's fees and costs equally The fair market value of tangible assets is determined without reference to good will, going concern value, or other intangible assets If we elect to exercise our option to purchase, we have the right to set off all amounts due from you under this Agreement against any payment to you If you fail or refuse to sign and deliver the necessary documents to transfer good title to your assets to us or our nominee, we are entitled to apply to any court of competent jurisdiction for a mandatory injunction to compel you to comply with the rights granted in this Agreement All expenses, including our reasonable attorneys' fees and costs, are payable by you to us and may be credited by us to the agreed purchase price

SECTION 12 8 LIQUIDATED DAMAGES FOR PREMATURE TERMINATION

If we terminate this Agreement due to your default, or you terminate this Agreement without cause, in addition to the amounts you may owe us at the time of termination, you will also pay to us a lump sum payment (as liquidated damages for causing the premature termination of this Agreement and not as a penalty) equal to the total of all Royalty Fees and Advertising Contributions for (i) the 36 calendar months of operation of the Franchise before your default, (ii) he period of time the Franchise has been in operation before the notice, if less than 36 calendar months, projected on a 36-calendar month basis, or (iii) any shorter period as equals the unexpired Term at the time of termination The parties agree that a precise calculation of the full extent of the damages that we will incur on termination of this Agreement as a result of your default is difficult and the parties desire certainty in this matter, and agree that the lump sum payment provided under this Section is reasonable in light of the damages for premature termination that we will incur in this event You are also liable for pre-judgment and post-judgment interest and our attorneys' fees and costs Other than a claim for monetary damages or lost profits, this payment is not exclusive of any other remedies that we have including a right to injunctive relief

ARTICLE 13 - YOUR INDEPENDENT COVENANTS

SECTION 13.1 DIVERSION OF BUSINESS, COMPETITION AND INTERFERENCE WITH USE

You agree that we would be unable to protect the Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among Franchisees within the System if Franchisees were permitted to hold interests in any Competitive Business

(a) **In-Term** You covenant that during the Term, except as we otherwise approve in writing, that you will not

(i) directly or indirectly, solicit or otherwise attempt to induce, by combining or conspiring with, or attempting to do so, or in any other manner influence any Business Affiliate of us to terminate or modify your business relationship with us or to compete against us,

(ii) directly or indirectly, as owner, officer, director, employee, agent, lender, broker, consultant, franchisee or in any other similar capacity be connected in any manner with the ownership, management, operation, control or conduct of a Competitive Business (this restriction will not apply to a 5% or less beneficial interest in a publicly-held corporation), or

(iii) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of us or any of our other franchisees

(b) **Post-Term** You also covenant that, for 24 months after the termination of this Agreement due to your default, for 24 months after the expiration and non-renewal of this Agreement, or for 24 months after you transfer your Cheeburger Cheeburger Franchise, except as we otherwise approve in writing, you and your officers, agents, servants, employees, and all others in active concert or participation with you, will not, directly or indirectly

(i) directly or indirectly, solicit or otherwise attempt to induce, by combining or conspiring with, or attempting to do so, or in any other manner influence any Business Affiliate of us to terminate or modify your business relationship with us or to compete against us,

(ii) directly or indirectly, as owner, officer, director, employee, agent, lender, broker, consultant, franchisee or in any other similar capacity be connected in any manner with the ownership, management, operation, control or conduct of a Competitive Business within 10 miles of any Franchise then in operation or under construction (this restriction will not apply to a 5% or less beneficial interest in a publicly-held corporation), or

(iii) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of us or any of our other franchisees

(c) **Liquidated Damages** If you violate this Subsection and compete with us, we have the right to require that all sales made by the Competitive Business be reported to us You will also pay to us, on demand, a weekly fee of $1,000 without reviving or modifying this Agreement These payments are liquidated damages to compensate us for our damages from your violation of the covenant not to compete and not as a penalty

(d) **Section 542.335 of the Florida Statutes** You agree that we have a legitimate business interest justifying the enforcement of this restrictive covenant, consistent with Section 542 335 of the Florida Statutes, which legitimate business interest includes

(i) Substantial relationships with employees and valuable confidential business or professional information that does not otherwise qualify as trade secrets,

(ii) Substantial relationships with specific prospective or existing customers and vendors,

(iii) Customer and client goodwill associated with

1 An ongoing hamburger restaurant business,
2 A specific geographic location
3 A specific marketing and trade area,
4 A specific marketing clientele,
5 A list of subcontractors,
6 A list of 1099 Recipients, and
7 A list of customers

(e) **Reasonableness of Covenant**. You agree and confirms that the length of the term and geographical restrictions in this Section are fair and reasonable and not the result of overreaching, duress or coercion of any kind You agree and confirm that your full, uninhibited and faithful observance of each of the covenants in this Section will not cause any undue hardship, financial or otherwise, and that enforcement of each of the covenants in this Section will not impair your ability to obtain employment commensurate with your abilities and on terms fully acceptable to you or otherwise to obtain income required for the comfortable support of yourself and your family, and the satisfaction of the needs of your creditors You agree and confirm that your special knowledge of the business of a hamburger restaurant (and anyone acquiring this knowledge through you) would cause us and your franchisees serious injury and loss if you (or anyone acquiring this knowledge through you) were to use this knowledge to the benefit of a competitor or were to compete with us or any of our Franchisees

(f) **Court Modification** If any court finally holds that the time or territory or any other provision in this Section is an unreasonable restriction upon you, you agree that the provisions of this Agreement are not rendered void, but apply as to time and territory or to any other extent as the court may judicially determine or indicate is a reasonable restriction under the circumstances involved

SECTION 13 2 INDEPENDENT COVENANTS

The parties agree that the covenants in this ARTICLE are independent of any other covenant or term of this Agreement You agree that the existence of any claim you may have against us or any of our affiliates, regardless of whether under this Agreement, is not a defense to our enforcement of these covenants

ARTICLE 14 - INDEPENDENT CONTRACTOR AND INDEMNIFICATION

SECTION 14 1 INDEPENDENT STATUS

The parties agree that this Agreement does not create a fiduciary relationship between them You are an independent contractor and unless expressly provided to the contrary, nothing in this Agreement is intended to designate either party an agent, legal representative, subsidiary, joint venturer, partner, employee, affiliate or servant of the other party for any purpose The parties agree that nothing in this Agreement authorizes you to make any agreement, warranty or representation on our behalf, nor to incur any debt or other obligation in our name You will take all affirmative action as we request to indicate that you are an independent contractor, including placing and maintaining a plaque in a conspicuous place within the Premises and a notice on all stationery, business cards, sales literature, contracts and similar documents that states that the Franchise is independently owned and operated The content of any plaque and notice is subject to our written approval

SECTION 14 2 INDEMNIFICATION

You are responsible for all losses or damages from contractual liabilities to third persons from the possession, ownership and operation of the Franchise and for all claims and demands for damages to property or for injury, illness or death of persons directly or indirectly resulting from your actions You indemnify us from all costs, losses and damages (including reasonable attorneys' fees and costs, even if incident to appellate, post-judgment or bankruptcy proceedings) from claims brought by third parties involving your ownership or operation of the Franchise unless caused by our negligence or intentional misconduct This indemnity obligation continues in full effect after the expiration or termination of this Agreement We will immediately notify you of any claims and you will be given the opportunity to assume the defense of the matter If you fail to assume the defense, we may defend the action in the manner we deem appropriate and you will pay to us all costs, including attorneys' fees we incur in effecting the defense, in addition to any sum that we pay by reason of any settlement or judgment against us Our right to indemnity under this Agreement arises and is valid regardless of whether joint or concurrent liability may be imposed on us by statute, ordinance, regulation or other law

ARTICLE 15 - REPRESENTATIONS AND WARRANTIES

SECTION 15 1 NO RELIANCE

Except as expressly provided to the contrary in this Agreement, we make no representations, warranties or guarantees upon which you may rely and assume no liability to you, by providing any waiver, approval, consent or suggestion to you under this Agreement, or by reason of any neglect, delay or denial of any request unless the conduct would otherwise be a breach of an express obligation of us under this Agreement

SECTION 15 2 YOUR REPRESENTATIONS

You make the following representations and warranties to us that will be true and correct upon the signing of this Agreement and throughout the Term

(a) **Authorization** This Agreement has been duly authorized, signed and delivered by you and is your valid, legal and binding agreement and obligation in accordance with this Agreement, except as may be limited by applicable bankruptcy, insolvency, reorganization and other laws and equitable principles affecting creditors' rights generally in effect

(b) **No Violation** The performance by you of your obligations under this Agreement will not result in the breach of any term of any contract, agreement or other commitment of you or is an event that, with notice, lapse of time or both, would result in a breach or event of default, nor result in your violation of any statute, rule, regulation, ordinance, code, judgment, order, injunction or decree

(c) **No Speculative Intent** You are not obtaining the Franchise for speculative purposes

(d) **True Copies** Copies of all documents required to be furnished by you to us and as required in the future will be correct copies of the documents, including all amendments or modifications and contain no misleading or incorrect statement or material omissions

SECTION 15 3 RECEIPT OF FDD

You agree that he or she received from us a Franchise Disclosure Document for the state where the Franchise will be located and the state of your residence with all exhibits and supplements to the FDD at least 14 days before signing of this Agreement and every related agreement imposing a binding obligation on you and any payment by you of any consideration for the sale or proposed sale of a franchise

SECTION 15 4 <u>ACKNOWLEDGMENT OF RISK</u>

You agree to the followıng

(a) YOUR SUCCESS IN OWNING AND OPERATING THE FRANCHISE IS SPECULATIVE AND DEPENDS ON MANY FACTORS INCLUDING, TO A LARGE EXTENT, YOUR INDEPENDENT BUSINESS ABILITY NO REPRESENTATIONS OR PROMISES, EXPRESS OR IMPLIED, HAVE BEEN MADE BY US OR ANY EMPLOYEE, BROKER OR REPRESENTATIVE OF US, TO INDUCE YOU TO ENTER INTO THIS AGREEMENT EXCEPT AS SPECIFICALLY INCLUDED IN THIS AGREEMENT NO EMPLOYEE, OFFICER, DIRECTOR, BROKER OR REPRESENTATIVE IS AUTHORIZED TO DO OTHERWISE

(b) YOU AGREE THAT IN ALL OF YOUR DEALINGS WITH US, OUR EMPLOYEES, BROKERS (IF ANY) AND OTHER REPRESENTATIVES ACT ONLY IN A REPRESENTATIVE CAPACITY AND NOT IN AN INDIVIDUAL CAPACITY YOU AGREE THAT THIS AGREEMENT AND ALL BUSINESS DEALINGS BETWEEN YOU AND ANY INDIVIDUALS AS A RESULT OF THIS AGREEMENT ARE SOLELY BETWEEN YOU AND US

(c) IN ADDITION, WE MAKE NO WARRANTY AS TO YOUR ABILITY TO OPERATE THE FRANCHISE IN THE JURISDICTION WHERE THE FRANCHISE IS TO BE OPERATED IT IS INCUMBENT UPON YOU TO SEEK OR OBTAIN ADVICE OF COUNSEL SPECIFICALLY ON THIS ISSUE IF LEGISLATION ENACTED BY, OR REGULATION OF, ANY GOVERNMENTAL BODY PREVENTS YOU FROM OPERATING THE FRANCHISE, WE ARE NOT LIABLE FOR DAMAGES NOR REQUIRED TO INDEMNIFY YOU IN ANY MANNER OR TO RETURN ANY MONIES RECEIVED FROM YOU

<u>ARTICLE 16 - TERM</u>

SECTION 16 1 <u>TERM</u>

The Term of thıs Agreement ıs 10 years from the Agreement Date, unless sooner termınated under ARTICLE 11 The condıtıons under whıch you have the opportunıty of obtaınıng a Successor Cheeburger Cheeburger Franchıse Agreement at the expıratıon of thıs Agreement are those stated ın Sectıon 16 2

SECTION 16 2 <u>OPTION TO OBTAIN SUCCESSOR CHEEBURGER CHEEBURGER FRANCHISE AGREEMENT</u>

(a) **<u>Evergreen Renewal</u>** You are granted unlımıted optıons to obtaın a Successor Cheeburger Cheeburger Franchıse Agreement for terms of 5 years each provıded the followıng condıtıons are met at the tıme the optıon ıs exercısed and ımmedıately before the begınnıng of the Succeedıng Term, unless another tıme ıs specıfied below

(ı) You must gıve us wrıtten notıce of your ıntentıon to exercıse the optıon by submıttıng your wrıtten notıce at least 9 months but not more than 12 months before the end of the Term,

(ıı) At least 6 months before the end of the Term, we are entıtled to ınspect the Franchıse and gıve notıce of all requıred maıntenance, refurbıshıng, renovatıng and upgradıng You must complete to our reasonable satısfactıon, all maıntenance, refurbıshıng, renovating and upgrading required by our notice, no later than 60 days before the end of the Term,

(iii) If renovation or maintenance of the Franchise is not possible or feasible, you will relocate the Franchise within the Protected Territory, but not within the protected territory of a Company-Owned Outlet or another Franchised Outlet within the System, in accordance with our relocation procedures,

(iv) You must not be in default of any provision of this Agreement or any other agreement between you and us or our affiliates,

(v) You, within 30 days before the end of the Term, sign and deliver to us a Successor Cheeburger Cheeburger Franchise Agreement, that may substantially differ from this Agreement, except there will be no new Initial Franchise Fee and no changes in the Royalty Fee or in the Protected Territory,

(vi) You must comply with all other requirements we impose under the Successor Cheeburger Cheeburger Franchise Agreement upon its signing,

(vii) You sign a general release of all claims against us and our affiliates, and their respective officers, directors, shareholders, agents and employees except for liabilities that we may not require a release under applicable state law, and

(viii) You are entitled to continue to occupy the Premises for the entire Succeeding Term including, if you are then leasing the Premises from us or third party, you are entitled to renew the lease or obtain our approval of a new location for the Franchise within the Protected Territory, but not within the protected territory of a Company Outlet or another franchisee within the System, in accordance with our relocation procedures

(b) **Consequences of Non-Renewal** If you have not met all of the conditions stated in Subsection 16 2(a), we may elect not to enter into a Successor Cheeburger Cheeburger Franchise Agreement At your written request, within 5 days of notice from us that we have elected not to enter into a Successor Cheeburger Cheeburger Franchise Agreement, for a 180-day period following this notice (which notice will extend the Term, as necessary, to the end of the 180-day period, unless we have grounds to otherwise terminate the Term), we will permit you to sell your business to a purchaser subject to our right of first refusal This transfer must be in compliance with the provisions of Subsection 10 2(f) and all the other applicable provisions of this Agreement

SECTION 16 3 <u>REINSTATEMENTS AND EXTENSIONS</u>

If any termination or expiration of the Term would violate any applicable law, we may reinstate or extend the Term for the purpose of complying with the law, for the duration we provide in a written notice to you, without waiving any of our rights under this Agreement or otherwise modifying this Agreement

ARTICLE 17 - DISPUTE RESOLUTION

SECTION 17 1 MEDIATION

Except for the matters involving remedies in Section 17 3, for any dispute involving this Agreement, the disputing party must submit the controversy or claim to non-binding mediation with the non-disputing before the Franchise Arbitration and Mediation Services or another mutually agreeable mediator before the disputing party can file any demand for arbitration or complaint Both parties will sign a confidentiality agreement reasonably satisfactory to us The parties will conduct the mediation in Lee County, Florida Each party will bear his, her or its own costs for the mediation except the mediation fee and each party will pay 50% of the mediator's fee If a disputing party refuses to mediate the dispute, the disputing party cannot file any demand for arbitration or complaint involving the matter in dispute If the non-disputing party refuses to mediate, the non-disputing party has waived mediation and the disputing party may immediately file a demand for arbitration or complaint

SECTION 17 2 ARBITRATION

(a) Except as specifically modified by this ARTICLE and matters involving the remedies in Section 17 3, any controversy or claim under this Agreement, including any claim that this Agreement, or any part of this Agreement, is invalid, illegal or otherwise voidable or void, including any claim of fraud in the inducement, must be submitted to arbitration before Franchise Mediation and Arbitration Services or any other mutually agreeable arbitration association by a single arbitrator

(b) The provisions of this Section are independent of any other covenant or provision of this Agreement If a court of competent jurisdiction determines that any provisions are unlawful in any way, that court will modify or interpret the provisions to the minimum extent necessary to have them comply with the law All issues of the arbitrability or the enforcement of this agreement to arbitrate are governed by the United States Arbitration Act (9 U S C §§ 1 *et seq*) and the federal common law of arbitration The parties agree that any state laws attempting to prohibit arbitration or void out-of-state forums for arbitration are preempted by the Federal Arbitration Act and the arbitration will be conducted as provided in Section 17 4

(c) Arbitration will be between you and us and not be subject to any group or class action

(d) All parties who may be legally responsible agree to participate in the arbitration and the parties can join all potential legal claims in the arbitration forum

(e) The rules governing the conduct of the arbitration proceedings are consistent with generally prevailing standards of due process

(f) The panel from which the arbitrator is to be chosen must be comprised of persons knowledgeable in the franchise industry and who have demonstrated a capability for unbiased decision making consistent with the principles embodied in the Commercial Rules of the American Arbitration Association for appointment of neutral arbitrators

(g) The arbitrator will permit limited discovery consistent with the arbitrating organization's discovery rules and by a discovery plan approved by the arbitrator

(h) Before the actual hearing on the merits, either party may elect to have the arbitrator conduct a preliminary hearing At this hearing, each party may present testimony and other evidence Either party may submit briefs including a brief stating the then-applicable statutory or common law methods of measuring damages in respect of the controversy or claim

(i) The actual hearing on the merits must occur within 6 months of the date of the filing of the arbitration proceeding

(j) The arbitrator must issue a reasoned written opinion on the merits within 30 days of the completion of the hearings on the merits

(k) Either party may enter judgment on an arbitration award in any court having competent jurisdiction The judgment is binding, final and non-appealable If any party to arbitration wishes to appeal any final award (there will be no appeal of interim awards or other interim relief), the party may appeal, within 30 days of the final award, to a 3-arbitrator panel appointed by the same organization that conducted the arbitration The issues on appeal will be limited to the proper application of the law to the facts found at the arbitration hearing and will not include any trial *de novo* or other fact-finding function The party requesting the appeal must pay all expenses charged by the arbitration appeal panel and/or arbitration organization in the appeal and must post any bond deemed appropriate by the arbitration organization or arbitration appeal panel In addition, a party requesting appeal that does not prevail on the appeal will pay the attorneys' fees and other costs of other party incurred in responding to the appeal

(l) If a party fails to pay their share of the costs of arbitration, the arbitrators may enter a judgment against that non-paying party as to liability but not as to damages The arbitrator will conduct a special hearing for the paying party on the issue of damages

(m) This arbitration provision is self-executing and remains in full effect after the expiration, transfer or termination of this Agreement If either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against that party by default or otherwise

SECTION 17 3 <u>EXCEPTIONS TO MEDIATION AND ARBITRATION, EQUITABLE RELIEF</u>

(a) The obligation to mediate or arbitrate is not binding on either party for (i) claims involving the Intellectual Property, (ii) claims involving any lease of real property between the parties or their related entities, (iii) your obligations upon the termination, transfer or expiration of this Agreement, (iv) any encumbrances or transfers restricted under this Agreement concerning interests in the Franchisee, the Cheeburger Cheeburger Franchise and this Agreement, (v) matters involving actions that may impair the good will associated with the Intellectual Property, (vi) matters involving claims of danger, health or safety involving the Franchise, the employees, customers or the public, (vii) or requests for restraining orders, injunctions or other procedures in a court of competent jurisdiction to obtain specific performance when deemed necessary by any court to preserve the status quo or prevent irreparable injury pending resolution by mediation or arbitration of the actual dispute between the parties

(b) The Franchisee recognizes that your Cheeburger Cheeburger Franchise is just one of a large number of businesses identified by the Intellectual Property in selling to the public the products and services associated with the Intellectual Property The failure on the part of a single franchisee to comply with the terms of his or her franchise agreement is likely to cause irreparable damage to us and damages at law would be an inadequate remedy Upon your breach or threatened breach of any of the terms of this Agreement concerning any matters referenced in Subsection 17 3(a), we are entitled to seek an injunction restraining the breach and/or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and costs incurred in obtaining equitable relief This equitable remedy is in addition to all remedies that we have by virtue of your breach of this Agreement We are entitled to seek this relief without the posting of any bond or security or, if a bond is nevertheless be required by a court of competent jurisdiction, the parties agree that the sum of $1,000 is a sufficient bond

SECTION 17 4 <u>JURISDICTION AND VENUE</u>

The parties irrevocably and unconditionally (i) agree that any mediation, arbitration or suit, action or legal proceeding involving your Cheeburger Cheeburger Franchise or this Agreement will be conducted in the county where our principal place of business is then located or may be brought in the District Court of the United States, in the district where our principal place of business is then located or, if this court lacks jurisdiction, the courts of record of the state and county where our principal place of business is then located, (ii) consent to the jurisdiction of each court in any suit, action or proceeding, (iii) waive any objection that he, she or it may have to the laying of venue of any suit, action or proceeding in any of these courts, and (iv) agree that service of any court paper may be effected on the party by mail at the last known address, as provided in this Agreement, or in any other manner as may be provided under applicable laws or court rules in the state where our principal place of business is then located The parties specifically agree that this Agreement requires systematic and continuous contact with the state where our principal place of business is located These contacts include the payment of fees in state where our principal place of business is located, the supplying of financial and other information into the state where our principal place of business is located, training and orientation in the state where our principal place of business is located and the performance of other obligations under this Agreement This exclusive choice of jurisdiction does not preclude the bringing of any action by the parties for the enforcement in any other appropriate jurisdiction of any judgment obtained in the state where our principal place of business is located Our principal place of business is currently located in Lee County, Florida

SECTION 17 5 <u>ENFORCEMENT COSTS</u>

(a) Each party will bear his, her or its own costs in any mediation except the parties will equally share the payment of the filing fee and the mediator's fees

(b) Each party will initially pay one-half of the costs of the filing fee and the fees for the arbitrator subject to reimbursement by the non-prevailing party to the prevailing party as determined by the arbitrator If either party fails to pay its share of any arbitration fee or deposit, the other party who has paid its share may move for a default judgment on the merits but the arbitrators will conduct a separate hearing to determine damages or other relief

(c) If any arbitration, legal action or other proceeding is begun for the enforcement of this Agreement, or for an alleged dispute, breach, default or misrepresentation under any term of this Agreement, the prevailing party is entitled to recover reasonable pre-institution and post-institution attorneys' fees, court costs and all expenses even if not taxable as court costs (including all fees and expenses incident to arbitration, appellate, bankruptcy and post-judgment proceedings), incurred in the action or proceeding, in addition to any other relief that the party is entitled Attorneys' fees include paralegal fees, administrative costs, investigative costs, costs of expert witnesses, court reporter fees, sales and use taxes, if any, and all other charges billed by the attorneys to the prevailing party If we engage a collection agency or legal counsel for your failure to pay when due any monies owed under this Agreement or submit when due any reports, information or supporting records, or for any failure otherwise to comply with this Agreement, you must reimburse us on demand for all of the above-listed expenses we incur

SECTION 17 6 <u>GOVERNING LAW</u>

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U S C §§ 1051 *et seq* or the United States Arbitration Act, 9 U S C §§ 1 *et seq*), this Agreement and any other agreement between the parties and all transactions contemplated by this Agreement and all disputes between the parties are governed by the laws of the State of Florida without regard to principles of conflicts of laws

SECTION 17 7 <u>**WAIVER OF PUNITIVE DAMAGES CLAIMS**</u>

THE PARTIES WAIVE ALL RIGHT TO ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT UPON A DISPUTE BETWEEN THEM, EACH IS LIMITED TO THE RECOVERY OF ACTUAL DAMAGES HE, SHE OR IT SUSTAINS

SECTION 17 8 <u>**WAIVER OF JURY TRIAL**</u>

THE PARTIES WAIVE THE RIGHT TO A TRIAL BY JURY OF ALL CLAIMS MADE BETWEEN THEM WHETHER EXISTING NOW OR IN THE FUTURE, INCLUDING ALL CLAIMS, DEFENSES, COUNTERCLAIMS, CROSS CLAIMS, THIRD PARTY CLAIMS AND INTERVENOR'S CLAIMS INVOLVING THE SALE, NEGOTIATION, SIGNING OR PERFORMANCE OF THE TRANSACTIONS INVOLVING THIS AGREEMENT

ARTICLE 18 - DEFINITIONS

SECTION 18 1 <u>DEFINITIONS</u>

As used in this Agreement, the Exhibits attached to this Agreement and any other document signed incidental to this Agreement and any exhibits to those documents, the following terms have the following meanings

"<u>**ADI**</u>" means an Area of Dominant Influence, and is a geographic survey area created and defined by Arbitron based on measurable patterns of television viewing

"<u>**Advertising and Development Fund**</u>" or "<u>**A & D Fund**</u>" means the fund described in Section 7 4 where Advertising Contributions will be deposited for use in regional and national marketing activities to promote the System

"<u>**Advertising Contributions**</u>" means the payments described in Subsection 3 1(c)

"<u>**Agreement**</u>" means this Cheeburger Cheeburger Franchise Agreement, as it may be amended, supplemented or otherwise modified by an agreement in writing signed by you and us under Section 19 2

"**Agreement Date**" means the signing date of this Agreement

"**Basic Management Training**" means the training described in Subsection 2 7(a)

"**Business Affiliate**" means any employee, officer, director, agent, consultant, representative, contractor, supplier, distributor, franchisee or other business contact of us

"**Business Day**" means a day other than Saturday, Sunday or a U S national holiday

"**Capital Expenditure Limitation**" means that the costs of all renovations, modifications and upgrades to the Cheeburger Cheeburger Restaurant cannot exceed $4,000 per year or $15,000 every 4 years, without your consent

"**Company Outlet**" means a Cheeburger Cheeburger Restaurant operated under the System and owned by us or any of our affiliates

"**Competitive Business**" means a business that is engaged, wholly or partially, directly or indirectly, in the business of providing hamburgers, cheeseburgers and related products

"**Confidential Information**" means all information, knowledge, know-how and technologies that we designates as confidential, proprietary or trade secrets Confidential Information includes the Manuals

"**Cooperative**" means the regional advertising cooperative described in Section 7 2

"**Designee**" means 1 or more representatives of us who are independent contractors and are appointed by us to perform certain of our duties under this Agreement as described in ARTICLE 2

"**Design Specifications**" means the specifications described in Subsection 2 3(b)

"**Employee Day**" means a day in which one employee of us is providing services to you For example, if one employee works 2 days, it is 2 Employee Days If 3 employees work 2 days, it is 6 Employee Days

"**Enforcement Costs**" means the costs described in Section 17 5

"**Event of Default**" means those situations described in Sections 1 4, 3 4, 6 4, 10 2(a), 11 2, 11 3, 11 4, 13 1, 13 2 and 13 3, assuming any requirement for the giving of notice, the lapse of time, or both, or any other condition is satisfied

"**Family Member**" means a Franchise Owner's spouse, parent or child

"**FDD**" means our current Franchise Disclosure Document and all its exhibits and supplements

"**Franchise Owner**" means (i) if you are an individual, that individual, (ii) if you are a corporation, the individual who owns a majority of the voting and ownership interests in the corporation, (iii) if you are a partnership, each individual who is or owns a majority of the voting and ownership interests in an entity that is a general partner of the partnership, and (iv) if you are a limited liability company, the individual who owns the majority of the voting and ownership interests in the company

"**Franchise**" means the Cheeburger Cheeburger Restaurant we authorize you to establish and operate under this Agreement

"**Franchised Outlet**" means a Franchise owned and operated under the System by a franchisee whether a Traditional Franchised Outlet or a Non-Traditional Franchised Outlet

"**Franchisee**" means all persons signing the signature page of this Agreement as Franchisee, jointly and individually

"**Generally Accepted Accounting Principles**" means those standards, conventions and rules accountants follow in recording and summarizing transactions and in the preparation of financial statements Generally accepted accounting principles are derived, in order of importance, from (I) issuances from an authoritative body designated by the American Institute of Certified Public Accountants ("AICPA") Council, other AICPA issuances including AICPA Industry Guides, (iii) industry practice, and (iv) accounting literature in the form of books and articles

"**Gross Revenues**" means the entire amount of all revenues of you from the ownership or operation of the Franchise or any business at or about the Premises including any revenues received from the lease or sublease of a portion of the Premises, whether the revenues are evidenced by cash, credit, checks, gift certificates, scrip, food stamps, coupons and premiums (unless exempted by we), services, property or other means of exchange, excepting only the amount of any sales taxes that are collected and paid to the taxing authority Gross Revenues are deemed received by you at the time the goods, products, merchandise or services from which they derive are delivered or rendered or at the time the relevant sale takes place, whichever occurs first Gross Revenues consisting of property or services (*e g*, "bartering" or "trade outs") are valued at the prices applicable, at the time the Gross Revenues are received, and to the products or services exchanged for the Gross Revenues

"**Initial Franchise Fee**" means the fee described in Subsection 3 1(a)

"**Limited Protected Territory**" means area comprised of a 2-mile radius around the approved Premises

"**Local Advertising**" means advertising and promotion you undertakes in media directed primarily in your local market area including television, radio, newspapers, magazines, billboards, posters, handbills, direct mail, yellow pages, sports program booklet advertising, church bulletins, collateral promotional and novelty items (*e g*, matchbooks, pens and pencils, bumper stickers, calendars) that prominently display our Proprietary Marks, advertising on public vehicles including cabs and buses, the cost of producing materials necessary to participate in these media and agency commissions on the production of the advertising and amounts paid to an approved regional advertising cooperative or to a merchant's association for advertising of which you are a member Local Advertising does not include payments to the A & D Fund nor payments for permanent on-premises signs, lighting, purchasing or maintaining vehicles even though the vehicles display in some manner our Proprietary Marks (except the cost of the materials displayed are included), contributions, sponsorships (unless our Proprietary Marks are prominently displayed by the group or activity receiving the contribution or sponsorship), premium or similar offers including discounts, price reductions, special offers, free offers and sweepstake offers (except that the media costs associated with promoting the premium offers are included), employee incentive programs and other similar payments that we determine in our sole discretion should not be included in determining whether you have met your obligation for Local Advertising

"**Manager**" means the Operating Owner, Franchise Owner or other trained as manager, unless we otherwise agree in writing

"**Manuals**" means all manuals produced by, or for the benefit of, us and loaned to you, now existing or later produced, and any revisions prepared for the internal use of the Franchise

"**Non-Traditional Franchised Outlets**" means a Franchised Outlet located in approximately 1,600 to 2,200 square feet that uses a slightly less comprehensive menu where a customer orders at the counter and picks up the order Non-Traditional Franchised Outlets are usually located at non-traditional venues such as enclosed malls, airports, colleges, toll road facilities or other venues where it is necessary to be a contract or institutional feeder to open a Cheeburger Cheeburger Franchised Outlet

"**Notice of Default**" means the notices described in Section 11 4

"**Opening Date**" means the date the Franchise is first opened for business to the general public

"**Operating Owner**" means a Franchise Owner that will act as Manager of the Franchise

"**Outlet**" means either a Company-Owned Outlet or a Franchised Outlet

"**Payment System**" means the system created by you to make payments to us as described in Section 3 3

"**P.O.S. System**" means the computerized cash registers, software, printer and modem or other computer hardware you must purchase in accordance with our specifications contained in the Manuals

"**Premises**" means the entire real property, either owned or leased by you, where the Franchise will be located

"**Proprietary Marks**" means the service mark and logo "Cheeburger Cheeburger" and all other trademarks, service marks, trade names, logos and commercial symbols we authorizes as part of the System

"**Proprietary Property**" means the Proprietary Marks, Confidential Information and copyrighted information of us or our affiliates that you are entitled to use under this Agreement

"**Protected Territory**" means a 2-mile radius around the address of the location shown on the front page of this Franchise Agreement

"**Reserved Area**" means the area where you will undertake your site selection process to submit proposed sites for our approval in accordance with its site approval process The Reserved Area will be as described on the cover page, but excluding any protected territory of a Company-

Owned Outlet or another Franchised Outlet within the System who already has a Franchise in operation or to be operated in the Reserved Area

"**Royalty Fee**" means the fee described in Subsection 3 1(b)

"**Succeeding Term**" means the term of the Successor Cheeburger Cheeburger Franchise Agreement

"**Successor Cheeburger Cheeburger Franchise Agreement**" means the form of franchise agreement for new Cheeburger Cheeburger Franchisees at the time you elect to enter into an agreement in accordance with Section 16 2

"**System**" means our system for operating a Cheeburger Cheeburger retail restaurant, including specific standards and procedures, and Proprietary Property as improved, developed or otherwise modified

"**Term**" means the term of the Agreement described in Section 16 1

"**Traditional Franchised Outlet**" means a Franchised Outlet located in approximately 1,600 to 3,000 square feet offering our standard menu and servers

"**Trainees**" mean the persons approved by us who attend Basic Management Training

"**Transfer Fee**" means the fee described in Subsection 10 2(e)(vii)

"**Trade Dress**" means the store design and image developed and owned by we or its affiliates for Cheeburger Cheeburger Restaurants as we revise and develop The Trade Dress currently emphasizes a unified color scheme throughout the Franchise and includes the following features oldies style, full service theme restaurant with blue, pink and accent colors, quaint decorations and neon signs

"**Unique Consideration**" means the consideration described in Subsection 10 5(c)

"**Website**" means www cheeburger com

"**You**" or "**Your**" means the person, persons or business entity that signs this Agreement as the Franchisee

SECTION 18 2 OTHER DEFINITIONAL PROVISIONS

(a) All of the terms defined in this Agreement have these defined meanings when used in other documents issued under or delivered under this Agreement unless the context otherwise requires or unless specifically otherwise defined in the other document, and

(b) The term "person" includes any corporation, limited liability company, partnership, estate, trust, association, branch, bureau, subdivision, venture, associated group, individual, government, institution, instrumentality and other entity, enterprise, association or endeavor of every kind

ARTICLE 19 - GENERAL PROVISIONS

SECTION 19 1 RELEASE OF PRIOR CLAIMS

By signing this Agreement, you, and each of your successors under this Agreement, forever releases and discharges us and our affiliates, our Designees, franchise sales brokers, if any, or other agents, and their respective officers, directors, representatives, employees and agents, from all claims of any kind, in law or in equity, that may exist as of the Agreement Date under this Agreement or any other agreement between the parties, or involving the conduct of us, our affiliates, our Designees, franchise sales brokers, if any, or other agents, and their respective officers, directors, representatives, employees and agents before the Agreement Date, including all claims, whether presently known or unknown, suspected or unsuspected, under the franchise, business opportunity, securities, antitrust or other laws of the United States, any state or locality

SECTION 19 2 AMENDMENTS

Except as specifically provided in this Agreement, the provisions of this Agreement may not be amended, supplemented, waived or changed orally, but only by a written document signed by the party as to whom enforcement of any amendment, supplement, waiver or modification is sought and making specific reference to this Agreement Only our President or CEO has the authority to sign an amendment for us This Section is expressly limited by the terms of Sections 19 3 and 19 7

SECTION 19 3 MODIFICATION OF THE SYSTEM

YOU AGREE THAT AFTER THE AGREEMENT DATE WE MAY MODIFY THE SYSTEM YOU AGREE TO ACCEPT AND BE BOUND BY ANY CHANGES IN THE SYSTEM AS IF THEY WERE PART OF THIS AGREEMENT AT THE TIME OF SIGNING OF THIS AGREEMENT YOU WILL MAKE ALL EXPENDITURES AND CHANGES OF THE SYSTEM WE REQUIRE SUBJECT TO A CAPITAL EXPENDITURE LIMITATION

SECTION 19 4 BINDING EFFECT

All of the terms of this Agreement, regardless of whether expressed, are binding upon, benefit and are enforceable by the parties and their respective personal representatives, legal representatives, heirs, successors and permitted assigns

SECTION 19 5 NOTICES

All notices, requests, consents and other communications required or permitted under this Agreement must be in writing (including telex, telecopied and telegraphic communication) and (as elected by the person giving the notice) hand delivered by messenger or courier service, telecopied or mailed (airmail if international) by registered or certified mail (postage prepaid), return receipt requested, addressed to

If to us

Cheeburger Cheeburger Restaurants, Inc
11595 Kelly Road, Suite 316
Fort Myers, FL 33908
Attn Bruce Zicari, CEO

With a copy to

Keith J Kanouse, Esq
Kanouse & Walker, P A
One Boca Place, Suite 324 Atrium
2255 Glades Road
Boca Raton, FL 33431

If to you

____
____
____

or to any other address as any party designates by notice complying with the terms of this Section Each notice is deemed delivered (a) on the date delivered if by personal delivery, (b) on the date of transmission with confirmed answer back if by telex, telefax or other telegraphic method, and (c) on the date the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable if mailed

SECTION 19 6 HEADINGS

The headings and subheadings in this Agreement are for convenience of reference only, are not to be considered a part of this Agreement and will not limit or otherwise affect in any way the meaning or interpretation of this Agreement

SECTION 19 7 SEVERABILITY

(a) If any provision of this Agreement or any other agreement entered into under this Agreement is contrary to, prohibited by or invalid under applicable law or regulation, that provision only will be inapplicable and omitted to the extent so contrary, prohibited or invalid, but the remainder of this Agreement will not be invalidated and will be given full effect so far as possible If any provision of this Agreement may be construed in 2 or more ways, one that would render the provision invalid or otherwise voidable or unenforceable and another that would render the provision valid and enforceable, that provision has the meaning that renders it valid and enforceable

(b) If any applicable law of any jurisdiction requires a greater notice of the termination of or non-renewal of this Agreement (if permitted) than is required under this Agreement, or the taking of some other action not required under this Agreement, or if under any applicable law of any jurisdiction, any provision of this Agreement or any requirement of us is invalid or unenforceable, the notice and/or other action required by that law will be substituted for the comparable provisions of this Agreement We have the right, in our sole discretion, to modify any invalid or unenforceable requirement to the extent required to be valid and enforceable Any modification to this Agreement will be effective only in that jurisdiction, unless we elect to give the modification greater applicability, and this Agreement will be enforced as originally made and entered into in all other jurisdictions

SECTION 19 8 WAIVERS

The failure or delay of any party at any time to require performance by another party of any provision of this Agreement, even if known, will not affect the right of that party to require performance of that provision or to exercise any right under this Agreement Any waiver by any party of any breach of any provision of this Agreement is not construed as a waiver of any continuing or succeeding breach of that provision, a waiver of the provision itself, or a waiver of any right under this Agreement No notice to or demand on any party in any case will, of itself, entitle that party to any other notice or demand in similar or other circumstances

SECTION 19 9 REMEDIES CUMULATIVE

Except as otherwise expressly provided in this Agreement, no remedy in this Agreement conferred upon any party is intended to be exclusive of any other remedy Each remedy is cumulative and is in addition to every other remedy given under this Agreement now or later existing at law or in equity or by statute or otherwise No single or partial exercise by any party of any right or remedy under this Agreement precludes any other exercise of any right or remedy

SECTION 19 10 EFFECTIVENESS, COUNTERPARTS

This Agreement is not effective or binding and enforceable against us until accepted by us at our home office in Fort Myers, Florida and signed by our President You are advised not to incur any expenses for opening the Franchise until you have received a final signed copy of this Agreement signed by our President or CEO This Agreement may be signed in counterparts, each is deemed an original, but all together are the same instrument Confirmation of signing by telecopy of a facsimile signature page is binding upon any party to the confirmation

SECTION 19 11 CONSENTS, APPROVALS AND SATISFACTION

Whenever our consent or approval is required under this Agreement, our consent or approval will not be unreasonably withheld or delayed unless specifically stated in this Agreement to the contrary All consents or approvals required of us are not binding upon us unless the consent or approval is in writing and signed by our President or CEO Our consent or approval, whenever required, may be withheld if you are in default under this Agreement Where our satisfaction is required under this Agreement, unless the Agreement expressly states otherwise, the satisfaction will be determined in our sole discretion

SECTION 19 12 INTERPRETATION

Each of the parties agree that they have been or have had the opportunity to have been represented by their own counsel throughout the negotiations and at the signing of this Agreement and all of the other documents signed incidental to this Agreement None of the parties can, while this Agreement is effective or after its termination, assert that any provisions of this Agreement or any of the other documents should be construed against the drafter of this Agreement or any of the other documents

SECTION 19 13 ENTIRE AGREEMENT

This Agreement, its Exhibits and all other written agreements concerning this Agreement and expressly referenced in this Agreement, represent the entire understanding and agreement between the parties on the subject matter of this Agreement and supersede all other negotiations, understandings and representations, if any, made between the parties No representations, inducements, promises or agreements, oral or otherwise, if any, not embodied in this Agreement, its Exhibits and all other written agreements concerning this Agreement and expressly referenced in this Agreement are of any effect Nothing in the Agreement is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnished to you

SECTION 19 14 **SURVIVAL**

All our and your obligations that expressly or by their nature survive the expiration or termination of this Agreement continue in full effect after their expiration or termination until they are satisfied or by their nature expire

SECTION 19 15 **FORCE MAJEURE**

Neither we nor you are liable for loss or damage or in breach of this Agreement if the failure to perform the obligations results solely from the following causes beyond our or your reasonable control, specifically transportation shortages or inadequate supply of equipment, merchandise, supplies, labor, material, or energy, compliance with any applicable law, or war, strikes, natural disaster or acts of God Any delay resulting from any of these causes extends performance accordingly or excuses performance as may be reasonable, except that these causes will not excuse payments of amounts owed to us for any reason

SECTION 19 16 **LIABILITY OF MULTIPLE FRANCHISEES**

If you consist of more than 1 person, all these persons are jointly and individually liable for your obligations under this Agreement

SECTION 19 17 **THIRD PARTIES**

Except as provided in this Agreement to the contrary for any of our affiliates or franchisees, nothing in this Agreement, whether express or implied, is intended to confer any rights under or by reason of this Agreement on any persons (including other Cheeburger Franchisees) other than the parties and their respective personal representatives, other legal representatives, heirs, successors and permitted assigns Except as provided in this Agreement to the contrary for any of our Designees, nothing in this Agreement is intended to relieve or discharge the liability of any third persons to any party to this Agreement, nor will any provision give any third persons any right of subrogation or action over or against any party to this Agreement

SECTION 19 18 **RIGHT OF PARTIES**

If you default in performing any of your obligations under this Agreement, we have the right (but not the obligation) to perform your obligations and be reimbursed by you for the actual costs of so performing, together with accrued interest permitted under this Agreement on overdue amounts Interest accrues beginning on the 10th day after we demand reimbursement

IN WITNESS WHEREOF, the parties have duly signed and delivered this Agreement

FRANCHISEE

____

FRANCHISOR

CHEEBURGER CHEEBURGER RESTAURANTS, INC

By _______________________________
Bruce Zicari, President

EXHIBIT D – STATE ADDENDA TO FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT

CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT

This California Addendum to Franchise Agreement is signed on ________, 2014 between Cheeburger Cheeburger Restaurants, Inc ("we," "us" or "our") and______________________ ("you" or "your") to amend the Franchise Agreement as follows

1 Section 3 1(a) of the Franchise Agreement is amended as follows

(a) **Initial Franchise Fee.** You must pay to us an Initial Franchise Fee of $24,000 The Initial Franchise Fee will be deferred and is not payable to us until we have complied with all of our pre-opening obligations to you under this Agreement The Initial Franchise Fee is uniform as to all Franchisees currently purchasing a Franchise

2 **California Law**

The Department of Business Oversight requires that certain provisions contained in the Franchise Agreement be amended to be consistent with California law, including the California Franchise Investment Law CAL BUS & PROF CODE Section 31000 *et seq* and the California Franchise Relations Act, CAL BUS & PROF CODE Section 20000 *et seq* To the extent that the Franchise Agreement contains provisions that are inconsistent with the following, those provisions are amended as follows

(a) **Nonrenewal and Termination**

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or nonrenewal of a franchise The Federal Bankruptcy Code also provides rights to you concerning termination of the Franchise Agreement upon the occurrence of certain bankruptcy-related events If the Franchise Agreement contains a provision that is inconsistent with these laws, these laws will control

(b) **General Releases**

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)

(c) **Liquidated Damages**

If the Franchise Agreement requires payment of liquidated damages that is inconsistent with California Civil Code Section 1671, the liquidated damages clauses may be unenforceable

(d) **Covenants Not to Compete**

If the Franchise Agreement contains a covenant not to compete that extends beyond the termination of the Franchise Agreement, the covenant may be unenforceable under California law

(e) **Venue**

If the Franchise Agreement requires litigation, arbitration or mediation to be conducted in a forum other than the State of California, the requirement may be unenforceable under California law

(f) **Governing Law**

If the Franchise Agreement requires that it be governed by a state's law other than the State of California, the requirement may be unenforceable

(g) **Arbitration**

The Franchise Agreement requires binding arbitration The arbitration will occur at Lee County, Florida with the costs being born by the non-prevailing party Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (including Business and Professions Code Section 20040 5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California

3 Section 19 3 of the Franchise Agreement may not be enforceable in California pursuant to California Corporations Code Section 31125

IN WITNESS WHEREOF, the parties have signed and delivered this Addendum on the day and year first written

WE, US, or OUR

Cheeburger Cheeburger Restaurants, Inc

By ____________________________
Bruce Zican, President

YOU or YOUR

____

CALIFORNIA ADDENDUM TO DEVELOPMENT AGREEMENT

This California Addendum to Development Agreement is signed on _______, 2016 between Cheeburger Cheeburger Restaurants, Inc ("we," "us" or "our") and___________________ ("you" or "your") to amend the Development Agreement as follows

1 **California Law**

The Department of Business Oversight requires that certain provisions contained in the Development Agreement be amended to be consistent with California law, including the California Franchise Investment Law CAL BUS & PROF CODE Section 31000 *et seq* and the California Franchise Relations Act, CAL BUS & PROF CODE Section 20000 *et seq* To the extent that the Development Agreement contains provisions that are inconsistent with the following, those provisions are amended as follows

(a) **Nonrenewal and Termination**

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or nonrenewal of a Development Agreement. The Federal Bankruptcy Code also provides rights to you concerning termination of the Development Agreement upon the occurrence of certain bankruptcy-related events If the Development Agreement contains a provision that is inconsistent with these laws, these laws will control

(b) **General Releases**

You must sign a general release if you renew or transfer your Development Agreement. 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)

(c) **Venue**

If the Development Agreement requires litigation, arbitration or mediation to be conducted in a forum other than the State of California, the requirement may be unenforceable under California law

(d) **Governing Law**

If the Development Agreement requires that it be governed by a state's law other than the State of California, the requirement may be unenforceable

(e) **Arbitration**

The Development Agreement requires binding arbitration The arbitration will occur at Lee County, Florida with the costs being born by the non-prevailing party Prospective developers are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (including Business and

Professions Code Section 20040 5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Development Agreement restricting venue to a forum outside the State of California

IN WITNESS WHEREOF, the parties have signed and delivered this Addendum on the day and year first written

WE, US, or OUR

Cheeburger Cheeburger Restaurants, Inc

By ____________________________
Bruce Zican, President

YOU or YOUR

____

ILLINOIS ADDENDUM TO THE FRANCHISE AGREEMENT

This Addendum to the Franchise Agreement is agreed to on ________, 2016 between Cheeburger Cheeburger Rrestaurants, Inc (we," "us," or "our") and ________________________ ("you" or "your") The Illinois Attorney's General's Office requires that certain provisions contained in the Franchise Agreement be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, Ill Comp Stat. Ch 815 ¶¶ 705/1 – 705/44 (1994) (the "Act") To the extent that the Franchise Agreement contains provisions that are inconsistent with the Act, the provisions are amended

1 Section 3 1(a) of the Franchise Agreement is amended as follows

> (a) **Initial Franchise Fee.** You must pay to us an Initial Franchise Fee of $24,000 The Initial Franchise Fee will be deferred and is not payable to us until we have complied with all of our pre-opening obligations to you under this Agreement The Initial Franchise Fee is uniform as to all Franchisees currently purchasing a Franchise

2 Sections 19 and 20 of the Act provide rights to you concerning nonrenewal and termination of the Franchise Agreement If this provision contains a provision that is inconsistent with the Act, the Act will control

3 If you must sign a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, the release excludes claims arising under the Act, and any acknowledgments are void as to claims under the Act and are deleted

4 Section 41 of the Act provides that any condition, stipulation, or provision requiring any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void

5 Section 17 4, **Jurisdiction and Venue**, is amended to add the following paragraph

> Section 4 of the Illinois Franchise Disclosure Act dictates that any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of this State is void as to any cause of action that otherwise is enforceable in this State, except that a franchise agreement may provide for arbitration in a forum outside of this State

6 Section 17 6, **Governing Law**, is amended to add the following paragraph

> Any governing law or choice of law clause granting authority to a state other than Illinois effectively negates the Illinois Franchise Disclosure Act The Franchise Agreement will be interpreted and construed under the laws of the State of Illinois

7 This Amendment is effective only to the extent that the jurisdictional requirements of the Act are met independent of this Amendment This Amendment has no force and effect if the jurisdictional requirements are not met

In witness whereof, each of the undersigned acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it becomes effective on ___________, 2016

WE, US, or OUR

Cheeburger Cheeburger Restaurants, Inc

By ___________________________

Bruce Zican, President

YOU or YOUR.

____

ILLINOIS ADDENDUM TO THE DEVELOPMENT AGREEMENT

This Addendum to the Development Agreement is agreed to on ________, 2016 between Cheeburger Cheeburger Restaurants, Inc ("we," "us," or "our") and ______________________ ("you" or "your") The Illinois Attorney's General's Office requires that certain provisions contained in the Development Agreement be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, Ill Comp Stat Ch 815 ¶¶ 705/1 - 705/44 (1994) (the "Act") To the extent that the Development Agreement contains provisions that are inconsistent with the Act, the provisions are amended

1 Sections 19 and 20 of the Act provide rights to you concerning nonrenewal and termination of the Development Agreement. If this provision contains a provision that is inconsistent with the Act, the Act will control

2 If you must sign a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, the release excludes claims arising under the Act, and any acknowledgments are void as to claims under the Act and are deleted

3 Section 41 of the Act provides that any condition, stipulation, or provision requiring any person acquiring development right to waive compliance with any provision of this Act or any other law of this State is void

4 This Amendment is effective only to the extent that the jurisdictional requirements of the Act are met independent of this Amendment This Amendment has no force and effect if the jurisdictional requirements are not met

In witness whereof, each of the undersigned acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it becomes effective on __________, 2016

WE, US, or OUR

Cheeburger Cheeburger Restaurants, Inc

By ____________________________
Bruce Zican, President

YOU or YOUR

____

MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

This Addendum to Franchise Agreement is agreed to on ________, 2016 between Cheeburger Cheeburger Restaurants, Inc, a Florida corporation ("we," "us," or "our") and ________________________________ ("you" or "your") to amend the Franchise Agreement The Maryland Commissioner of Securities has required a financial assurance All initial fees and payments shall be deferred until such time as the franchisor completes its initial obligations under the franchise agreement

1 Section 3 1(a) of the Franchise Agreement is amended as follows

(a) **Initial Franchise Fee.** You must pay to us an Initial Franchise Fee of $24,000 The Initial Franchise Fee will be deferred and is not payable to us until we have complied with all of our pre-opening obligations to you under this Agreement The Initial Franchise Fee is uniform as to all Franchisees currently purchasing a Franchise

2 Subsection 10 2(f)(iv), **TRANSFER BY YOU**, is amended to provide that the general release does not apply to any liability under the Maryland Franchise Registration and Disclosure Law

3 Section 15 1, **NO RELIANCE**, is amended to add

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

4 Section 15 3 **RECEIPT OF FDD**, is amended to add

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

5 Section 15 4 **ACKNOWLEDGMENT OF RISK**, is amended to add

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

6 Subsection 16 2(a)(vii), **RENEWAL**, is amended to provide that the general release does not apply to any liability under the Maryland Franchise Registration and Disclosure Law

7 Section 17 4, **JURISDICTION AND VENUE**, is amended to add the following paragraph

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law

8 Section 17 6, **GOVERNING LAW**, is amended to add the following sentence

Any claims under the Maryland Franchise Registration and Disclosure Law may be brought in Maryland within 3 years after the grant of the franchise

9 **Section 19 1, RELEASE OF PRIOR CLAIMS is amended to add**

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

10 Section 19 13, **ENTIRE AGREEMENT**, is amended to add the following sentence

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

In witness whereof, each of the undersigned acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it becomes effective on ____________, 2016

WE, US, or OUR

Cheeburger Cheeburger Restaurants, Inc

By ________________________
Bruce Zicari, President

YOU or YOUR.

____

MARYLAND ADDENDUM TO DEVELOPMENT AGREEMENT

This Addendum to Development Agreement is agreed to on ________, 2016 between Cheeburger Cheeburger Restaurants, Inc, a Florida corporation ("we," "us," or "our") and ________________________________ ("you" or "your") to amend the Development Agreement The Maryland Commissioner of Securities has required a financial assurance All initial fees and payments payable under the Development Agreement shall be deferred until such time as the franchisor completes its initial obligations and the first Franchise Unit opens as follows

1 Section 5 2, **TRANSFER BY YOU**, is amended to provide that any general release does not apply to any liability under the Maryland Franchise Registration and Disclosure Law

2 Section 7 2, **OPTION TO OBTAIN SUCCESSOR CHEEBURGER CHEEBURGER DEVELOPMENT AGREEMENT,** is amended to provide that any general release does not apply to any liability under the Maryland Franchise Registration and Disclosure Law

3 Section 9 7, **DISPUTE RESOLUTION,** is amended to add the following paragraph

> A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law Any claims under the Maryland Franchise Registration and Disclosure Law may be brought in Maryland within 3 years after the grant of the franchise

4 Section 9 12, **ENTIRE AGREEMENT,** is amended to add

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

In witness whereof, each of the undersigned acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it becomes effective on ____________, 2016

WE, US, or OUR

Cheeburger Cheeburger Restaurants, Inc

By ____________________________

Bruce Zicari, President

YOU or YOUR.

____

NEW YORK ADDENDUM TO FRANCHISE AGREEMENT

This Addendum to Franchise Agreement is agreed on _______, 2016 between Cheeburger Cheeburger Restaurants, Inc ("we" "us" or "our") and ___________________________________ ("you" or "your") to amend the Franchise Agreement as follows

1 **New York Law Modifications**

The New York Department of Law requires that certain provisions contained in the Franchise Agreement be amended to be consistent with New York law, including the General Business Law, Article 33, Sections 680 through 695 (1989) To the extent that the Franchise Agreement contains provisions that are inconsistent with the following provisions those provisions are amended as follows

(a) **Release of Claims**

If you are required in the Franchise Agreement to sign a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, representation or action that would violate the General Business Law, regulation, rule or order under the Law, the release must exclude claims arising under the New York General Business Law, Article 33, Sections 680 through 695 and its regulations, and any acknowledgments are void It is the intent of this provision that the non-waiver provisions of Sections 687 4 and 687 5 of the General Business Law be satisfied

(b) **Governing Law**

If the Franchise Agreement requires that it be governed by a state's law other than the State of New York, the choice of law provision will not be considered to waive any rights conferred upon the Franchisee under the New York General Business Law, Article 33, Sections 680 through 695

2 **Jurisdictional Requirements**

Each provision of this Amendment is effective only to the extent that the jurisdictional requirements of the New York law applicable to the provision are met independent of this Amendment This Amendment has no force or effect if the jurisdictional requirements are not independently met

IN WITNESS WHEREOF, the parties have signed and delivered this Amendment on the day and year first written

WE, US, or OUR

Cheeburger Cheeburger Restaurants, Inc

By ______________________________
Bruce Zican, President

YOU or YOUR.

____

NEW YORK ADDENDUM TO DEVELOPMENT AGREEMENT

This Addendum to Development Agreement is agreed on ________, 2016 between Cheeburger Cheeburger Restaurants, Inc ("we" "us" or "our") and ______________________________________ ("you" or "your") to amend the Development Agreement as follows

1 **New York Law Modifications**

The New York Department of Law requires that certain provisions contained in the Development Agreement be amended to be consistent with New York law, including the General Business Law, Article 33, Sections 680 through 695 (1989) To the extent that the Development Agreement contains provisions that are inconsistent with the following provisions those provisions are amended as follows

(a) **Release of Claims**

If you are required in the Development Agreement to sign a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, representation or action that would violate the General Business Law, regulation, rule or order under the Law, the release must exclude claims arising under the New York General Business Law, Article 33, Sections 680 through 695 and its regulations, and any acknowledgments are void It is the intent of this provision that the non-waiver provisions of Sections 687 4 and 687 5 of the General Business Law be satisfied

(b) **Governing Law**

If the Development Agreement requires that it be governed by a state's law other than the State of New York, the choice of law provision will not be considered to waive any rights conferred upon the Franchisee under the New York General Business Law, Article 33, Sections 680 through 695

1 **Jurisdictional Requirements**

Each provision of this Amendment is effective only to the extent that the jurisdictional requirements of the New York law applicable to the provision are met independent of this Amendment This Amendment has no force or effect if the jurisdictional requirements are not independently met

IN WITNESS WHEREOF, the parties have signed and delivered this Amendment on the day and year first written

WE, US, or OUR

Cheeburger Cheeburger Restaurants, Inc

By ______________________________
Bruce Zicari, President

YOU or YOUR.

____

NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

This Addendum to Franchise Agreement is signed on _________, 2016 between Cheeburger Cheeburger Restaurants, Inc ("we" "us" or "our") and _____________________ ("you" or "your")

1 The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17 (1993) To the extent that the Franchise Agreement contains provisions that are inconsistent with the following provisions are amended

(a) If you are required in the Franchise Agreement to sign a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Law, or a rule or order under the Law, the release excludes claims arising under the North Dakota Franchise Investment Law, and any acknowledgments are void as to claims under the Law

(b) Covenants not to compete during the term or upon termination or expiration of the Franchise Agreement are enforceable only under certain conditions according to North Dakota law If the Franchise Agreement contains a covenant not to compete, which is inconsistent with North Dakota law, the covenant may be unenforceable

(c) If the Franchise Agreement requires litigation to be conducted in a forum other than the State of North Dakota, the requirement is void as to any claims under the North Dakota Franchise Investment Law

(d) If the Franchise Agreement requires that it be governed by a state's law, other than the State of North Dakota, to the extent that the law conflicts with the North Dakota Franchise Investment Law, the North Dakota Law will control

(e) If the Franchise Agreement requires mediation or arbitration to be conducted in a forum other than the State of North Dakota, the requirement may be unenforceable under the North Dakota Franchise Investment Law Arbitration involving a franchise purchased in the State of North Dakota must be held either in a location mutually agreed upon before the arbitration or if the parties cannot agree on a location, the arbitrator will determine the location

(f) If the Franchise Agreement requires payment of a termination penalty, the requirement may be unenforceable under the North Dakota Franchise Investment Law

(g) Any provision in the Franchise Agreement which requires you to consent to a waiver of exemplary and punitive damages will not apply to any claims brought under the under the North Dakota Franchise Investment Law

2 Each provision of this Amendment is effective only to the extent that the jurisdictional requirements of the North Dakota Franchise Investment Law as to each provision are met independent of this Addendum A provision has no force or effect if the jurisdictional requirements are not met independent of this Addendum If this Addendum is inconsistent with any terms of the Franchise Agreement, the terms of this Addendum govern

IN WITNESS WHEREOF, each of the undersigned acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective on __________, 2016

WE, US, or OUR

Cheeburger Cheeburger Restaurants, Inc

By ______________________________

Bruce Zicari, President

YOU or YOUR.

____

NORTH DAKOTA ADDENDUM TO DEVELOPMENT AGREEMENT

This Addendum to Development Agreement is signed on __________, 2013 between Cheeburger Cheeburger Restaurants, Inc ("we" "us" or "our") and ________________________ ("you" or "your")

1 The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17 (1993) To the extent that the Development Agreement contains provisions that are inconsistent with the following provisions are amended

(a) If you are required in the Development Agreement to sign a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Law, or a rule or order under the Law, the release excludes claims arising under the North Dakota Franchise Investment Law, and any acknowledgments are void as to claims under the Law

(b) If the Development Agreement requires litigation to be conducted in a forum other than the State of North Dakota, the requirement is void as to any claims under the North Dakota Franchise Investment Law

(c) If the Development Agreement requires that it be governed by a state's law, other than the State of North Dakota, to the extent that the law conflicts with the North Dakota Franchise Investment Law, the North Dakota Law will control

(d) If the Development Agreement requires mediation or arbitration to be conducted in a forum other than the State of North Dakota, the requirement may be unenforceable under the North Dakota Franchise Investment Law Arbitration involving a franchise purchased in the State of North Dakota must be held either in a location mutually agreed upon before the arbitration or if the parties cannot agree on a location, the arbitrator will determine the location

(e) If the Development Agreement requires payment of a termination penalty, the requirement may be unenforceable under the North Dakota Franchise Investment Law

(f) Any provision in the Development Agreement which requires you to consent to a waiver of exemplary and punitive damages will not apply to any claims brought under the under the North Dakota Franchise Investment Law

2 Each provision of this Amendment is effective only to the extent that the jurisdictional requirements of the North Dakota Franchise Investment Law as to each provision are met independent of this Addendum A provision has no force or effect if the jurisdictional requirements are not met independent of this Addendum If this Addendum is inconsistent with any terms of the Development Agreement, the terms of this Addendum govern

IN WITNESS WHEREOF, each of the undersigned acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective on ________, 2016

WE, US, or OUR

Cheeburger Cheeburger Restaurants, Inc

By ________________________
Bruce Zican, President

YOU or YOUR

____

RHODE ISLAND ADDENDUM TO FRANCHISE AGREEMENT

This Addendum to the Franchise Agreement is agreed to on ________, 2016 between Cheeburger Cheeburger Restaurants, Inc, a Florida corporation ("we" "us" or "our") and __________________ ("you" or "your")

1 The Rhode Island Securities Division requires that certain provisions contained in the Franchise Agreement be amended to be consistent with Rhode Island law, including the Franchise Investment Act, R I Gen Law Ch 395 Sec 19-28 1-1 to 19-28 1-34 (the "Act") To the extent that the Franchise Agreement contains provisions that are inconsistent with the Act, the provisions are amended

(a) **Venue**

If the Franchise Agreement requires litigation or arbitration to be conducted in a forum other than the State of Rhode Island, the requirement is void under the Act

(b) **Governing Law**

If the Franchise Agreement requires that it be governed by a state's law, other than the State of Rhode Island, to the extent that this law conflicts with the Act, the Act will control

(c) **Release of Claims**

If you are required in the Franchise Agreement to sign a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, the release exclude claims arising under the Act, and the acknowledgments are void as to claims under the Act

2 Each provision of this Amendment is effective only to the extent that the jurisdictional requirements of the Acts applicable to the provision are met independent of this Amendment This Amendment has no force or effect if the jurisdictional requirements are not independently met.

In witness whereof, each of the undersigned acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it becomes effective on ___________, 2016

WE, US, or OUR

Cheeburger Cheeburger Restaurants, Inc

By ________________________
Bruce Zican, President

YOU or YOUR.

____

RHODE ISLAND ADDENDUM TO DEVELOPMENT AGREEMENT

This Addendum to the Development Agreement is agreed to on ________, 2016 between Cheeburger Cheeburger Restaurants, Inc ("we" "us" or "our") and __________________ ("you" or "your")

1 The Rhode Island Securities Division requires that certain provisions contained in the Development Agreement be amended to be consistent with Rhode Island law, including the Franchise Investment Act, R I Gen Law Ch 395 Sec 19-28 1-1 to 19-28 1-34 (the "Act") To the extent that the Development Agreement contains provisions that are inconsistent with the Act, the provisions are amended

(a) **Venue**

If the Development Agreement requires litigation or arbitration to be conducted in a forum other than the State of Rhode Island, the requirement is void under the Act

(b) **Governing Law**

If the Development Agreement requires that it be governed by a state's law, other than the State of Rhode Island, to the extent that this law conflicts with the Act, the Act will control

(c) **Release of Claims**

If you are required in the Development Agreement to sign a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, the release exclude claims arising under the Act, and the acknowledgments are void as to claims under the Act.

2 Each provision of this Amendment is effective only to the extent that the jurisdictional requirements of the Acts applicable to the provision are met independent of this Amendment. This Amendment has no force or effect if the jurisdictional requirements are not independently met.

In witness whereof, each of the undersigned acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it becomes effective on ___________, 2016

WE, US, or OUR

Cheeburger Cheeburger Restaurants, Inc

By ___________________________

Bruce Zican, President

YOU or YOUR

____

VIRGINIA ADDENDUM TO FRANCHISE AGREEMENT

This Addendum to Franchise Agreement is signed on ___________, 2016 between Cheeburger Cheeburger Restaurants, Inc ("we" "us" or "our") and ________________ ("you" or "your") to amend the Franchise Agreement as follows

1 Section 3 1(a) of the Franchise Agreement is amended as follows

(a) Initial Franchise Fee. You must pay to us an Initial Franchise Fee of $24,000 The Initial Franchise Fee will be deferred and is not payable to us until we have complied with all of our pre-opening obligations to you under this Agreement The Initial Franchise Fee is uniform as to all Franchisees currently purchasing a Franchise

2 Section 17 6 is amended to read as follows

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U S C §§ 1051 *et seq*), this Agreement and any other agreement involving this Agreement and all transactions contemplated by this Agreement and any other agreement involving this Agreement shall be governed by, and construed and enforced in accordance with the Virginia Retail Franchising Act, without giving effect to its choice of law or conflicts of law

IN WITNESS WHEREOF, each of the undersigned acknowledges having read this Addendum, understands and consents to be bound all of its terms, and agrees it shall become effective on __________, 2016

WE, US, or OUR

Cheeburger Cheeburger Restaurants, Inc

By ________________________
Bruce Zican, President

YOU or YOUR.

____

VIRGINIA ADDENDUM TO DEVELOPMENT AGREEMENT

This Addendum to Development Agreement is signed on ____________, 2016 between Cheeburger Cheeburger Restaurants, Inc ("we" "us" or "our") and __________________ ("you" or "your") to amend the Development Agreement as follows

1 Section 9 2 is amended to read as follows

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U S C §§ 1051 *et seq*), the Development Agreement and any other agreement involving the Development Agreement and all transactions contemplated by the Development Agreement and any other agreement involving the Development will be governed by, and construed and enforced in accordance with the Virginia, Retail Franchising Act, without giving effect to its choice of law or conflicts of law

IN WITNESS WHEREOF, each of the undersigned acknowledges having read this Addendum, understands and consents to be bound all of its terms, and agrees it shall become effective on ___________, 2016

WE, US, or OUR

Cheeburger Cheeburger Restaurants, Inc

By __________________________
Bruce Zican, President

YOU or YOUR

____

WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT

This Addendum to Franchise Agreement is signed on ________, 2016 between Cheeburger Cheeburger Restaurants, Inc ("we" "us" or "our") and ________________ ("you" or "your") to amend the Franchise Agreement as follows

1 The State of Washington has a statute, RCW 19 100 180, which may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal rights of your Franchise There may also be court decisions that may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal by us

2 In any arbitration involving a franchise purchased in Washington, the arbitration site must be either in the State of Washington, or in a place mutually agreed upon when the dispute arises, or as determined by the arbitrator

3 Upon a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW prevails

4 A release or waiver of rights you sign will not include rights under the Washington Franchise Investment Protection Act except when signed as part of a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel Provisions that unreasonably restrict or limit the statute of limitations period for claims under the Act including the right to a jury trial may not be enforceable

5 Transfer fees are collectable to the extent that they may reflect our reasonable estimated or actual costs in effecting a transfer

IN WITNESS WHEREOF, each of the undersigned acknowledges having read this Addendum understands and consents to be bound by all of its terms

WE, US, or OUR

Cheeburger Cheeburger Restaurants, Inc

By ________________________

Bruce Zicari, President

YOU or YOUR

____

WASHINGTON ADDENDUM TO DEVELOPMENT AGREEMENT

This Addendum to Development Agreement is signed on ________, 2013 between Cheeburger Cheeburger Restaurants, Inc ("we" "us" or "our") and ________________ ("you" or "your") to amend the Development Agreement as follows

1 The State of Washington has a statute, RCW 19 100 180, which may supersede the Development Agreement in your relationship with us including the areas of termination and renewal rights of your development rights There may also be court decisions that may supersede the Development Agreement in your relationship with us including the areas of termination and renewal by us

2 In any arbitration involving development rights purchased in Washington, the arbitration site must be either in the State of Washington, or in a place mutually agreed upon when the dispute arises, or as determined by the arbitrator

3 Upon a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW prevails

4 A release or waiver of rights you sign will not include rights under the Washington Franchise Investment Protection Act except when signed as part of a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel Provisions that unreasonably restrict or limit the statute of limitations period for claims under the Act including the right to a jury trial may not be enforceable

5 Transfer fees are collectable to the extent that they may reflect our reasonable estimated or actual costs in effecting a transfer

IN WITNESS WHEREOF, each of the undersigned acknowledges having read this Addendum understands and consents to be bound by all of its terms

WE, US, or OUR

Cheeburger Cheeburger Restaurants, Inc

By ________________________

Bruce Zicari, President

YOU or YOUR.

____

EXHIBIT E - LIST OF CHEEBURGER CHEEBURGER FRANCHISEES

(a) **Operational Franchisees** The following are the names, addresses and telephone numbers of the 43 Cheeburger Cheeburger Franchisees in the United States as of August 31, 2015 who are operational

Name of Franchisee	Address	Telephone Number
Michael Armiger	160 N College Street Auburn, AL 36830	(334) 826-0845
Charles Eich	4871 Montgomery Highway Dothan, AL 35802	(334) 790-8528
Carles Eich	847 Boll Weevil Circle Enterprise, AL 36330	(334) 790-8528
3CSONS, LLC	5000 Whitesburg Drive Suite 120 Huntsville, AL 35802	(256) 885-3700
OTG JFK, LLC	Tucson International Airport 7250 S Tucson Blvd Tucson, AZ	(215) 592-5643
Albert J Lora	137 East Main Street Newark, DE 19711	(302) 368-1105
SSP America North Florida, Inc	Sanford/Orlando International Sanford, FL 32773	(407) 585-4500
Advanced Restaurant Systems, Inc	2413 Periwinkle Way Sanibel Island, FL 33957	(941) 472-6111
Notrevo, Inc	2919 S W Wanamaker Road Topeka, KS 66614	(785) 215-6550
Johnny Gaudet	1429 Eagle Drive Ruston, LA 71270	(225) 296-0395
A & B Hospitality Corp	2329 B Forest Drive Annapolis, MD 21401	(410) 224-7297
Columbia's Best Burgers, Inc	8872 McGaw Road, Suite A Columbia, MD 21045	(410) 290-6495
Olney's Best Burgers, Inc	18163 Village Center Drive Olney, MD 20832	(301) 774-7015
Rockville's Best Burgers, Inc	Falls Grove Village 14921 Shady Grove Road Rockville, MD 20850	(301) 309-9555
IGS Foods, LLC	2012 Chesterfield Mall Chesterfield, MO 63017	(636) 532-3210
IGS Foods II, LLC	13311 Manchester Road De Peres, MO 63131	(314) 821-9900
JD Innovative, LLC	Eastern Crossings 9905-9911 S Eastern Avenue Henderson, NV 89183	(702) 465-2853
JD Innovative, LLC	8390 S Rainbow Blvd Suite 100 Las Vegas, NV 89139	(702) 220-3912

Name of Franchisee	Address	Telephone Number
Lou Haggar	Holmdel Commons II SWC New Jersey Route 35 & Laurel Avenue Holmdel, NJ 07724	(732) 239-9412
Mory FS, Inc	12 Surrey Lane Manalapan, NJ 07726	(732) 257-3003
Areas USA ERW, LLC	Newark Airport, Space # A6E, 3 Brewster Road Newark, NJ 07114	(718) 596-8585
Nicholettes Restaurants, LLC	1593 Niagara Falls Blvd Amherst, NY 14228	(716) 836-1002
Robert Hinderliter	3701 Mc Kinney Parkway 128 Blasdell, NY 14219	(716) 826-1497
BAMLAZ Inc	228 Airport Plaza Road Farmingdale, NY 11735	(631) 393-6150
Matteo Gaurino and Riadh Bazzaouri	108-50 Queens Blvd Forest Hills, NY 11375	(718) 997-8600
Compass LCS, LLC	Adelphi University One South Avenue Garden City, NY 11530	(516) 370-6266
GBAK, LLC	46 Great Neck Road Great Neck, NY 11021	(516) 829-2433
OTG JFK T5 Venture, LLC	JFK Airport Jet Blue Terminal 6 Jamaica, NY 11430	(610) 521-6707
Spartan Holdco, LLC	1000 North River Street Suite 230 Rochester, NY 14612	(585) 271-2433
JABS, Inc	2935 Veterans Road West Staten Island, NY	(718) 984-6565
Burger Girl, LLC	4275 Line Road Chalfont, PA 18914	(215) 997-6235
A & J Burgers, LLC	336 Northhampton Street Easton, PA 18042	(610) 438-1311
VanderFoude, LLC	235 Lancaster Avenue Frazer, PA 19355	(610) 296-8858
Key Won Chun and Chu Hyon Kim	Oxford Valley Court Suite E-208 100 N Buckstown Rd Langhorne, PA 19046	(215) 860-1176
Big Appetites, LLC	122 Mill Road Oaks PA 19456	(484) 329-8853
RG Penn Foods, LLC	Cranberry Commons Site No SPAP9020 Pittsburg, PA	(724) 994-6669
Michael Dimedici	108 Buckwalter Parkway Suite2A and 2B Blufton, SC 29910	(843) 837-2433

Name of Franchisee	Address	Telephone Number
4CSONS, LLC	138-A Market Street Chattanooga, TN 37402	(423) 265-4108
Jada Beaver	3407 North 4th Street Longview, TX 75605	(903) 235-6949
Nova's Best Burgers, Inc	24060 Sugar Cane Land Dulles, VA 20166	(301) 233-3510
HKHS, Inc	11363 Nuckols Rd Glen Allen, VA 23060	(804) 270-2088
Timpson, Inc	11615 Midlothian Turnpike Midlothian, VA 23113	(804) 379-0829
DNC/G&E Food Service	1 Richard Byrd Terminal Drive Richmond, VA 23250	(804) 222-1227

(b) **Franchises Executed But Not Yet Operational** The following are the names, addresses and telephone numbers of the 1 Cheeburger Cheeburger Franchise in the United States as of November 1, 2015 who are not yet operational but have signed a Cheeburger Cheeburger Franchise Agreement

Owner	Address	Telephone
Compass Group	Texas State University 601 University Drive San Marcos, TX 78666	(512) 245-2111

(c) **Former Franchisees** The following are the names, last known home addresses and home telephone numbers of the 8 franchisees in the United States that have been terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Cheeburger Cheeburger Franchise Agreement during the most recently completed fiscal year (September 1, 2014 to August 31, 2015) or who have not communicated with us within 10 weeks of November 1, 2015, the effective date of this Franchise Disclosure Document

Name or Number of Outlet	Name and Last Known Home Address	Last Known Home Telephone Number
SSP America North Florida, Inc	1290 Red Cleveland Boulevard Sanford, FL, 32773	(407) 323-0345
Picou Investment Group, LLC	6725 Siegan Lane Baton Rouge, LA 70809	(985) 804-1048
Swampscott ABC, LLC	433 Paradise Road Swampscott, MA 01907	(646) 417-0258
Unific Enterprises, LLC	691 US Highway 130 Hamilton Township, NJ 08691	(609) 954-5300
Phoenix Management Holdings, LLC	3349-70 Brunswick Pike Lawrenceville, NJ 80648	Unknown
Tower 27 Management Group, LLC	182 Nassau Street Princeton, NJ 08540	Unknown
Robinson Hill CH, Inc	Cleveland International Airport 5300 Riverside Drive D-230 Cleveland, OH 44135	(773) 288-7011

CBCB HTX, Inc	106 Vintage Park Houston, TX 77070	(832) 855-4278

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

(d) **Transferred Outlets** The following are the names, last known home addresses and home telephone numbers of the 3 franchisees in the United States that have sold their Franchise to another during the most recently completed fiscal year (September 1, 2014 to August 31, 2015) and until November 1, 2015, the effective date of this Franchise Disclosure Document

Owner	Address	Telephone
Billy M Snell, Jr	4871 Montgomery Highway Dothan, AL 35802	(334) 790-8528
Ours LLC	847 Boll Weevil Circle Enterprise, AL 36330	(334) 790-8528
Monmouth Foods, LLC	12 Surrey Lane Manalapan, NJ 07726	(732) 257-3003
TJ Burgers, LLC	228 Airport Plaza Road Farmingdale, NY 11735	(631) 393-6150
Hang Lin	2935 Veterans Road West Staten Island, NY	(718) 984-6565

EXHIBIT G – GUARANTY OF FRANCHISEE'S OBLIGATIONS

11/25/15

GUARANTY OF THE FRANCHISEE'S OBLIGATIONS

THIS GUARANTY OF THE FRANCHISEE'S OBLIGATIONS (this "Guarantee") is signed on ________, 2016

INTRODUCTION

A Cheeburger Cheeburger Restaurants, Inc, a Florida corporation (the "Franchisor") is granting a Cheeburger Cheeburger Franchise to _________, a ______ limited liability company (the "Franchisee")

B The undersigned, ______________ (the "Guarantor") represents and warrants to the Franchisor that she will benefit by the grant of the Cheeburger Cheeburger Franchise to the Franchisee

C The Franchisor has declined to enter into the Cheeburger Cheeburger Franchise Agreement and other agreements for the Cheeburger Cheeburger Franchise (the "Agreements") with the Franchisee unless the Guarantor signs and delivers to the Franchisor this Guaranty

TERMS

The undersigned agree as follows

1 **Guaranteed Obligations** The undersigned absolutely and unconditionally, guarantees to the Franchisor and its Affiliates, and their respective successors and assigns, for the respective terms of the Agreements and thereafter as provided in the Agreements, that the Franchisee will punctually pay and perform every obligation stated in the Agreements and agrees to be personally bound by, and personally liable for the breach of, every term of the Agreements, together with charges, fees and all expenses (including attorneys' fees and costs, including arbitration, appellate, bankruptcy and post-judgment proceedings) incurred in obtaining payment or enforcing performance of this Guaranty (the "Guaranteed Obligations")

2 **Incorporation of Terms** The terms of the Agreements are incorporated in this Guaranty as if stated in full, including the covenants stated in ARTICLE 13 and the dispute resolution provisions stated in ARTICLE 17 of the Franchise Agreement by which Guarantor agrees to be bound The Guarantor has had an opportunity to read, and be thoroughly advised by counsel by her own choosing, of the terms of the Agreements and the Cheeburger Cheeburger Franchise Disclosure Document

3 **Guarantee Absolute and Irrevocable** The obligation of the Guarantor is absolute and unconditional irrespective of the validity or enforceability of any of the Agreements This is an irrevocable and continuing guarantee, it covers and secures any amount at any time owing on the Guaranteed Obligations and remains in full effect until all Guaranteed Obligations have been satisfied and all amounts due have been paid to the Franchisor in full The Guarantor waives the benefit of any circumstance, defense or statute of limitations affecting her liability that might otherwise discharge a guarantor or hinder prompt enforcement of this Guaranty The Guarantor irrevocably waives any requirement that the Franchisor proceeds against or exhausts any collateral or security that the Franchisor may now hold or obtain for any of the Guaranteed Obligations before collecting from the Guarantor

4 **Payment** If the Franchisee fails to make any payment when due or otherwise defaults under the terms of any of the Guaranteed Obligations, the Guarantor will pay to the Franchisor immediately upon demand the full amount of the Guaranteed Obligations then due (by acceleration or otherwise), in immediately available funds All payments are made without set-off, deduction or withholding for any reason, and are final and free from any defense, claim or counterclaim of the Guarantor except the defense that the Franchisee has paid all Guaranteed Obligations in full

5 **Enforcement.** In any proceeding under this Guaranty, the Franchisor may act against the Guarantor separately, or against 2 or more Guarantors jointly, or against some separately and some jointly In any action or proceeding to enforce this Guarantee against the Guarantor, the Franchisor is not required to join the Franchisee, or any other Guarantor, unless it elects to do so in its sole discretion

6 **Waiver** The Guarantor irrevocably waives notice of the extension of any Guaranteed Obligation, or of the acceptance of this Guaranty, and protest, presentment, diligence, demand for payment, notice of default, nonpayment or dishonor of any Guaranteed Obligation, and any other notice except as expressly provided in this Guaranty

7 **Consent to Certain Actions** Without in any way affecting or impairing the liability of the Guarantor and, without notice to or additional consent from that Guarantor (a) the Guaranteed Obligations may be renewed, extended, modified (in time for payment or the terms of indebtedness or otherwise), compromised, settled, released or discharged by the Franchisor, whether by agreement with the Franchisee or under any insolvency, bankruptcy or similar proceeding, (b) any security or collateral for the Guaranteed Obligations may be assigned, exchanged, sold, released or surrendered by the Franchisor, and the Franchisor may abstain from perfecting its security interest in any security or collateral, or from taking upon new security or collateral, (c) the Franchisor may exercise or refrain from exercising any right against the Franchisee or any other person or entity, (d) the Franchisor, in its sole discretion, may apply any sums received to any liabilities of the Franchisee or any other person or entity to the Franchisee, in any order the Franchisor elects, (e) the Franchisor may consent to or waive any breach of, or any act, omission or default of, the Guaranteed Obligations, or (f) the Franchisor may agree to any amendment to or modification of, any of the Agreements, applicable to the Guaranteed Obligations The Franchisor has no duties to the Guarantor except as expressly provided in this Guaranty

8 **Continuing Guarantee** The guarantee of the Guarantor under this Guaranty continues to be effective, or is reinstated, as the case may be, if at any time any payment to the Franchisor of the Guaranteed Obligations is rescinded or must otherwise be returned for any

reason, including the insolvency, bankruptcy or reorganization of the person or entity making the payment, all as though the payment had not been made

9 **Successors and Assigns** No Guarantor may delegate any of his, her obligations under this Guaranty This Guaranty is binding upon the heirs, personal representatives, successors and assigns of the Guarantor and inures to the benefit of the Franchisor, its affiliates, and their respective successors and assigns The Franchisor may at any time, without notice to the Guarantor, transfer or assign to any person or entity any of the Guaranteed Obligations, or any interest in the Guaranteed Obligations, and every immediate and successive assignee or transferee of the Guaranteed Obligations, or any interest in the Guaranteed Obligations is, to the extent of its interest, be entitled to the benefits of this Guaranty to the same extent as if the assignee or transferee were the Franchisor

10 **Representations and Warranties** The Guarantors, jointly and individually, represent as follows

(a) The undersigned has the capacity to enter into, perform and deliver this Guaranty,

(b) This Guaranty is the legal, valid, binding and enforceable obligations of the undersigned,

(c) There is no litigation or governmental proceeding pending or threatened against the Guarantor, nor has there occurred any event, nor does there exist any condition, on the basis of which any litigation or proceeding might be begun, which litigation or proceeding, if adversely determined, could have a material adverse effect on the respective properties, operations, assets, condition (financial, business, labor or otherwise) or prospects of the Guarantor, and

(d) The Guarantor has independent means of obtaining reports and financial information about the Franchisee and the Franchisor has no obligation, either before the signing of this Guarantee or any time thereafter, to notify the Guarantor concerning the Franchisee's financial condition or of any event or occurrence affecting the Franchisee's financial condition or business operation

11 **Notices** Any notice or demand required or permitted to be given under this Guaranty to the Guarantor must be in writing and must be either (a) personally delivered, or (b) by FedEx or UPS to the following address for the Guarantor

____
____
____

12 **Subordination and Subrogation** Until the Guaranteed Obligations are paid in full, the Guarantor subordinates and assigns all direct or indirect claims and rights he, she or it may have against the Franchisee or the Guarantor, now existing or later arising, to all claims by the Franchisor for amounts owing from the Franchisee to the Franchisor for the Guaranteed Obligations

13 **Miscellaneous** This Guaranty contains the entire agreement of the Guarantor and is not subject to any oral conditions Time is of the essence for the terms of this Guaranty This Guaranty cannot be changed or modified orally Upon request from the Franchisor, the Guarantor

will provide to the Franchisor all information regarding her financial condition and business operations as the Franchisor requests including personal financial statements This Guaranty is deemed and treated as being drafted jointly by the Guarantor and the Franchisor No term of this Guaranty is construed more strictly against the Guarantor or the Franchisor because the Franchisor, or its counsel, was responsible for the physical preparation of this Guaranty

IN WITNESS WHEREOF, the Guarantor signed this Guaranty on the date stated above

____

EXHIBIT H – NON-DISCLOSURE AND NON-INTERFERENCE AGREEMENT

11/25/15

NONDISCLOSURE AND NONINTERFERENCE AGREEMENT

THIS NONDISCLOSURE AND NONINTERFERENCE AGREEMENT (this "Agreement") is signed by ______________________________ (the "Disclosee") as of ____________________, 2016

As an inducement to be hired or to continue employment by ______________________________ (the "Franchisee"), a franchisee of Cheeburger Cheeburger Restaurants, Inc (the "Franchisor"), the Disclosee agrees to be bound by the following representations, warranties and covenants, to be effective, unless expressly stated to the contrary, during and at all times after the Disclosee's employment by the Franchisee

1 The Disclosee may have received or been given access to, or will receive or be given access to, certain confidential information of the Franchisee that the Franchisee has a right to use in connection with the operation of the Franchised Business pursuant to the Franchise Agreement with the Franchisor dated ____________, 2016 not generally available to the public and financial and other confidential information owned and created by the Franchisee (collectively, the "Confidential Information") The Confidential Information includes operating, marketing, promotions, advertising, human resources and training manuals, memoranda, video and audio tapes, slide presentations and other materials, recipes, programs, studies, software, inventory control, memoranda, agreements, correspondence, records, plans and reports used or created by the Franchisee or supplied to the Franchisee by the Franchisor, know-how, customer lists, identities of suppliers, recruiting techniques, and operational, accounting and quality control procedures

2 The Disclosee agrees that at all times since the Disclosee's original date of employment by, or ownership in, the Franchisee, the Disclosee has kept, and will continue to keep, all of the Confidential Information from being made known or disclosed to any person or entity, except for the Franchisee's exclusive use and benefit The Disclosee will not reproduce, or permit the reproduction, directly or indirectly, of any of the Confidential Information except as the Franchisee requires, or permit the removal of, nor will the Disclosee remove, any of the Confidential Information from the Franchisee's Premises

3 The Confidential Information is the Franchisee's and/or the Franchisor's exclusive property Upon the Franchisee's request and upon termination of the Disclosee's employment by, or ownership in, the Franchisee, the Disclosee will turn over to the Franchisee all documents or other materials in the Disclosee's possession or under the Disclosee's control that may contain or be derived from Confidential Information, together with all documents, notes, or other work product that is connected with or derived from the Disclosee's services to, or affiliation with, the

Franchisee The Disclosee has no proprietary interest in any of the work product developed or used by the Disclosee and obtained from the Disclosee's employment by, or ownership of, the Franchisee The Disclosee will, as the Franchisee requests, do all acts that may be necessary to establish or document the Franchisor's ownership of any work product

4 The Disclosee will promptly provide notice to the Franchisee if the Disclosee knows of or suspects the disclosure of any Confidential Information by any person or entity, which disclosure would not be permitted if the disclosing person or entity were bound by the terms of this Agreement This notice will be signed by the Disclosee and will reasonably describe the unpermitted disclosure

5 The Disclosee will not, at any time before the second anniversary of the complete termination of the Disclosee's relationship with the Franchisee (whether as an employee or an owner, or both if the Disclosee is an employee and owner), without the Franchisee's and the Franchisor's written consent

(a) act as owner, officer, director, employee, agent, lender, broker, consultant or representative of any form of business, or be otherwise involved with the ownership, management, operation or control of a business, in competition with the respective businesses that the Franchisee and/or the Franchisor are engaged in on the date of this Agreement within a 10-mile radius of the Franchisee, the Franchisor or any of the Franchisor's other franchisees (the "Protected Businesses"), nor

(b) act in any manner to interfere with, disturb, disrupt, decrease or otherwise jeopardize any of the Protected Businesses or do or permit to be done anything that may tend to take away or diminish the trade, business or good will of any of the Protected Businesses, or give to any person the benefit or advantage of the Franchisee's and/or the Franchisor's methods of operation, marketing, advertising, publicity, training, business customers or accounts, computer, inventory control or any other information relating or useful to Franchisee's or the Franchisor's respective businesses

6 During the term of employment by, or ownership of, the Franchisee, the Disclosee will communicate promptly to the Franchisor all inventions, discoveries, improvements, designs and all other information created or obtained during the time the Disclosee was an employee or owner of the Franchisee, including all Confidential Information specifically prepared or invented by the Disclosee, with or without assistance, and regardless of whether during normal business hours of the Franchisee (collectively, "Inventions"), and the Disclosee will assign all of the rights, title and interest to all Inventions to the Franchisor without any obligation on the part of the Franchisor and/or the Franchisee to make any compensation, royalty or payment to the Disclosee All of the Inventions and information remain the Franchisor's sole property

7 The terms in this Agreement are severable, and the invalidity of any term does not affect the validity or enforceability of any other The existence of any claim or cause of action by the Disclosee against the Franchisee based on this Agreement or otherwise, is not a defense to the enforcement by the Franchisee and/or the Franchisor of this Agreement The Franchisee's failure to object to any conduct in violation of this Agreement is not deemed a waiver by the Franchisee, but the Franchisee may, if it wishes, specifically waive any part of those agreements to the extent that any waiver is stated in writing duly authorized by the Franchisee's Board of Directors or general partners

8 The Disclosee agrees, and will not later claim otherwise, that the duration and nature of the restrictions in this Agreement are fair and reasonable If any court holds that the duration or nature of the restrictions in this Agreement is an unreasonable restriction upon the Disclosee, the provisions of this Agreement are not rendered void, but apply as to any duration or to any other extent as the court indicates is a reasonable restriction The unenforceability of any provision of this Agreement will not affect the enforceability of any other provision or remaining portion of this Agreement

9 If the Franchisee should bring any legal action or other proceeding for the enforcement of Section 5, the time for calculating the term of the restrictions in Section 5 will not include the period of time beginning with the filing of legal action or other proceeding to enforce the terms of Section 5 through the date of final judgment or final resolution, including all appeals of any legal action or other proceeding

10 The parties recognize the necessity of the Disclosee's compliance with the terms of this Agreement to the Franchisor as the franchisor of the business the Franchisee operates Accordingly, the Disclosee agrees that the Franchisor is a third party beneficiary of the Disclosee's obligations under this Agreement and the Franchisor is entitled to all rights conferred upon the Franchisee or the Franchisor under this Agreement, that the Franchisor may enforce directly against the Disclosee with or without the Franchisee's consent or joinder

11 This Agreement is the entire understanding and agreement among the Disclosee, the Franchisee and the Franchisor with respect to the subject matter of this Agreement, and supersedes all other understandings and representations, if any, made by and between the Disclosee, the Franchisee, and the Franchisor No modification or waiver of any of the terms of this Agreement is effective unless made in writing and signed by the Disclosee, the Franchisee and the Franchisor All of the terms of this Agreement are binding upon, inure to the benefit of, and are enforceable by the Disclosee, the Franchisee, and the Franchisor and their respective legal representatives, heirs, successors and assigns

12 The Confidential Information is a unique and valuable asset of the Franchisee and the Franchisor and the Franchisee and the Franchisor will be irreparably damaged (and damages at law would be an inadequate remedy) if this Agreement is not specifically enforced Therefore, upon a breach or threatened breach by the Disclosee of this Agreement, the Franchisee and the Franchisor are each and separately entitled to injunctions restraining the breach, without being required to show any actual damage or to post any bond or other security, and/or to a decree for specific performance of this Agreement The Disclosee (a) agrees that any legal proceeding involving this Agreement may be brought in the state courts in the county in which the Franchisor's principal place of business is then located, (b) consents to the jurisdiction of this court, (c) waives any objection that the Disclosee may have to the laying of venue of any proceeding in this court, and (d) agrees that service of any court paper may be effected on the Disclosee by mail, or in any other manner as may be provided under applicable laws of the State of Florida

13 If the Franchisee and/or the Franchisor prevails in any legal action or other proceeding brought for the enforcement of this Agreement, that party or parties are entitled to recover from the Disclosee reasonable attorneys' fees, court costs and all expenses even if not taxable as court costs (including all fees, costs and expenses incident to appellate, bankruptcy and post-judgment proceedings), incurred in that action or proceeding No right in this Section conferred upon the Franchisee and the Franchisor is intended to be exclusive of any other remedy

No single or partial exercise by the Franchisee or the Franchisor of any right precludes any other or additional exercise of any right

14 All capitalized terms not specifically defined in this Agreement have the same meaning as defined in the Franchise Agreement Upon any conflict between the terms of this Nondisclosure and Noninterference Agreement and the terms of the Franchise Agreement, the terms of the Franchise Agreement will supersede and control

15 This Agreement will be governed by the internal laws of the State in which the Franchised Business is located without regard to principles of conflicts of laws

16 **THE DISCLOSEE, THE FRANCHISEE AND THE FRANCHISOR WAIVE THE RIGHT TO A TRIAL BY JURY OF ALL CLAIMS MADE BETWEEN THEM WHETHER NOW EXISTING OR ARISING IN THE FUTURE, INCLUDING ALL CLAIMS, DEFENSES, COUNTERCLAIMS, CROSS CLAIMS, THIRD PARTY CLAIMS AND INTERVENOR'S CLAIMS INVOLVING THE SALE, NEGOTIATION, SIGNING, OR PERFORMANCE OF THE TRANSACTIONS TO WHICH THIS NONDISCLOSURE AND NONDISTURBANCE AGREEMENT RELATES**

THE DISCLOSEE REPRESENTS THAT THE DISCLOSEE HAS READ AND UNDERSTANDS THE TERMS OF THIS AGREEMENT AND AGREES TO BE BOUND BY THIS AGREEMENT

Disclosee

____

____

____

____

Address ______________________
____
____

EXHIBIT I – DEVELOPMENT AGREEMENT

11/25/15

CHEEBURGER CHEEBURGER DEVELOPMENT AGREEMENT

between

Cheeburger Cheeburger Restaurants, Inc.,
a Florida corporation

(We)

and

____

(You)

Dated ____________, 2016

Number of Franchise Outlets __

Development Area __________

TABLE OF CONTENTS

CHEEBURGER CHEEBURGER DEVELOPMENT AGREEMENT

THIS CHEEBURGER CHEEBURGER DEVELOPMENT AGREEMENT is signed on ____________________________, 2016 between Cheeburger Cheeburger Restaurants, Inc, a Florida corporation ("we" us" and "our") and ___________________________ ("you" and "your")

This Agreement is written in an informal style to make it easy to read and to help you become thoroughly familiar with all of the important rights and obligations that the Agreement covers before you sign it In this Agreement, we refer to Cheeburger Cheeburger Restaurants, Inc as "we," "us" or "our " We refer to the Developer as "you" or "your "

BACKGROUND

A We have developed and own a special system under the trade name "Cheeburger Cheeburger" that offers a consistent selection of competitively priced, food items, efficient and enthusiastic service and consumer conveniences innovative to the industry in a fresh and modern environment

B The distinguishing characteristics of the System include uniform standards and procedures for business operations, training in the operation, management and promotion of the Franchise, promotional programs, customer development and service techniques, and other technical assistance

C You recognize the benefits from receiving a Cheeburger Cheeburger Development Rights and desire to enter into this Agreement subject to the terms of this Agreement and to receive the benefits provided by us under this Agreement.

D You recognize the benefits to be derived from being identified with and receiving franchise rights from us and desire to obtain the right and obligation to develop a minimum of __ Franchise Outlets under Cheeburger Cheeburger Franchise Agreements with us for the purpose of offering to the public products and services of uniformly high quality and standards and to receive the training and other assistance we provide

E We have reviewed your application and have decided to award Development Rights to you under the terms of this Agreement.

F You are simultaneously entering into a Cheeburger Cheeburger Franchise Agreement for the first Franchise Outlet, the terms of which are incorporated into this Agreement by reference

TERMS

The parties agree as follows

ARTICLE 1 - APPOINTMENT OF THE DEVELOPER

SECTION 1 1 GRANT OF DEVELOPMENT RIGHTS

We grant to you, subject to the terms in this Agreement, the Development Rights, and you undertake the obligation, to construct, open and operate a minimum of __ Outlets in accordance with the Development Schedule stated in Section 1 2 under the System, as the System may be changed throughout the Term There is no Development Fee being charged

SECTION 1 2 DEVELOPMENT SCHEDULE

(a) You will construct, open and operate a minimum of ___ Franchised Outlets within the Development Area in accordance with the following minimum Development Schedule

- First additional Cheeburger Cheeburger Franchise is opened or a fully executed lease has been obtained within ___ months of the Opening Date of the original location,
- Second additional Cheeburger Cheeburger Franchise is opened or a fully executed lease has been obtained within __ months of the Opening Date of the original location,
- Third additional Cheeburger Cheeburger Franchise is opened or a fully executed lease has been obtained within ___ months of the Opening Date of the original location, and
- Fourth additional Cheeburger Cheeburger Franchise is opened or a fully executed lease has been obtained within___ months of the Opening Date of the original location

(b) You agree that the Development Schedule is fixed upon signing this Agreement You may open additional Franchise Outlets in excess of those in the Development Schedule within the Development Area upon

(i) receipt of our consent that may be withheld in our complete discretion,

(ii) payment of the Initial Franchise Fee that will remain the same for a single-Outlet Cheeburger Cheeburger Franchise as was paid when your original Franchise Agreement was signed, and other fees we are then charging to new franchisees for a single-Outlet Cheeburger Cheeburger Franchise ,and

(iii) the signing of our then-current form of Cheeburger Cheeburger Franchise Agreement.

(c) You have no authority to, and will not, subfranchise or sublicense your rights under this Agreement

SECTION 1 3 DEVELOPMENT AREA

(a) We grant to you the right to open and operate Franchised Outlets within the Development Area, subject to our reserved rights set forth in Section 1 4 For each Franchised Outlet we will grant you a Limited Protected Territory as defined in the Franchise Agreement For the perimeter of the Development Area, you agree that you will not select a site that is within the limited protected territory of a Company-Owned Outlet or a Franchised Outlet that is operating or under construction We agree not to open a Company-Owned Outlet or a Franchised Outlet within the Limited Protected Territory of any of your Franchised Outlets even if the Limited Protected Territory extends outside the Development Area

(b) Except as stated in Subsection 1 3(c) and Section 1 4, while this Agreement remains in effect and you have complied with the Development Schedule and have not otherwise defaulted under this Agreement, we

(i) will not enter into Franchise Agreements for the purpose of operating Outlets under the System with any person, corporation or other entity other than you within the Development Area, and

(ii) will not directly or indirectly establish Company-Owned Outlets under the System within the Development Area

(c) If we determine, in our sole discretion, that it is necessary to locate a Company-Owned Outlet or a Franchised Outlet in the Development Area to prevent a Competitive Business from being located in the Development Area, we will give you notice of this determination and advise you of the proposed location of the proposed Outlet You have 30 days after the date of the notice, the sole option to purchase the Cheeburger Cheeburger Franchise for the location but must also purchase or assume our assets or agreements for the proposed location at the price we paid for the assets or rights If you fail to exercise this option, the location and related Limited Protected Territory of the proposed Outlet will, at that time, be deleted from the Development Area We (or an affiliate) have the right, from that time forward, to open a Company-Owned Outlet or grant a Franchised Outlet at that location

SECTION 1 4 YOUR RIGHTS - LIMITED EXCLUSIVITY

The Development Rights granted under this Agreement to you have limited exclusivity in that, in addition to our right to use and grant others the right to use the Proprietary Marks outside the Development Area, all rights not expressly granted in this Agreement to you concerning the Proprietary Marks or other matters are expressly reserved by us, including the right to

(a) **Non-Traditional Franchised Outlets** Establish, develop, license or franchise a Franchised Outlet within your Development Area if the Franchised Outlet is to be located at a Non-Traditional Site

(b) **Different Business Models** Establish, develop, and license or franchise other systems, different from the System licensed by your Franchise Agreement within or outside the Development Area, without offering or providing you any rights in, to, or under the other systems and

(c) **Dissimilar Channels of Distribution** Sell similar Cheeburger Cheeburger products and services authorized for the Franchise using the Proprietary Marks through dissimilar channels of distribution, including supermarkets, special events, etc and under any terms that we deem appropriate within or outside the Development Area We will not compensate you for any sales made within your Development Area

(d) **Acquisition of Competitive Business** If we acquire a Competitive Business and outlets of the Competitive Business encroach upon any Protected Territory of your Franchise Outlets, we will have 1 year from the date of acquisition of the Competitive Business to sell the encroaching outlets without being in default under this Agreement

SECTION 1 5 MINIMUM DEVELOPMENT PERFORMANCE

You wіll submіt to us the Applіcatіons for Franchіses, enter іnto Franchіse Agreements on our then standard form of Franchіse Agreement, the current form іs attached as Exhіbіt A, and have opened іn the Development Area, the number of Outlets lіsted іn Sectіon 1 2, on or before the tіmes іndіcated Each Applіcatіon must state the specіfic sіte for whіch a Cheeburger Cheeburger Franchіse іs beіng requested and іs submіtted before the tіme that you acquіre any іnterest іn the sіte The Franchіse Agreement іs for the specіfic sіte requested If a Franchіse Agreement for any Operatіng Outlet under thіs Agreement іs termіnated for any reason, that Operatіng Outlet іs deducted from the number of Operatіng Outlets that have been opened and must be replaced by a new Operatіng Outlet wіthіn another part of the Development Area wіthіn the tіme establіshed by the Development Schedule If an Operatіng Outlet must be relocated as provіded іn Sectіon 1 4 of a Franchіse Agreement, the Operatіng Outlet remaіns credіted agaіnst the Development Schedule іf you comply wіth our relocatіon procedures

SECTION 1 6 TERMINATION OF DEVELOPMENT RIGHTS

The Development Rіghts contaіned іn thіs Agreement wіll be termіnated and we wіll then have the rіght to reassіgn these Development Rіghts to another party or retaіn these rіghts wіth no future lіabіlіty to you for Cheeburger Cheeburger Restaurants not yet developed and not subject to a Franchіse Agreement іf you

(a) Faіl to tіmely achіeve the Development Schedule

(b) Cause any Cheeburger Cheeburger Franchіse Agreement to be termіnated by us

(c) Have developed a locatіon not approved by us

(d) Dіd not receіve our approval or comply wіth the approved layout or equіpment package for each locatіon developed

(e) Faіl to maіntaіn operatіonal standards as prescrіbed by the Operatіons Manual

(f) Become delіnquent 30 days or more іn any fees or monіes due us

(g) Faіl to comply wіth and meet the requіrements іn the Multі-Outlet Expansіon Guіdelіnes, the terms of whіch are іncorporated hereіn by reference

Upon termіnatіon or expіratіon of thіs Agreement, you wіll retaіn all rіghts under any Franchіse Agreement between you and us, provіded you are not otherwіse іn default under the Franchіse Agreement

SECTION 1 7 TIME OF THE ESSENCE

Tіme іs of the essence for your oblіgatіons under thіs Agreement

ARTICLE 2 - OUR DUTIES

We will provide you with the following assistance and services as necessary for the development of Outlets if you are not in default under this Agreement

SECTION 2 1 SERVICES AND SUPPORT

We will provide you the services and continual support for each Operating Outlet as stated in ARTICLE 2 of each Franchise Agreement

SECTION 2 2 DUTIES SOLELY TO YOU

All of our obligations under this Agreement are solely to you No other party is entitled to rely on, enforce, or obtain relief for breach of these obligations either directly or by subrogation

SECTION 2 3 OUR RIGHT TO DELEGATE DUTIES

You agree to our right to delegate any of our duties under this Agreement to a Designee You must discharge your duties with any Designee to the extent we request in the same manner that you must do so with us

ARTICLE 3 - FEES AND PAYMENTS

SECTION 3 1 DEVELOPMENT FEE

When you sign this Agreement, you will also sign a Franchise Agreement for the first Franchised Outlet and pay the entire Initial Franchise Fee for the first Franchise Outlet The Initial Franchise Fee for each additional Franchised Outlet that you develop is due and payable at the time you sign a lease that we have approved If the signing of the lease for the next Franchise Outlet under Subsection 1 2(a) is not satisfied, you can pay the Initial Franchise Fee for the next Franchise Outlet to gain an additional 6 months to obtain a signed lease If this is not paid, we may terminate this Agreement

SECTION 3 2 INTEREST ON LATE PAYMENTS, LATE CHARGE

Although each failure to pay monies when due is an Event of Default, to encourage prompt payment and to cover the costs involved in processing late payments, if any payment under this Agreement or any other agreement between us or our Affiliates and you is overdue for any reason, you must pay to us, on demand, in addition to the overdue amount, any insufficient funds (NSF) charges we incur and interest on the overdue amount from the date it was due until paid equal to the lesser of (i) 18% per annum, or (ii) the maximum rate of interest permitted by law You must also pay a late charge of $100 for each overdue payment

ARTICLE 4 - YOUR DUTIES

SECTION 4 1 ACHIEVEMENT OF DEVELOPMENT SCHEDULE

You will use your best efforts to confine your activities exclusively to constructing, opening and operating the Franchise Outlets contemplated under this Agreement in order to achieve the

Development Schedule You will maintain sufficient financial resources to construct and open the Franchise Outlets in the Development Area under the Development Schedule and to finance the operation of the Franchise Outlets under Franchise Agreements under which they are operated

SECTION 4 2 REPORTS

You agree, at your expense, to maintain and preserve at your principal office accurate records for the development and operation of the Franchise Outlets within the Development Area and your performance of your obligations under this Agreement, including records and information on the following site reports, leases for the Franchise Outlets supervisory reports on the operation of the Franchise Outlets, records reflecting your financial condition and all other records and reports as we reasonably prescribe

SECTION 4 3 COMPLIANCE WITH FRANCHISE AGREEMENTS

You will sign a Franchise Agreement for the first Franchise Outlet in the Development Area simultaneously with the signing of this Agreement and will comply with the duties stated in this ARTICLE You will also develop, institute and maintain all management systems, procedures and personnel, as we require assuring efficient operation of the Franchise Outlets in the Development Area

ARTICLE 5 - TRANSFER OF INTEREST

SECTION 5 1 TRANSFER BY US

We have the absolute right to transfer, assign or delegate all or any part of our rights or obligations under this Agreement to any person without your consent If our transferee assumes our obligations under this Agreement and sends to you written notice of the assignment and assumption, you agree within 7 days of the request to sign a release of us except for known claims against us by you and except for any liabilities from which we may not be released under any applicable state law We can also transfer our stock, engage in public and private securities offerings, merge, consolidate, acquire other businesses including Competing Businesses (subject to Section 1 4), sell all or substantially all of our assets, borrow money (secured or unsecured), deal in our assets or otherwise operate our business without your consent.

SECTION 5.2 TRANSFER BY YOU

The rights and duties in this Agreement are personal to you We have granted these Development Rights in reliance on your business and personal skills, reputation, aptitudes and financial capacity Accordingly, you agree that, unless otherwise expressly permitted by this Agreement, you will not sell, assign, transfer, convey or give voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise (collectively "transfer") any direct or indirect interest in this Agreement or in yourself without our written consent (that we may grant or withhold in our sole discretion) However, our written consent is not required for (i) a transfer of this Agreement and all related Franchise Agreements by an individual Developer to a corporation, the majority interest of which is, and remains owned by, the individual Developer, (ii) a transfer of less than a 5% interest in a publicly-held corporation, or (iii) a transfer of all or any part of any interest in you to another of the original shareholders, partners or members of you A transfer of 50% or more of the voting or ownership interests in a corporate or partnership Developer, individually or in the aggregate, directly or indirectly, is for all purposes of this Agreement a transfer of an interest in this

Agreement by you Any purported transfer by you, by operation of law or otherwise in violation of this Agreement, is void and is an Event of Default

ARTICLE 6 - INDEPENDENT CONTRACTOR AND INDEMNIFICATION

SECTION 6 1 INDEPENDENT STATUS

The parties agree that this Agreement does not create a fiduciary relationship between them You are an independent contractor and, unless expressly provided to the contrary, nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, joint employer, partner, employee, affiliate or servant of the other party for any purpose The parties agree that nothing in this Agreement authorizes either party to make any contract, agreement, warranty or representation on the other party's behalf, or to incur any debt or other obligation in the other party's name Neither party assumes liability for, or is liable under this Agreement as a result of, any action, or by reason of any act or omission of the other party or any claim or judgment arising from any act or omission We have no control over the terms of employment of your employees or of their activities or control over the day-to-day operations of your business

SECTION 6 2 INDEMNIFICATION

You indemnify and hold us harmless from all costs, losses and damages (including reasonable attorneys' fees and costs, even if incident to appellate, post-judgment or bankruptcy proceedings), from claims brought by third parties involving your ownership or operation of the Franchise Businesses unless caused by our gross negligence or intentional misconduct. This indemnity obligation continues in full effect after the expiration or termination of this Agreement.

ARTICLE 7 - TERM

SECTION 7 1 INITIAL TERM

The Initial Term of this Agreement until the last Outlet is developed, unless otherwise sooner terminated due to default The conditions under which you have the opportunity of obtaining a successor Cheeburger Cheeburger Development Agreement at the expiration of this Agreement are those stated in Section 6 2

SECTION 7 2 OPTION TO OBTAIN SUCCESSOR CHEEBURGER CHEEBURGER DEVELOPMENT AGREEMENT

(a) If you desire to continue to develop the Development Area, you may obtain a successor Cheeburger Cheeburger Development Agreement for an additional period to be negotiated by the parties, subject to the following conditions that must be met at the time the option is exercised and immediately before the beginning of the Succeeding Term, unless another time is specified

(i) You give us written notice of your intention to exercise the option by submitting your application not less than 9 months but not more than 12 months before the end of the Term,

(ii) You are not in default of any term of this Agreement including the Development Schedule, or any other agreement including all related franchise agreements between you and us or our affiliates,

(iii) You have, at the time of renewal, sufficient financial and management resources in our discretion to continue development of additional Outlets in the Development Area,

(iv) You, within 30 days before the end of the Term, sign and deliver to us our then-current form of Cheeburger Cheeburger Development Agreement, which agreement supersedes in all respects this Agreement, and may materially differ from the terms of this Agreement, including a new Development Schedule, and

(v) You sign a general release of all claims against us and our affiliates, and their respective officers, directors, shareholders, agents and employees except for our known liabilities to you and liabilities from which we may not require a release under any applicable state law

(b) If you have not met all of the conditions stated in Subsection 6 2(a), we may elect not to enter into a successor Cheeburger Cheeburger Development Agreement, if it provides you with written notice of your intention not to enter before the expiration of this Agreement

SECTION 7 3 OUR RIGHT NOT TO ENTER INTO SUCCESSOR CHEEBURGER CHEEBURGER DEVELOPMENT AGREEMENT

Regardless of the provisions of Section 6 2, we may elect not to enter into a successor Cheeburger Cheeburger Development Agreement with you, if (i) we provide you with written notice of our intention not to enter into a successor Cheeburger Cheeburger Development Agreement at least 180 days in advance of the expiration of this Agreement, (ii) we reasonably believe that the Development Area has been adequately saturated with Outlets, and (iii) the refusal to enter into a successor Cheeburger Cheeburger Development Agreement is not for the purpose of appointing another developer for the Development Area or for the opening of additional direct franchised or Company Outlets Any dispute on refusal is subject to arbitration

ARTICLE 8 - DEFINITIONS

SECTION 8 1 DEFINITIONS

As used in this Agreement, the Exhibits attached to this Agreement and any other document signed incidental to this Agreement, and any exhibits to these documents, the following terms have the following meanings

"**Agreement**" means this Cheeburger Cheeburger Development Agreement, as it may be amended, supplemented or otherwise modified by an agreement in writing signed by you and us under Section 9 2

"**Agreement Date**" means the date this Agreement is signed

"**Company-Owned Outlet**" means a Cheeburger Cheeburger Restaurant operated under the System and owned by us or any of our affiliates

"**Designee**" means one or more of our representatives who are independent contractors and are appointed by us to perform certain of our duties under this Agreement as described in ARTICLE 2

"**Development Area**" means ____

"**Development Rights**" means the rights granted to you under ARTICLE 1 to construct, own and operate Fanchise Outlets in the Development Area under the terms of this Agreement and the Franchise Agreements

"**Development Schedule**" means the number of Developed Outlets and the time in which to open the Franchise Outlets as stated in Section 1 2

"**Franchise Agreement**" means the then standard form of Cheeburger Cheeburger Franchise Agreement we are offering to new franchisees, the current form of which is Exhibit A

"**Franchised Outlet**" means the Cheeburger Cheeburger Restaurant you are authorized to establish and operate under a Franchise Agreement

"**Succeeding Term**" means the term of the successor Cheeburger Cheeburger Franchise Agreement described in Subsection 7 2(a)

"**Term**" means the term of the Agreement described in Section 7 1

SECTION 8 2 OTHER DEFINITIONAL PROVISIONS

(a) All of the terms defined in this Agreement or in the Franchise Agreement have these defined meanings when used in other documents issued under, or delivered under this Agreement unless the context otherwise requires or unless specifically otherwise defined in the other document, and

(b) The term "person" includes any corporation, partnership, estate, trust, association, branch, bureau, subdivision, venture, associated group, individual, government, institution, instrumentality and other entity, enterprise, association or endeavor of every kind

ARTICLE 9 - GENERAL PROVISIONS

SECTION 9 1 AMENDMENTS

Except as stated in this Agreement, the terms of this Agreement may not be amended, supplemented, waived or changed orally, except by a written document signed by the party against whom enforcement of amendment, supplement, waiver or modification is sought and making specific reference to this Agreement. Only our President has the authority to sign any amendment for us This Section is expressly subject to the terms of Section 8 6

SECTION 9 2 BINDING EFFECT

The terms of this Agreement are binding on, inure to the benefit of, and are enforceable by the parties and their respective personal representatives, legal representatives, heirs, successors and permitted assigns

SECTION 9 3 NOTICES

All notices, requests, consents and other communications required or permitted under this Agreement must be in writing (including telex, telecopied and telegraphic communication) and must be (as elected by the person giving notice) hand delivered by messenger or courier service, telecopied, telecommunicated, or mailed (airmail if international) by registered or certified mail (postage prepaid), return receipt requested, addressed to

If to Us	With a copy to
Cheeburger Cheeburger Restaurants, Inc 11595 Kelly Road, Suite 316 Fort Myers, FL 33908 Attn Bruce Zicari, CEO	Keith J Kanouse, Esq Kanouse & Walker, P.A One Boca Place, Suite 324 Atrium 2255 Glades Road Boca Raton, FL 33431

If to You

____
____
____
Attn ____________

or to any other address any party designates by notice complying with the terms of this Section Each notice is deemed delivered (a) on the date delivered if by personal delivery, (b) on the date telecommunicated if by telecopy, (c) on the date of transmission with confirmed answer back if by telefax, and (d) on the date the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable if mailed

SECTION 9 4 HEADINGS

The headings and subheadings in this Agreement are for convenience of reference only, are not to be considered a part of this Agreement and do not limit or otherwise affect in any way the meaning or interpretation of this Agreement.

SECTION 9 5 SEVERABILITY

(a) If any term of this Agreement or any other agreement entered into under this Agreement is contrary to, prohibited by or invalid under applicable law or regulation, that term is inapplicable and omitted to the extent so contrary, prohibited or invalid, but the remainder of this Agreement is not invalidated and is given full effect so far as possible If any term of this Agreement may be construed in two or more ways, one that would render the provision invalid or otherwise voidable or unenforceable and another that would render the provision valid and enforceable, the provision has the meaning that renders it valid and enforceable

(b) If any applicable law of any jurisdiction requires a greater prior notice of the termination of or non-renewal of this Agreement (if permitted) than is required under this Agreement, or the taking of some other action not required under this Agreement, or if under any applicable law of any jurisdiction, any provision of this Agreement or any of the Franchisor's requirements is invalid or unenforceable, the prior notice and/or other action required by the law is substituted for the comparable provisions of this Agreement The Franchisor has the right, in its sole discretion, to modify the invalid or unenforceable requirement to the extent required to be valid and enforceable These modifications to this Agreement are effective only in this jurisdiction, unless we elect to give them greater applicability, and this Agreement is enforced as originally made and entered into in all other jurisdictions

SECTION 9 6 WAIVERS

Any party's failure or delay at any time to require performance by another party of any provision of this Agreement, even if known, does not affect that party's right to require performance of that provision or to exercise any right under this Agreement Any waiver by any party of any breach of any provision of this Agreement is not a waiver of any continuing or later breach of the provision, a waiver of the provision itself, or a waiver of any right under this Agreement No notice to or demand on any party in any case of itself, entitles that party to any other or additional notice or demand in similar or other circumstances

SECTION 9 7 DISPUTE RESOLUTION

Upon any dispute between the parties regarding this Agreement the dispute resolution provisions of ARTICLE 17 of the Franchise Agreement that are incorporated into this Agreement by reference and are a part of this Agreement

SECTION 9 8 REMEDIES CUMULATIVE

Except as otherwise stated in this Agreement, no remedy in this Agreement on any party is intended to be exclusive of any other remedy Each remedy is cumulative and is in addition to every other remedy given under this Agreement now or later existing at law, in equity, or by statute or otherwise No single or partial exercise by any party of any right or remedy under this Agreement precludes any other or further exercises of any right or remedy

SECTION 9 9 EFFECTIVENESS, COUNTERPARTS

This Agreement is not effective or binding and enforceable against us until it is accepted by us at our home office in Fort Myers, Florida and signed by our President or CEO You are advised not to incur any expenses for opening the Cheeburger Cheeburger Restaurant until you have received a final signed copy of this Agreement from our home office This Agreement may be signed in counterparts, each an original, but all together are the same document. Confirmation of signing by telecopy of a facsimile signature page is binding on any party to the confirmation

SECTION 9 10 CONSENTS, APPROVALS AND SATISFACTION

Whenever our consent or approval is required under this Agreement, the consent or approval will not be unreasonably withheld or delayed unless specifically stated in this Agreement to the contrary All consents or approvals required of us are not binding on us unless the consent or approval is in writing and signed by our President or CEO Our consent or approval, whenever required may be withheld if any default by you exists under this Agreement When our satisfaction is required in this Agreement, unless the Agreement expressly states otherwise, the satisfaction is determined in our sole discretion

SECTION 9 11 INTERPRETATION

Each of the parties agree that they have been or have had the opportunity to have been represented by their own counsel throughout the negotiations and at the signing of this Agreement and all of the other documents signed incidental to this Agreement. None of the parties may, while this Agreement is effective or after its termination, claim or assert that any provisions of this Agreement or any of the other documents should be construed against the drafter of this Agreement or any of the other documents

SECTION 9 12 ENTIRE AGREEMENT

This Agreement, its Exhibits and all other written agreements involving this Agreement and expressly referenced in this Agreement, represent the entire understanding and agreement between the parties on the subject matter of this Agreement, and supersede all other negotiations, understandings and representations, if any, made by and between the parties No representations, inducements, promises or agreements, oral or otherwise, if any, not embodied in this Agreement are of any effect Nothing in the Agreement is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnished to you

SECTION 9 13 SURVIVAL

All of the parties' obligations that expressly or by their nature survive the expiration or termination of this Agreement continue in full force after and even on the expiration or termination of this Agreement until they are satisfied or by their nature expire

SECTION 9 14 LIABILITY OF MULTIPLE DEVELOPERS

If the Developer consists of more than one person, all persons are jointly and individually liable for your obligations under this Agreement

SECTION 9 15 THIRD PARTIES

Except as provided in this Agreement to the contrary for any of our affiliates, nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under this Agreement on any persons [including other Cheeburger Cheeburger franchisees or developers] other than the parties and their respective personal representatives, other legal representatives, heirs, successors and permitted assigns Except as provided in this Agreement to the contrary for any Designee, nothing in this Agreement is intended to relieve or discharge the obligation of any third persons to any party to this Agreement, nor does any provision give any third persons any right of subrogation or action over or against any party to this Agreement

IN WITNESS WHEREOF, the parties have duly signed and delivered this Agreement

DEVELOPER.

By ____________________________

FRANCHISOR

CHEEBURGER CHEEBURGER RESTAURANTS, INC

By ______________________________
Bruce Zicari, President

EXHIBIT I – FRANCHISEE CLOSING QUESTIONNAIRE

11/25/15

FRANCHISEE CLOSING QUESTIONNAIRE

As you know, Cheeburger Cheeburger Restaurants, Inc ("we" "us" and "our") and you are preparing to enter into a Cheeburger Cheeburger Development Agreement and/or Franchise Agreement for the establishment and operation of a Cheeburger Cheeburger Franchise Business The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we have not authorized, are not contained in our Franchise Disclosure Document ("FDD"), the Cheeburger Cheeburger Franchise Agreement, or other exhibits, 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 How did you first find out about our franchise opportunity?

____

____

2 When was this? ______________________________________

3 Have you received and personally reviewed the FDD that was provided to you?

Yes ☐ No ☐

4 Did you sign a receipt for the FDD indicating the date you received it?

Yes ☐ No ☐

5 Have you had the FDD for at least 14 days?

Yes ☐ No ☐

6 Do you understand all of the information contained in the FDD and any state-specific addendum to the FDD?

Yes ☐ No ☐

If No, what parts of the FDD and/or addendum do you not understand? (Attach additional pages, if necessary)

____

____

7 Have you discussed the benefits and risks of establishing and operating a Cheeburger Cheeburger Franchise Business with an attorney, accountant, or other professional advisor?

Yes ☐ No ☐

If yes, please identify and provide name, address and phone number

____

____

____

8 Do you understand that the success or failure of your Cheeburger Cheeburger Franchise Business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?

Yes ☐ No ☐

9 Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of Cheeburger Cheeburger Franchise Business operated by us or our Cheeburger Cheeburger Franchisees?

Yes ☐ No ☐

10 Has any employee or other person speaking on our behalf made any statement or promise regarding the amount of money you may earn in operating the Cheeburger Cheeburger Franchised Business?

Yes ☐ No ☐

11 Has any employee or other person speaking on our behalf made any statements or promise concerning the total amount of revenue the Cheeburger Cheeburger Franchise Business will generate?

Yes ☐ No ☐

12 Has any employee or other person speaking on our behalf made any statement or promise regarding the costs you may incur in operating the Cheeburger Cheeburger Franchise Business that is contrary to or different from, the information contained in the FDD?

Yes ☐ No ☐

13 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 Cheeburger Cheeburger Franchise Business?

Yes ☐ No ☐

14 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 FDD?

Yes ☐ No ☐

15 Have you entered into any binding agreement with us concerning the purchase of this Cheeburger Cheeburger Franchise before today?

Yes ☐ No ☐

16 Have you paid any money to us concerning the purchase of this Franchise before today?

Yes ☐ No ☐

17 If you have answered "Yes" to any one of questions 9-16, please provide a full explanation of each "yes" answer in the following blank lines (Attach additional pages, if necessary, and refer to them below) If you have answered "no" to each of questions 9-16, please leave the following lines blank ____

____

____

____

18 Do you understand all of the information contained in the Cheeburger Cheeburger Franchise Agreement and each exhibit attached to it?

Yes ☐ No ☐

If no, what part of the Cheeburger Cheeburger Franchise Agreement do you not understand? (Attach additional pages if necessary)

____

____

____

____

19 I signed the Cheeburger Cheeburger Franchise Agreement and related documents on ______________, 2016 and understand and acknowledge that none of these agreements is effective until signed and dated by our President

Please understand that your responses to these questions are important to us and that we will rely on them By signing the Questionnaire, you are representing that you have responded truthfully to the above questions **These responses are not intended to nor shall they act as a release, estoppel or waiver of liability incurred under the Maryland Franchise Registration and Disclosure Law or other state law**

FRANCHISE APPLICANT

____

EXHIBIT K – GENERAL RELEASE

11/25/15

Cheeburger Cheeburger

BIG IS BETTER

GENERAL RELEASE

______________________________ (the "Releasor"), for and in consideration of the consent to the transfer/renewal of the Cheeburger Cheeburger Franchise Agreement dated ______________, 2016 by Cheeburger Cheeburger Restaurants, Inc (the "Releasee"), receipt of which is acknowledged, does release and forever discharge, and by this document for him/her and his/her personal representatives and heirs, releases and forever discharges the Releasee and its successors and assigns, of and from any and all manner of action and actions, cause and causes of action, suits, debts, dues, sums of money, accounts, contracts, controversies, agreements, claims and demands whatsoever, in law or in equity, which the Releasor, his/her personal representatives or heirs, have had, nor have or which the Releasor, his/her heirs, personal representatives hereinafter can, shall or may have, for, upon or by reason of any matter, cause or thing whatsoever, from the beginning of the world to the date of this Release (collectively "Claims")

This Release extends and applies to and also covers and includes all unknown, unforeseen, or unanticipated and unsuspected injuries, damages, loss or liability, and the consequences therefrom as well as those now disclosed and known to exist The provisions of any federal, state or local law or statute, providing in substance that releases do not extend to claims, demands, injuries or damages, loss or liability, which are unknown or unsuspected to exist at the time, to the persons signing the releases, are expressly waived

The Releasor represents and warrants to the Releasee that he or she has not assigned or otherwise transferred any of the Claims or any portion of such Claims This Release extends and applies to, and also covers any and all persons from whom the Releasees may be deliberatively liable

The Releasor will not represent himself or herself, directly or indirectly, as an employee, officer, agent, or representative of the Releasee to any person, corporation, partnership or any other entity

WITNESS MY HAND AND SEAL on ____________________, 2016

____

EXHIBIT L – AGREEMENT WITH LANDLORD

11/25/15

BIG IS BETTER

AGREEMENT WITH LANDLORD

THIS AGREEMENT is signed on _________, 2016 among Cheeburger Cheeburger Restaurants, Inc, a Florida corporation (the "Franchisor"), ________________________ (the "Landlord") and ________________________ (the "Tenant/Franchisee")

BACKGROUND

A The Tenant/Franchisee is a franchisee of the Franchisor under a Cheeburger Cheeburger Franchise Agreement between the Franchisor and the Tenant/Franchisee dated ______________, 2016 (the "Franchise Agreement") for the operation of a Cheeburger Cheeburger Franchise (the "Franchise Business")

B The Landlord and the Tenant/Franchisee are parties to a Lease Agreement dated ________________, 2016 (the "Lease") for the premises located at _______________ (the "Premises") where the Franchisee will operate the Franchise Business that has been approved by the Franchisor on condition that all the parties sign this Agreement

C In order to assure that a Franchise Business continues to operate at the Premises if the Franchise Agreement terminates or expires and is not renewed, the Landlord grants certain rights to the Franchisor under the Lease to protect the Franchisor's interest under the Franchise Agreement

The parties agree as follows

TERMS

1 <u>**Signage**</u> The Landlord agrees to the Franchisor's signage requirements for the Tenant/Franchisee, subject to local signage ordinances and approval by local governmental agencies, if necessary

2 <u>**Use of Premises**</u> The Landlord and the Tenant/Franchisee agree that the Tenant/Franchisee may only use the Premises for the operation of the Franchise Business, unless the Franchisor otherwise approves in writing The Landlord acknowledges that this use does not violate any zoning restrictions, restrictive covenants or existing exclusive uses granted to any other tenant of the Landlord in the building/center or adjacent outparcel owned by the Landlord in which the Premises are located The Landlord further acknowledges that during the term of the Lease or any extension of the Lease, the Landlord will not lease space within the building/center or

outparcel to a business selling gourmet hamburgers, cheeseburgers, french fries, onion rings and milk shakes and other food and beverage products, including beer and wine, or permit an existing tenant to offer products (other than those currently offered by an existing tenant) that compete with the Franchise Business

3 **Tenant Information, Notices of Default** The Landlord will send to the Franchisor at the address set forth below copies of notices of default under the Lease and all material information such as sales reports, financial information, correspondence and other communications sent by the Landlord to the Tenant/Franchisee or sent by the Tenant/Franchisee to the Landlord

Bruce Zicari, CEO
Cheeburger Cheeburger Restaurants, Inc
11595 Kelly Road
Suite 316
Fort Myers, FL 33908

4 **Right to Cure and Take Occupancy**

(a) If the Tenant/Franchisee defaults under the Lease, the Franchisor may (but is under no obligation to), within 30 days after receipt of written notice from the Landlord, cure the default (or a longer period of time if the default is not capable of being cured within 30 days and the Franchisor is diligently proceeding to cure the default) If the Franchisor cures the Tenant/Franchisee's default, the Franchisor has the right to occupy the Premises and operate the Franchise Business The Tenant/Franchisee to deemed to have assigned the Lease to the Franchisor, but the Tenant/Franchisee and any guarantors are not released from their obligations under the Lease From and after the deemed assignment, the Franchisor will assume and perform all of the obligations of the Tenant/Franchisee under the Lease until the Franchisor is released in accordance with Subsection 4(b)

(b) The Franchisor may assign the Lease to another Cheeburger Cheeburger Franchisee with the Landlord's written approval of the new tenant/franchisee The Landlord will not unreasonably withhold, delay or condition its approval of the new tenant/franchisee Upon the permitted assignment by the Franchisor to the new tenant/franchisee, the Franchisor is released from all further obligations under the Lease

5 **Franchisor's Rights Upon Termination or Expiration of Franchise Agreement** The Landlord acknowledges that any landlord's lien or security interest does not include any property of the Tenant/Franchisee that includes any items bearing the Franchisor's trademarks including the signage or proprietary trade dress If the Franchisor or another Cheeburger Cheeburger Franchisee does not take occupancy of the Premises and does not assume the Lease, the Landlord agrees to the Franchisor's right under the Franchise Agreement, upon reasonable notice to the Landlord, to have its agents enter the Premises solely for the purposes of taking all steps necessary to protect its interest under the Franchise Agreement including the removal of all signs and other items bearing the Proprietary Marks of the Franchisor (without damage to the Premises)

6 **Modification of Lease** The Landlord and the Tenant/Franchisee will not make any material modifications to the Lease without the Franchisor's written consent, which consent the Franchisor will not unreasonably withhold, delay or condition

7 **<u>Noncompetition</u>** If the Franchisor or another Cheeburger Cheeburger Franchisee does not take over the Lease upon the termination or expiration of the Franchise Agreement and the Tenant/Franchisee remains in possession of the Premises, the Landlord and the Tenant/Franchisee agree that, for a period of 2 years after the expiration or termination of the Franchise Agreement, the Premises will not be used for a business in competition with the Franchisor or any of its Franchisees Competitive business means a business that is engaged, wholly or partially, directly or indirectly, in the business of gourmet hamburgers, cheeseburgers, french fries, onion rings and milk shakes and other food and beverage products, including beer and wine

8 **<u>Landlord's Statutory Lien or Security Interest</u>** The Landlord subordinates its statutory lien or security interest in the Tenant's property to the security interest of the Franchisor The Landlord will further cooperate in signing all required documents to recognize the subordination

9 **<u>Attorneys' Fees.</u>** If a party institutes any action to enforce any provision of this Agreement, the prevailing party is entitled to recover all attorneys' fees and costs incurred in connection with the action from the non-prevailing party

10 **<u>Governing Law</u>** This Agreement is governed by and construed in accordance with the laws of the state in which the Premises are located

11 **<u>Conflict</u>.** Upon any inconsistency between this Agreement and the terms of the Lease, this Agreement supersedes and controls

12 **<u>Binding Effect</u>.** This Agreement is binding upon the personal representatives, heirs, successors and assigns of the parties

IN WITNESS WHEREOF, this Agreement has been signed the date and year first above written

FRANCHISOR

Cheeburger Cheeburger Restaurants, Inc

By ______________________________
Bruce Zicari, CEO

LANDLORD

____

By ______________________
Its

TENANT/FRANCHISEE

____

EXHIBIT M - RECEIPT

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language Read this Franchise Disclosure Document and all agreements carefully

If Cheeburger Cheeburger Restaurants, Inc offers you a Cheeburger Cheeburger Franchise, we must provide this Franchise Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale

New York and Rhode Island require that we give you this Franchise 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 Franchise 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 Cheeburger Cheeburger Restaurants, Inc does not deliver this Franchise Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D C 20580 and the state agency of the state in which you are a resident and in which the proposed Cheeburger Cheeburger Franchise will be located as listed in Exhibit B

The name, principal business address, and telephone number of the franchise seller offering the franchise are Bruce Zicari, 11595 Kelly Road, Suite 316, Ft Myers, FL 32981 (239) 437-1611

The FTC issuance date of this Franchise Disclosure Document is November 1, 2015

The name and address of the franchisor's registered agent authorized to receive service of process is listed in Exhibit B

I received this Franchise Disclosure Document dated November 1, 2015 that included the following Exhibits

A – State Addenda to FDD
B – List of State Administrators and our Agents for Service of Process
C - Franchise Agreement
D - State-Specific Addenda
E - List of Franchisees
F - Financial Statements
G – Guaranty of Franchisee's Obligations
H – Non-Disclosure and Non-Interference Agreement
I - Development Agreement
J – Franchisee Closing Questionnaire
K - General Release
L – Agreement with Landlord
M - Receipt

Prospective Franchisee

Sign____________________________ Dated ____________, 2016

Print____________________________

(copy #1 - to be retained for your records)

RECEIPT

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J – Franchisee Closing Questionnaire
K - General Release
L – Agreement with Landlord
M - Receipt

Prospective Franchisee

Sign__________________________ Dated ___________, 2016

Print__________________________

Please sign and date this Receipt and mail it back to us at

Cheeburger Cheeburger Restaurants, Inc
11595 Kelly Road, Suite 316
Fort Myers, Florida 33908