

FRANCHISE DISCLOSURE DOCUMENT

Eight Turn Hospitality Group, LLC
A Florida limited liability company
16850 Collins Ave suite #112-178,
Sunny Isles Beach, FL 33160
(917) 660-5001
info@eightturncrepe.com
www.eightturncrepe.com



We offer qualified individuals and entities a franchise for the right to independently own and operate a fast casual restaurant featuring a wide array of sweet and savory Japanese crepes and specialty tea and coffee blends that are made in accordance with our proprietary recipes and ingredients, as well as any other items that we authorize (each, a “Restaurant”). Each Restaurant is licensed to use our proprietary business operating system (the “System”) and our proprietary marks, including the mark Eight Turn Crepe (the “Proprietary Mark”). We also offer qualified parties the right to own and operate multiple Restaurants within a development area that we designate.

The total investment necessary to begin operation of an Eight Turn Crepe franchise is \$172,350 to \$347,500. This includes \$44,000 to \$45,000 that must be paid to the franchisor or affiliate prior to opening. The total investment necessary to begin operation under a three-to five-unit Multi-Unit Development Agreement in addition to the initial investment required to open an initial unit is \$233,350 to \$462,500. This includes \$100,000 to \$150,000 that must be paid to the franchisor. There is no minimum number of Eight Turn Crepe units that you are required to develop under the Multi-Unit Development Agreement.

The total investment necessary to begin operation of an Eight Turn Crepe food truck franchise is \$123,350 to \$241,500. This includes \$44,000 to \$45,000 that must be paid to the franchisor or affiliate prior to opening. The total investment necessary to begin operation under a three-to five-unit Multi-Unit Development Agreement in addition to the initial investment required to open an initial unit is \$194,350 to \$356,500. This includes \$100,000 to \$150,000 that must be paid to the franchisor. There is no minimum number of Eight Turn Crepe food truck units that you are required to develop under the Multi-Unit Development Agreement.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Eight Turn Hospitality Group, LLC at 16850 Collins Ave suite #112-178, Sunny Isles Beach, FL 33160 and (917) 660-5001.

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

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

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

Issuance date: May 12, 2022, as amended June 14, 2022.

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in 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, or litigate with the franchisor in Florida than in your own state.
2. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.
3. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

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

(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protection provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that Mediation or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of Mediation, to conduct Mediation at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

- (i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
- (ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.
- (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

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

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

Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General
 G. Mennen Williams Building, 7th Floor
 525 W. Ottawa Street
 Lansing, Michigan 48909
 Telephone Number: (517) 373 7117

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EXHIBITS

- A. State Administrators and Agents for Service of Process
 - B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
 - C. Multi-Unit Development Agreement
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 - E. Form of General Release
 - F. Financial Statements
 - G. Operating Manual Table of Contents
 - H. Current and Former Franchisees
 - I. State Addenda to Disclosure Document
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- State Effective Dates
- Receipt (2 copies)

Item 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

In this disclosure document, “we”, “us,” or “our” refers to Eight Turn Hospitality Group, LLC. “You” means the person to whom we grant a franchise. If you are a corporation, limited liability company, or other entity, each owner of the franchise entity must sign our Guaranty and Non-Compete Agreement, which means that all of the franchise agreement’s provisions also will apply to your owners.

Us, Any Parents, and Certain Affiliates

Our name is Eight Turn Hospitality Group, LLC. Our principal business address is 16850 Collins Ave suite #112-178, Sunny Isles Beach, FL 33160. We do not have any parent entities. We do not have any affiliates that offer franchises in any line of business or provide products or services to our franchisees.

Our affiliate, ETCP, LLC has operated Eight Turn Crepe in New York, NY since March 2013. This affiliate is located at 445 Albee Square West, Brooklyn, NY 11201.

Our affiliate, 8 Turn Catering, LLC has operated a catering service from the franchised business location since May 2018 and is located at 2790 West 5 St #11E, Brooklyn, NY 11224.

Except as described above, none of our affiliates have offered franchises in other lines of business or provide products or services to our franchisees.

Our Predecessors

Our predecessor, Eight Turn Hospitality Group, LLC, is a New York limited liability company established on October 16, 2016 and is located at 2790 W. 5th Street, #11E, Brooklyn, NY 11224. In May 2022, we established a new company, relocated our headquarters to Florida and acquired the assets of our predecessor; however, our predecessor remains owner of our principal trademarks and has granted us a license to use and sublicense use of the trademarks to our franchisees. Our predecessor offered franchises from November 2018 to April 2022.

Our Business Name

We use the names “Eight Turn Hospitality Group, LLC” and “Eight Turn Crepe”. We do not intend to use any other names to conduct business.

Agent for Service of Process

Our agent for service of process in Florida is Marleen Zhik and the agent’s principal business address is 16850 Collins Ave suite #112-178, Sunny Isles Beach, FL 33160. Our agents for service of process in other states are disclosed in Exhibit A.

Business Organization

We are a Florida limited liability company. We were formed on April 14, 2022.

Information About Our Business and the Franchises Offered

We do not operate businesses of the type being franchised; however, our affiliates do.

We do not have any other business activities. We have not offered franchises in other lines of business.

If you sign a franchise agreement with us, you will develop and operate a fast-casual Japanese crepe (i) brick and mortar/kiosk restaurant or (ii) food truck (each a “Franchised Business”), under the trade name Eight Turn Crepe. If you sign a Multi-Unit Development Agreement (attached as Exhibit C to this disclosure document), you will develop multiple Franchised Businesses, on an agreed-upon schedule. For each future unit franchise, we will require you to sign our then-current form of franchise agreement, which may be different from the form of franchise agreement included in this disclosure document.

Multi-Unit Offering

We also offer qualified individuals and entities the right to open and operate multiple Franchised Businesses within a designated geographical area (the “Development Area”) under our current form of area development agreement that is attached to this Disclosure Document as Exhibit C (the “Development Agreement”), which will also outline a schedule or defined period of time in which you must open and commence operating each Franchised Business (a “Development Schedule”).

At our option, you will be required to sign a Franchise Agreement for your initial Franchised Business at the same time you sign your Development Agreement, and you will eventually need to sign our then-current form of franchise agreement for each of the Franchised Businesses you open under the Development Schedule.

If we grant you the right to open multiple Franchised Businesses under a Development Agreement, you must pay us a development fee for the territorial rights we grant to you within your Development Area (the “Development Fee”). For purposes of this Disclosure Document, we will refer to the second and each additional Franchised Business you must open under your Development Schedule as an “Additional Franchised Business”.

The Development Fee, as well as the subsequent franchise and training fees payable in connection with the second and each Additional Franchised Business, are disclosed more fully in Item 5 of this Disclosure Document.

The general market for a Japanese crepe specialty restaurant or food truck is former/current restaurant or foodservice business owners, hospitality workers and entrepreneurs. This market is relatively undeveloped. Our customers are primarily individuals and families looking for a delicious snack, meal or sweet, with a delightful Japanese flavor and superior quality. Sales are not seasonal.

Other Japanese and crepe restaurants exist but the combination is more of a specialty. You will compete against national chains, regional chains, and independent owners. Some of these competitors are franchised.

Laws and Regulations

The following laws and regulations are specific to our industry:

The restaurant industry has certain laws and regulations specific to it. The U.S. Food and Drug Administration, the U.S. Department of Agriculture, and various state and local health departments administer and enforce laws and regulations that govern food preparation and service, waste disposal, and sanitary conditions. State and local agencies inspect restaurants for compliance with these requirements. Certain provisions of these laws impose limits on emissions resulting from commercial food preparation. Some states have also adopted or are considering proposals to regulate indoor air quality.

The menu labeling provisions of the Patient Protection and Affordable Health Care Act require restaurant chains with 20 or more units to post caloric information on menus and menu boards, and to provide additional written nutrition information available to consumers upon request. For smaller chains, some states and local governments may require you to comply with laws relating to the labeling that is included on your menus, menu boards, and related materials. Some state and local authorities have also adopted, or are considering adopting, laws or regulations that would affect the content or make-up of food served in restaurants, such as the level of trans-fat contained in a food item.

If your location serves alcohol, you will be required to obtain certain licenses that permit you to sell and serve alcoholic beverages from your location. These rules and regulations will vary greatly depending on your state or market where you operate the franchised business from. You should consult with an attorney to work with you on this process in order to verify you have gone through the appropriate licensing needed to serve alcohol.

If you sign a Development Agreement with us to market, sell and promote the franchised business, you must adhere to federal and state laws that pertain to franchising. These laws and regulations are unique to franchising. These laws are highly specific and violations carry potentially serious consequences should you break any of them. You should inquire with a franchise attorney as to what the laws and regulations are for your specific state.

You alone are responsible for investigating and complying with all applicable laws and regulations, despite any information that we may give you. You should consult with a legal advisor about legal requirements that may apply to your business.

Prior Business Experience

We have offered franchises since April 2022.

Item 2
BUSINESS EXPERIENCE

Marleen Zhik: President

Marleen has served as our President since our formation in April 2022. From October 2016 through April 2022, she served as President of our predecessor, Eight Turn Hospitality Group, LLC located in Brooklyn, New York. She has also served as the President of Operations in our affiliate, ETCP, LLC, a current entity that operates a company owned location since June 2017. Prior to that time, Marleen served as (i) President of SMZ Partners LLC, located at 55 Parsonage Rd, Edison, NJ 08837, from November 2015 through May 2018 and (ii) owner/operator of Zam Consulting Inc, located at 2790 West 5 St., Brooklyn NY. 11224, from October 2014 through May 2017.

Hiro Nishida: Partner; Shareholder

Hiro is a Co-Founder and Partner since our formation in April 2022. From October 2016 through April 2022, Hiro also served as Co-Founder and Partner of our predecessor, Eight Turn Hospitality Group, LLC located in Brooklyn, New York. He has also served as the Founder and operator of 7E14 Corp doing business at 55 Spring Street, NY, NY, from December 2011 to March 2018. Hiro also serves as an advisor to ETCP, LLC, an entity that operates the Company's new location, currently in Brooklyn, NY since June 2016. Hiro was also the president and CEO of Plan Do See America, Japanese hospitality company from 2013-2019, in New York, NY.

Item 3
LITIGATION

Litigation involving our predecessor:

State of New York. On February 8, 2019, our predecessor filed a franchise registration application with the New York State Department of Law in which our predecessor acknowledged that our predecessor offered and sold a franchise prior to having an effective registration in New York in violation of the New York State Franchise Sales Act. The Attorney General of the State of New York required that our predecessor sign an Assurance of Discontinuance Pursuant to Executive Law § 63(15) and provide notice to the applicable franchisee that they had the right to demand rescission of their franchise agreement within 30 days after receipt of the notice. On June 10, 2019, our predecessor voluntarily entered into an Assurance of Discontinuance with the Attorney General of the State of New York, and our predecessor agreed to cease and desist from offering or selling franchises in violation of the New York State Franchise Sales Act, from violating our disclosure obligations under the New York State Franchise Sales Act, and paid the State of New York \$3,000 in penalties and costs. The applicable franchisee did not request rescission of their franchise agreement and is now barred by New York State Franchise Sales Act from doing so.

Other than as stated above, no litigation is required to be disclosed in this Item.

Item 4
BANKRUPTCY

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

Item 5
INITIAL FEES

Franchise Fee

When you sign your franchise agreement, you must pay us a lump sum of \$40,000 as the initial franchise fee. This fee is the same for both a brick-and-mortar location and for a food truck.

During our previous fiscal year, our predecessor awarded one franchise for \$30,000 pursuant to the Initial Fees under their 2021 Franchise Disclosure Document.

The fees in this Item 5 are nonrefundable upon payment and, except for the differences described above, is uniform for all new franchisees.

Other Fee

Regardless of whether you open a brick-and-mortar location or a food truck, you must purchase certain inventory items from us prior to opening for business. This inventory is a total of \$4,000 to \$5,000 depending on the size of the franchised business.

Multi-Unit Development

If you and we agree that you will develop multiple franchises, for either multiple brick-and-mortar locations or for multiple food trucks, then you will sign our Multi-Unit Development Agreement (“MUDA”) in the form of Exhibit C to this disclosure document. Your franchise fees will be reduced to \$35,000 for your second franchise and \$25,000 for each franchise after the second franchise. This payment schedule is the same for both multiple brick-and-mortar locations and for multiple food trucks. You will pay all franchise fees upon signing the MUDA. They are not refundable.

Item 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty	6% of your gross sales	Monthly, on the 5 th day of the following month by Electronic Funds Transfer Program (“EFT”)	You will begin paying the Royalty Fee once your Franchised Business opens. ¹⁻²

Type of Fee	Amount	Due Date	Remarks
Marketing Fund Contribution	Currently, none. If implemented, 3% of your gross sales	Monthly, on the 5 th day of the following month by EFT	We do not currently require you to contribute to a Fund, but we reserve the right to do so once there are 30 locations operating under the Proprietary Marks.
Local Marketing Requirement	Currently, 0%; however, if implemented, you will be required to spend a minimum of 1% of your gross sales	Monthly	All marketing and advertising materials must be approved by us prior to use and publication. We reserve the right to increase your Local Marketing Requirement to an amount equal to up to 2% of your Gross Sales of your Franchised Business.
Market Cooperative Contribution	As determined by co-op. Currently, none.	Monthly, on the 5 th day of the following month	We have the right to establish local or regional advertising cooperatives. There is no maximum on the contribution determined by the co-op. If franchisor-owned outlets have controlling voting power, there are no maximum fees that may be imposed. The minimum fee is no less than 1%.
Replacement / Additional Training fee	Currently, \$400 per person, per day	Prior to attending training	If you send a manager or other employee to our training program after you open, we will charge our then-current training fee.
Third party vendors	Pass-through of costs, plus reasonable administrative charge. Currently, none.	Varies	We have the right to require franchisees to use third-party vendors and suppliers that we designate. Examples can include computer support vendors, mystery shopping, and customer feedback systems. The vendors and suppliers may bill franchisees directly, or we have the right to collect payment for these vendors together a reasonable markup or charge for administering the payment program.
Software subscription	Currently, \$50-\$100 per month	Monthly	We require you to use certain software as described in Item 11. You pay subscription fees directly to the software supplier, and not to us.

Type of Fee	Amount	Due Date	Remarks
Non-compliance fee	\$500	On demand	We may charge you \$500 if your business is not in compliance with our system specifications or the franchise agreement and you fail to correct the non-compliance after 30 days' notice. Thereafter, we may charge you \$250 per week until you correct such non-compliance.
Reimbursement	Amount that we spend on your behalf, plus 10%	Within 15 days of invoice	If we pay any amount that you owe or are required to pay to a third party, you must reimburse us.
Late fee	\$100 plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law)	On demand	We may charge a late fee if you fail to make a required payment when due.
Fee for failing to report Gross Sales	125% of the last Gross Sales reported to us	On demand	If you fail to report monthly Gross Sales, we may withdraw estimated Royalty Fees and Marketing Fund Contributions equal to 125% of the last Gross Sales reported to us.
Insufficient funds fee	\$50 (or, if such amount exceeds the maximum allowed by law, then the maximum allowed by law)	On demand	We may charge an insufficient funds fee if a payment made by you is returned because of insufficient funds in your account.
Costs of collection	Our actual costs	As incurred	Payable if we incur costs (including reasonable attorney fees) in attempting to collect amounts you owe to us.
Special Support fee	Our then-current fee, plus our expenses. Currently, \$600 per day.	On demand	If we provide in-person support to you in response to your request, we may charge this fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).

Type of Fee	Amount	Due Date	Remarks
Customer complaint resolution	Our expenses		We may take any action we deem appropriate to resolve a customer complaint about your business. If we respond to a customer complaint, we may require you to reimburse us for our expenses.
Records audit	Our actual cost	On demand	Payable only if (1) we audit you because you have failed to submit required reports or other non-compliance, or (2) the audit concludes that you under-reported gross sales by more than 3% for any 4-week period.
Special inspection fee	Currently \$600, plus our out-of-pocket costs	On demand	Payable only if we conduct an inspection of your business because of a governmental report, customer complaint or other customer feedback, or your default or non-compliance with any system specification.
Non-compliance cure costs and fee	Our out-of-pocket costs and internal cost allocation, plus 10%	When billed	We may cure your non-compliance on your behalf (for example, if you do not have required insurance, we may purchase insurance for you), and you will owe our costs plus a 10% administrative fee.
Renewal fee	\$10,000, plus any other out-of-pocket costs we incur	Upon the execution of a renewal franchise agreement	Payable if you execute a renewal franchise agreement
Transfer fee	\$15,000 plus any broker fees and other out-of-pocket costs we incur	When transfer occurs	Payable if you sell your business.
Indemnity	Our costs and losses from any legal action related to the operation of your franchise	On demand	You must indemnify and defend (with counsel reasonably acceptable to us) us and our affiliates against all losses in any action by or against us related to, or alleged to arise out of, the operation of your franchise (unless caused by our misconduct or negligence).

Type of Fee	Amount	Due Date	Remarks
Prevailing party's legal costs	Our attorney fees, court costs, and other expenses of a legal proceeding, if we are the prevailing party	On demand	In any legal proceeding (including Mediation), the losing party must pay the prevailing party's attorney fees, court costs and other expenses.

All fees are payable only to us (other than software subscription charges). All fees are imposed by us and collected by us (other than software subscription charges). All fees are non-refundable. All fees are uniform for all franchisees, although we reserve the right to change, waive, or eliminate fees for any one or more franchisees as we deem appropriate. There are currently no marketing cooperatives, purchasing cooperatives, or other cooperatives that impose fees on you.

Notes

1. "Gross Sales" is defined in our franchise agreement as the total dollar amount of all sales generated through your business for a given period, including, but not limited to, payment for any services or products sold by you, whether for cash or credit. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected, (iii) sale of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Gross Sales).

2. Unless otherwise restricted by applicable banking laws and regulations, we will establish a direct debit program with your bank to allow for the EFT draft of the monthly royalty and marketing fund contribution. You will be required to execute any necessary documents authorizing the EFT draft. We will automatically debit your bank account by the 5th of each month's for the previous month's royalties and national marketing contributions. For all fees to be remitted on a national holiday, fees will be due the following business day. However, we can require an alternative payment method.

Item 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT¹ - FRANCHISE AGREEMENT (BRICK AND MORTAR/KIOSK STYLE RESTAURANT)

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial franchise fee	\$40,000 - \$40,000	Lump sum/Electronic Funds Transfer	Upon signing the franchise agreement	Us

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Rent and Lease Security Deposit ²	\$5,000 - \$15,000	Check	Upon signing lease	Landlord
Utilities	\$500 - \$1,000	Check, debit, and/or credit	Upon ordering service	Utility providers
Leasehold Improvements	\$60,000 - \$150,000	Check	As incurred or when billed	Contractors
Grand Opening Program	\$10,000 - \$10,000	Check, debit, and/or credit	As incurred or when billed	Vendors and suppliers
Furniture, Fixtures, and Equipment	\$20,000 - \$50,000	Check, debit, and/or credit	As incurred	Approved Vendors and suppliers
Computer Systems	\$500 - \$1,500	Check, debit, and/or credit	As incurred	Vendors and suppliers
Insurance	\$500 - \$1,500	Check	Upon ordering	Insurance company
Signage	\$1,500 - \$5,000	Check, debit, and/or credit	Upon ordering	Approved Vendor
Office Expenses	\$500 - \$1,000	Check, debit, and/or credit	As incurred	Vendors
Inventory	\$5,000 - \$15,000	Check, debit, and/or credit	Upon ordering	Approved Vendors and Us
Licenses and Permits	\$350 - \$500	Check	Upon application	Government
Dues and Subscriptions	\$1,500 - \$1,000	Check, debit, and/or credit	As incurred	Vendors, trade organizations
Professional Fees (lawyer, accountant, etc.)	\$1,500 - \$3,000	Check, debit, and/or credit	As incurred or when billed	Professional service firms

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Travel, lodging and meals for initial training	\$500 - \$3,000	Cash, debit or credit	As incurred	Airlines, hotels, and restaurants
Additional funds (for first 3 months) ³	\$25,000 - \$50,000	Varies	Varies	Employees, suppliers, utilities
Total ⁴	\$172,350 - \$347,500			

Notes

1. Unless otherwise noted below, expenditures are non-refundable unless otherwise provided by the third-party payee for the expenditure(s) at issue. Neither we nor any affiliate finances any part of your initial investment.

2. Your lease security deposit and utility deposits will usually be refundable unless you owe money to the landlord or utility provider. Our estimates in this table assume you pay one month rent plus a security deposit before you open for business. For this to occur, you would need to negotiate a “free rent” period for the time it takes to build out your business. We expect that you will rent your location. If you choose to purchase real estate instead of renting, your costs will be significantly different.

3. This includes any other required expenses you will incur before operations begin and during the initial period of operations, such as payroll, additional inventory, rent, and other operating expenses in excess of income generated by the business. In formulating the amount required for additional funds, we relied on the following factors, basis, and experience: the development of an Eight Turn Crepe business by our affiliate, and our general knowledge of the industry.

4. You should review these figures carefully with a business advisor before making any decision to purchase a franchise.

YOUR ESTIMATED INITIAL INVESTMENT¹ - MULTI UNIT DEVELOPMENT AGREEMENT (BRICK AND MORTAR RESTAURANT)

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Development Fee ²	\$100,000 - \$150,000	Check or wire transfer	Upon signing the MUDA	Us

Initial Investment to Open Initial Location	\$132,350 - \$307,500	See above Table of this Item 7 for a Franchise Agreement (Brick And Mortar/Kiosk Style Restaurant)		
Business planning and miscellaneous expenses	\$1,000 - \$5,000	Check	As incurred	Vendors and suppliers
Total³	\$233,350 - \$462,500			

Notes:

1. Unless otherwise noted below, expenditures are non-refundable unless otherwise provided by the third-party payee for the expenditure(s) at issue. This chart details the estimated initial investment associated with executing a Multi-Unit Development Agreement for the right to own and operate three (3) to five (5) brick and mortar Locations, as well as the initial investment to open your first Location under your Development Schedule.

2. The Development Fee is described in greater detail in Item 5 of this Disclosure Document, and this Development Fee is for the right to open and operate a total of three (3) to five (5) Locations.

3. This figure represents the total estimated initial investment required to open the initial Location you agreed to open and operate under the Development Agreement. You will be required to enter into our then-current form of franchise agreement for the initial Location you open under your Development Agreement. The range includes all the items outlined in the first Table of this Item 7 for a Franchise Agreement (Brick And Mortar/Kiosk Style Restaurant), except for the Initial Franchise Fee because you are not required to pay any Franchise Fee for those Locations you open under the Development Agreement. It does not include any of the costs you will incur in opening any additional Location(s) that you are granted the right to open and operate under your Development Agreement.

YOUR ESTIMATED INITIAL INVESTMENT¹ - FRANCHISE AGREEMENT (FOOD TRUCK)

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial franchise fee	\$40,000 - \$40,000	Check or wire transfer	Upon signing the franchise agreement	Us
Food Truck ²	\$3,500 - \$60,000	Check, debit, and/or credit	Upon signing lease	Vendors and suppliers

Type of expenditure	Amount		Method of payment	When due	To whom payment is to be made
Commissary ³	\$400	- \$2,500	Check, debit, and/or credit	Upon signing lease	Lessor
Utilities	\$100	- \$500	Check, debit, and/or credit	Upon ordering service	Utility providers
Grand Opening Program	\$10,000	- \$10,000	Check, debit, and/or credit	As incurred or when billed	Vendors and suppliers
Equipment	\$20,000	- \$45,000	Check, debit, and/or credit	As incurred	Approved Vendors and suppliers
Office Supplies	\$500	- \$1,000	Check, debit, and/or credit	As incurred	Vendors
Computer Systems	\$500	- \$1,500	Check, debit, and/or credit	As incurred	Vendors and suppliers
Insurance	\$500	- \$2,000	Check	Upon ordering	Insurance company
Signage	\$1,500	- \$5,000	Check, debit, and/or credit	Upon ordering	Approved Vendor
Inventory	\$6,000	- \$10,000	Check, debit, and/or credit	Upon ordering	Approved Vendors and us
Licenses and Permits	\$350	- \$500	Check	Upon application	Government
Dues and Subscriptions	\$500	- \$3,000	Check, debit, and/or credit	As incurred	Vendors, trade organizations
Professional Fees (lawyer, accountant, etc.)	\$1,500	- \$3,000	Check, debit, and/or credit	As incurred or when billed	Professional service firms
Travel, lodging and meals for initial training	\$3,000	- \$7,500	Cash, debit or credit	As incurred	Airlines, hotels, and restaurants
Additional funds (for first 3 months) ⁴	\$35,000	- \$50,000	Varies	Varies	Employees, suppliers, utilities
Total ⁵	\$123,350	- \$241,500			

1. Unless otherwise noted below, expenditures are non-refundable unless otherwise provided by the third-party payee for the expenditure(s) at issue. Neither we nor any affiliate finances any part of your initial investment.

2. The cost for the food truck will vary depending on the make and model of such food truck that you choose for the operation of your Eight Turn Crepe business.

3. You must lease or otherwise provide a suitable facility for your commissary for food preparation. Typically, the facility will range from 800 to 1,200 square feet. It is difficult to estimate your commissary lease costs because of the wide variation in these costs across different markets. Your commissary lease costs will vary based upon the general market, square footage, and other related costs. The estimate above is based on an assumption that you will be required to pay a security deposit equal to your first month's rent.

4. This includes any other required expenses you will incur before operations begin and during the initial period of operations, such as payroll, additional inventory, rent, and other operating expenses in excess of income generated by the business. In formulating the amount required for additional funds, we relied on the following factors, basis, and experience: the development of an Eight Turn Crepe business by our affiliate, and our general knowledge of the industry.

5. You should review these figures carefully with a business advisor before making any decision to purchase a franchise.

YOUR ESTIMATED INITIAL INVESTMENT¹ - MULTI UNIT DEVELOPMENT AGREEMENT (FOOD TRUCK)

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Development Fee ²	\$100,000 - \$150,000	Check or wire transfer	Upon signing the MUDA	Us
Initial Investment to Open Initial Location	\$93,350 - \$201,500	See above Table of this Item 7 for a Franchise Agreement (Food Truck)		
Business planning and miscellaneous expenses	\$1,000 - \$5,000	Check	As incurred	Vendors and suppliers
Total³	\$194,350 - \$356,500			

Notes:

1. Unless otherwise noted above, expenditures are non-refundable unless otherwise provided by the third-party payee for the expenditure(s) at issue. This chart details the estimated initial investment associated with executing a Multi-Unit Development Agreement for the right to own and operate three (3) Food Truck Locations, as well as the initial investment to open your first Location under your Development Schedule.

2. The Development Fee is described in greater detail in Item 5 of this Disclosure Document, and this Development Fee is for the right to open and operate a total of three (3) to five (5) Locations.

3. This figure represents the total estimated initial investment required to open the initial Location you agreed to open and operate under the Development Agreement. You will be required to enter into our then-current form of franchise agreement for the initial Location you open under your Development Agreement. The range includes all the items outlined in the table of this Item 7 for a Franchise Agreement (Food Truck), except for the Initial Franchise Fee because you are not required to pay any Franchise Fee for those Locations you open under the Development Agreement. It does not include any of the costs you will incur in opening any additional Location(s) that you are granted the right to open and operate under your Development Agreement.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Generally

We have the right to require you to purchase or lease all goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating your business (1) either from us or our designee, or from suppliers approved by us, or (2) according to our specifications.

Specific Obligations

The following are our current specific obligations for purchases and leases:

A. Real Estate. Your business location is subject to our approval and must meet our specifications. You must use reasonable efforts to have your landlord sign our form of Rider to Lease Agreement (attached to this disclosure document as Exhibit D).

B. Insurance. You must obtain insurance as described in the Franchise Agreement and in our Manual, which includes (i) “Special” causes of loss coverage forms, including fire and extended coverage, crime, vandalism, and malicious mischief, on all property of the Business, for full repair and replacement value (subject to a reasonable deductible); (ii) Business interruption insurance covering at least 12 months of income; (iii) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an “occurrence” policy form in an amount of not less than \$1,000,000 single limit per occurrence and \$2,000,000 aggregate limit, (iv) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than \$1,000,000, and (v) Workers Compensation coverage as required by state law. Your policies (other than Workers Compensation) must list us and our affiliates as an additional insured, must include a waiver of

subrogation in favor of us and our affiliates, must be primary and non-contributing with any insurance carried by us or our affiliates, and must stipulate that we receive 30 days' prior written notice of cancellation.

C. Point-of-sale software and hardware, and related software and hardware. You must purchase (or lease) the point-of-sale software and hardware, and related software and hardware, that we specify. See Item 11 for more details.

Us or our Affiliates as Supplier

We are currently the only approved supplier for certain goods or services that you must purchase. The products you must purchase from us include certain creams, powders, yogurts, uniforms and materials. Additionally, we reserve the right to be a supplier (or the sole supplier) of a good or service in the future.

We currently require you to use our Approved Supplier for the following: (i) our proprietary crepe batter, sauces and other ingredients and food items necessary to prepare the Approved Products; (ii) branded paper products and uniforms; (iii) branded merchandise items developed now or in the future;

Ownership of Suppliers

None of our officers owns an interest in any supplier to our franchisees.

Alternative Suppliers

If you want to use a supplier that is not on our list of approved suppliers, you must request our approval in writing. We will grant or revoke approvals of suppliers based on criteria appropriate to the situation, which may include evaluations of the supplier's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Our criteria for approving suppliers are not available to you. We permit you to contract with alternative suppliers who meet our criteria only if you request our approval in writing, and we grant approval. There is no fee for us to review or approve an alternate supplier. If we do not provide you with written notification of the approval or disapproval of any supplier you propose within 30 days after receipt of your request then the supplier is deemed denied. We may grant approvals of new suppliers or revoke past approvals of suppliers on written notice to you, or by updating our Manual.

Issuing Specifications and Standards

We issue specifications and standards to you for applicable aspects of the franchise in our Manual and/or in written directives. We may issue new specifications and standards for any aspect of our brand system, or modify existing specifications and standards, at any time by revising our Manual and/or issuing new written directives (which may be communicated to you by any method we choose). We will generally (but are not obligated to) issue new or revised specifications only after thorough testing in our headquarters, in company-owned outlets, and/or a limited market test in multiple units.

Revenue to Us and Our Affiliates

We and our affiliates may derive revenue from franchisee purchases and leases to the extent that franchisees purchase products or services from us or our affiliates. During the fiscal year ending December 31, 2021, neither we, our predecessor, nor our affiliates or those of our predecessor derived any revenue as a result of franchisee purchases or leases.

Proportion of Required Purchases and Leases

We estimate that the required purchases and leases to establish your business are 50% to 80% of your total purchases and leases to establish your business.

We estimate that the required purchases and leases of goods and services to operate your business are 50% to 80% of your total purchases and leases of goods and services to operate your business.

Payments by Designated Suppliers to Us

We do not currently receive payments from any designated suppliers based on purchases by you or other franchisees. However, the franchise agreement does not prohibit us from doing so.

Purchasing or Distribution Cooperatives

No purchasing or distribution cooperative currently exists.

Negotiated Arrangements

We do not negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees. However, we may do so in the future.

Benefits Provided to You for Purchases

We do not provide any material benefit to you based on your purchase of particular goods or services, or your use of particular suppliers.

Item 9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in agreement	Disclosure document item
a. Site selection and acquisition/lease	FA: §§ 6.1, 6.2 MUDA: Not Applicable	Item 11

Obligation	Section in agreement	Disclosure document item
b. Pre-opening purchase/leases	FA: §§ 6.2, 6.3 MUDA: Not Applicable	Items 5, 7, 8 and 11
c. Site development and other pre-opening requirements	FA: Article 6 MUDA: §§1(a), 3	Items 5, 7, 8 and 11
d. Initial and ongoing training	FA: §§ 5.4, 6.4, 7.6 MUDA: Not Applicable	Items 5, 6, 8 and 11
e. Opening	FA: §§ 6.5, 6.6, 6.7, 9.6, 9.7 MUDA: §1(a)	Items 7, 8 and 11
f. Fees	FA: Article 4, §§ 5.5, 7.8, 10.5, 11.2, 11.3, 15.2, 16.1, 17.6 MUDA: Not Applicable	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	FA: §§ 6.3, 7.1, 7.3, 7.5, 7.9 – 7.13, 7.15, 10.1, 10.4, 11.1 MUDA: Article 1	Items 8, 11 and 14
h. Trademarks and proprietary information	FA: Article 12, § 13.1 MUDA: Not Applicable	Items 13 and 14
i. Restrictions on products/services offered	FA: § 7.3 MUDA: Not Applicable	Items 8, 11 and 16
j. Warranty and customer service requirements	FA: §§ 7.7, 7.8, 7.9 MUDA: Not Applicable	Item 8
k. Territorial development and sales quotas	FA: Not Applicable MUDA: §1(a), 4(ii)	Item 12
l. Ongoing product/service purchases	FA: Article 8 MUDA: Not Applicable	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	FA: §§ 7.12, 7.13 MUDA: Not Applicable	Items 6, 7 and 8
n. Insurance	FA: § 7.15 MUDA: Not Applicable	Items 6, 7 and 8

Obligation	Section in agreement	Disclosure document item
o. Advertising	FA: Article 9 MUDA: Not Applicable	Items 6, 7, 8 and 11
p. Indemnification	FA: Article 16 MUDA: Not Applicable	Items 6 and 8
q. Owner's participation/management/staffing	FA: § 2.4 MUDA: Not Applicable	Items 15
r. Records and reports	FA: Article 10 MUDA: Not Applicable	Item 11
s. Inspections and audits	FA: §§ 10.5, 11.2 MUDA: Not Applicable	Items 6 and 11
t. Transfer	FA: Article 15 MUDA: Article 7	Items 6 and 17
u. Renewal	FA: § 3.2 MUDA: Not Applicable	Item 17
v. Post-termination obligations	FA: Article 13, § 14.3 MUDA: Article 4	Item 17
w. Non-competition covenants	FA: § 13.2 MUDA: Not Applicable	Item 17
x. Dispute resolution	FA: Article 17 MUDA: Article 7	Items 6 and 17

Item 10 FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligations.

Item 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

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

Our Pre-Opening Obligations

Before you open your business:

Brick and mortar location:

A. *Your site.* We will review and advise you regarding potential locations that you submit to us. (Section 5.4). If you sign a Multi-Unit Development Agreement, we will approve the location of future sites and territories for those sites, and our then-current standards for sites and territories will apply. We are not obligated to further assist you in locating a site or negotiating the purchase or lease of the site.

- (i) We generally do not own your premises.
- (ii) If your site is not already known and approved by us when you sign your franchise agreement, then we and you will specify in your franchise agreement the area in which you must select a site (Franchise Agreement, Summary Page). We do not select your site. Your site is subject to our approval. To obtain our approval, you must provide all information and documents about the site that we require.
- (iii) The factors we consider in approving sites are general location and neighborhood, competition, trade area demographics, traffic patterns, parking, size, physical characteristics of existing buildings, and lease terms.
- (iv) The time limit for us to approve or disapprove your proposed site is 30 days after you submit all of our required documents and information. (Section 6.1). If we and you cannot agree on a site, you will be unable to comply with your obligation to develop and open the franchise by the deadline stated in the franchise agreement. Unless we agree to extend the deadline, you will be in default and we may terminate your franchise agreement.
- (v) We are not obligated to assist you in conforming the premises of your site to local ordinances and building codes and obtaining any required permits. This will be your responsibility.

B. *Constructing, remodeling, or decorating the premises.* We will provide you with a set of our standard building plans and specifications and/or standard recommended floor plans, and our specifications for required decor (Section 5.4).

C. *Hiring and training employees.* We will provide you with our suggested staffing levels (Section 5.2), suggested guidelines for hiring employees (Section 5.2), operational instructions in the Manual which you can use as part of training new employees (Section 5.3), and our initial training program described below. Our opening support (as described below) includes assisting you in training employees. All hiring decisions and conditions of employment are your sole responsibility.

D. *Necessary equipment, signs, fixtures, opening inventory, and supplies.* We will provide you a list of our specifications and approved suppliers for equipment, signs, fixtures,

opening inventory, and supplies necessary to open your business. (Section 5.4) We do not provide these items directly; we only provide the names of approved suppliers. We do not deliver or install these items.

E. *Operating Manual.* We will give you access to our Operating Manual (Section 5.1).

F. *Initial Training Program.* We will conduct our initial training program. (Section 5.4). The current initial training program is described below.

G. *Business plan review.* If you request, we will review your pre-opening business plan and financial projections. (Section 5.4).

H. *Grand Opening Plan.* We will advise you regarding the planning and execution of your market introduction plan. (Section 5.4).

I. *On-site opening support.* We will have a representative provide on-site support for at least 3-7 days in connection with your business opening. (Section 5.4).

Food truck location:

A. *Your commissary lease.* Review the proposed lease for your commissary. We are not obligated to assist you in conforming the premises of your commissary to local ordinances and building codes and obtaining any required permits. This will be your responsibility. (Section 6.6).

B. *Your food truck.* Review your food truck either in person or otherwise to confirm whether our minimum requirements are satisfied. (Section 6.5).

C. *Hiring and training employees.* We will provide you with our suggested staffing levels (Section 5.2), suggested guidelines for hiring employees (Section 5.2), operational instructions in the Manual which you can use as part of training new employees (Section 5.3), and our initial training program described below. Our opening support (as described below) includes assisting you in training employees. All hiring decisions and conditions of employment are your sole responsibility.

D. *Necessary equipment, signs, fixtures, opening inventory, and supplies.* We will provide you a list of our specifications and approved suppliers for equipment, signs, fixtures, opening inventory, and supplies necessary to open your business. (Section 5.4) We do not provide these items directly; we only provide the names of approved suppliers. We do not deliver or install these items.

E. *Operating Manual.* We will give you access to our Operating Manual (Section 5.1).

F. *Initial Training Program.* We will conduct our initial training program. (Section 5.4). The current initial training program is described below.

G. *Business plan review.* If you request, we will review your pre-opening business plan and financial projections. (Section 5.4).

H. *Grand Opening Plan.* We will advise you regarding the planning and execution of your market introduction plan. (Section 5.4).

I. *On-site opening support.* We will have a representative provide on-site support for at least 3-7 days in connection with your business opening. (Section 5.4).

Length of Time to Open

The typical length of time between signing the franchise agreement and the opening of your business is 60-90 days. Factors that may affect the time period include your ability to obtain a lease, obtain financing, develop your location, obtain business permits and licenses, and hire employees.

Single Unit

Except as provided in this Item, you must open and commence operations of your Franchised Business within twelve months of the date you execute your Franchise Agreement. If you do not open or operate your Franchised Business within the time period described above, then we may terminate your Franchise Agreement upon written notice.

Development Agreement

If you have entered into a Multi-Unit Development Agreement to open and operate multiple Franchised Businesses, your Multi-Unit Development Agreement will include a Development Schedule containing a deadline by which you must have each of your Franchised Businesses open and operating. Your Development Schedule may depend on the number of Franchised Businesses you are granted the right to open and operate.

If you fail to open any Franchised Business within the appropriate time period outlined in the Multi-Unit Development Agreement, we may terminate your Development Agreement. You will not have any further development rights within the Development Area upon termination of your Multi-Unit Development Agreement, except to continue operating the Franchised Business(es) that were already open and operating as of the termination date. We must approve of the Premises.

Our Post-Opening Obligations

After you open your business:

A. *Developing products or services you will offer to your customers.* Although it is our intent and practice to refine and develop products or services that you will offer to your customers, the franchise agreement does not obligate us to do so.

B. *Hiring and training employees.* We will provide you with our suggested staffing levels (Section 5.2), suggested guidelines for hiring employees (Section 5.2), and operational instructions in the Manual which you can use as part of training new employees (Section 5.3). All hiring decisions and conditions of employment are your sole responsibility.

C. *Improving and developing your business; resolving operating problems you encounter.* If you request, we will provide advice to you (by telephone or electronic communication) regarding improving and developing your business, and resolving operating problems you encounter, to the extent we deem reasonable. If we provide in-person support in response to your request, we may charge a fee (currently \$600 per day) plus any out-of-pocket expenses (such as travel, lodging, and meals for our employees providing onsite support). (Section 5.5).

D. *Establishing prices.* Upon your request, we will provide recommended prices for products and services. (Section 5.5). We have the right to determine prices charged by our franchisees for goods and services (but only to the extent permitted by applicable law).

E. *Establishing and using administrative, bookkeeping, accounting, and inventory control procedures.* We will provide you our recommended procedures for administration, bookkeeping, accounting, and inventory control. (Section 5.5). We may make any such procedures part of required (and not merely recommended) procedures for our system.

F. *Marketing Fund.* We will administer the Marketing Fund. (Section 5.5).

G. *Website.* We will maintain a website for the Eight Turn Crepe brand, which will include your business information and telephone number. (Section 5.5)

Advertising

Our obligation. We will use the Marketing Fund only for marketing and related purposes and costs. Media coverage is primarily local. We use outside national vendors and consultants to produce advertising. We are not required to spend any amount of advertising in the area or territory where any particular franchisee is located. We will maintain the brand website (which will be paid for by the Marketing Fund). We have no other obligation to conduct advertising.

Your own advertising material. You may use your own advertising or marketing material only with our approval. To obtain our approval, you must submit any proposed advertising or marketing material at least 14 days prior to use. If we do not respond, the material is deemed rejected. If you develop any advertising or marketing materials, we may use those materials for any purpose, without any payment to you.

Advertising council. We do not have an advertising council composed of franchisees. The franchise agreement does not give us the power to form an advertising council.

Grand Opening Advertising. You are required to expend at least \$10,000 to promote and advertise the grand opening of your Franchised Business. This amount must typically be expended over the period of time commencing 1 month before your Franchised Business opens and ending 2 months from that opening date.

Local or Regional Advertising Cooperatives. We do not currently have any local or regional advertising cooperatives. We have the right to require you to participate in a local or regional advertising cooperative. We will define the area of the cooperative based on media markets, or other geographic criteria that we deem appropriate. Each franchisee in the area would

have one vote per outlet (unless the franchisee is in default under its franchise agreement). The amount you must contribute to the cooperative will be determined by vote of the members, but not less than 1% of gross sales. If our own outlets are members of a cooperative, they must contribute to the cooperative on the same basis as franchisees, and they will vote on the same basis as other members. If our outlets have controlling voting power, there is no maximum on fees that could be imposed. We administer the cooperative, but we have the right to delegate responsibility for administration to an outside company such as an advertising agency or accounting firm, or to the franchisee members of the cooperative. We have the right to require the cooperative to operate from written bylaws or other governing documents that we determine. The documents are not currently available for you to review. Cooperatives will prepare annual financial statements which will be made available for review only by us and by the members of cooperative. We have the power to require cooperatives to be formed, changed, dissolved, or merged.

Marketing Fund. We currently do not implement a marketing fund, but we reserve the right to do so once we have 30 franchised locations. If the fund is implemented, you and all other franchisees must contribute to our Marketing Fund. Your contribution is 3% of gross sales per week. We reserve the right to have other franchisees contribute a different amount or at a different rate. Outlets that we own are not obligated to contribute to the Marketing Fund. We administer the fund. The fund is not audited. We will make unaudited annual financial statements available to you upon request.

If less than all marketing funds are spent in the fiscal year in which they accrue, the money will remain in the Marketing Fund to be spent in the next year.

No money from the Marketing Fund is spent principally to solicit new franchise sales.

Market introduction plan. You must develop a market introduction plan and obtain our approval of the plan at least 30 days before the projected opening date of your business.

Required spending. You must spend at least 1% of gross sales each month on marketing your business. We reserve the right to increase your Local Marketing Requirement to an amount equal to up to 2% of gross sales per month.

Point of Sale and Computer Systems

We require you to buy (or lease) and use a point-of-sale system and computer system as follows:

Square POS, Star Michronics customer receipt printer and kitchen printer.

In addition to the POS System, you must have a basic computer/laptop to use exclusively in connection with your Computer System that must have: (i) the ability to access high-speed Internet (wirelessly) twenty-four (24) hours a day; (ii) Windows XP, Vista or newer Windows operating system software installed, along with a Microsoft Office software suite containing Word and Excel; and (iii) the ability to run the accounting/bookkeeping software we designate (if any). The principal functions of the Computer System will be for bookkeeping, creating invoices, preparing materials, and for other general use in connection with the Franchised Business. We do not currently have any minimum requirements regarding the RAM storage that your computer

/laptop must have, so long as the hardware you are using can perform the tasks outlined in this Item and the Manuals. You will also need a basic printer to use in connection with your back-office computer/laptop. The computer/laptop you use in connection with the Franchised Business may not be used for any other business purpose. We may modify our System standards and specifications for our Computer System, and may otherwise require you to use any Required Software we designate.

If you already have computer hardware and/or software that meets our then-current standards for your back of office computer, then you may use these items in connection with your Franchised Business provided you obtain our approval.

The system will include the appropriate hardware and software to run a thriving business. Including the above POS and printers specifically required. These systems will generate or store data such as sales data, customer information, sales trends and charts, labor data, inventory and financial reports.

We estimate that these systems will cost between \$500 and \$1,500 to purchase.

We are not obligated to provide any ongoing maintenance, repairs, upgrades, or updates. We do not require you enter into any such contract with a third party; except that we require you to enter into a subscription contract for POS.

You must upgrade or update any system when we determine. There is no contractual limit on the frequency or cost of this obligation.

We estimate that the annual cost of any optional or required maintenance, updating, upgrading, or support contracts will be \$300 to \$1,000.

You must give us independent access to the information that will be generated or stored in these systems. The information that we may access will include sales, customer data, and reports. There is no contractual limitation on our right to access the information.

Food Truck

If you operate your Eight Turn Crepe business under a food truck model, you must acquire a food truck that meet our specifications and standards and decorate and equip it to our specifications and standards. We estimate that the cost to purchase a food truck will be \$3,500 to \$60,000. The cost for the food truck will vary depending on the make and model of such food truck that you choose for the operation of your Eight Turn Crepe business. We may require you to periodically update the signage and decorations and other logos utilized on the food truck from time to time.

Operating Manual

See Exhibit G for the table of contents of our Operating Manual as of the date this disclosure document, with the number of pages devoted to each subject. There are 188 total pages in the Operating Manual.

Training Program

Our training program consists of the following:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Establishing the Franchised Business - Location Design - Layout - Business Plan - Administrative - Banking - Brand	4	4	Brooklyn, NY or Katy, TX
Marketing and Promotions - Creating Awareness - Driving Traffic - Brand - Advertising - Marketing Funds	6	6	Brooklyn, NY or Katy, TX
Operations and Management - Front of House - Back of House - Technology and POS	8	8	Brooklyn, NY or Katy, TX
Menu and Production - Understanding the Menu - Ingredients and supply - Equipment - Recipes and Process	8	8	Brooklyn, NY or Katy, TX
Executing - Working with the Franchisor - Defining your Goals - Executing your Plan	2	2	Brooklyn, NY or Katy, TX
TOTALS:	28	28	

Training classes will be scheduled in accordance with the needs of new franchisees. We anticipate holding training classes four to six times per year. Training will be held with either our affiliate in New York or with our franchisee in Katy, Texas. We reserve the right to vary the length and content of the initial training program based on the experience and skill level of any individual attending the initial training program. The training program is directed and conducted primary by

or under the supervision of Tom Bezkorovainyi. Tom Bezkorovainyi has served as Operations Manager at our Eight Turn Crepe New York affiliate location since October 2017.

The instructional materials consist of the Operating Manual and other materials, lectures, discussions, and on-the-job demonstration and practice.

Our Initial Training Program instruction will typically be supervised and provided by individuals that have been with our company since our inception and that have at least one (1) year of experience with the Eight Turn Crepe brand. Most of our instructors will have more experience in the restaurant industry generally (ranging from 5 to over 10 years in the industry). We reserve the right to appoint and substitute other individuals to assist in providing training, but all of our training personnel will have at least one (1) year of experience in the subject matters that they teach.

There is no fee for up to 3 people to attend training. You must pay the travel and living expenses of people attending training.

You and one general manager must attend training. You may send any additional persons to training that you want (up to the maximum described above). You must complete training to our satisfaction at least four weeks before opening your business.

Your business must at all times be under your on-site supervision or under the on-site supervision of a general manager who has completed our training program. If you need to send a new general manager to our training program, we will charge a fee, which is currently \$400 per person, per day. Otherwise, we do not currently require additional training programs or refresher courses, but we have the right to do so.

Item 12 TERRITORY

Your Location

If you are purchasing the right to a brick and mortar or kiosk location, your franchise is for a specific location. If the specific location is not known at the time you sign a franchise agreement, then your location is subject to our approval.

If you are purchasing the right to open a food truck, your franchise will be for a specific geographic area around your commissary kitchen.

Grant of Territory

Regardless of whether you purchase a food truck or brick and mortar/kiosk location, your franchise agreement will specify a territory, which will be determined by us. Your territory will generally have a geographic area of approximately a 1-3 mile radius, excluding any and all Non-Traditional Locations. Your territory will usually be specified as radius around your location for a brick and mortar/kiosk location; however, we may use other boundaries (such as counties or other political boundaries, streets, geographical features, or trade area).

Non-Traditional Locations

We reserve the right to open or authorize any affiliate, third-party or other franchise to open locations at the Non-Traditional Locations below. A Non-Traditional Location means a hospital or medical center, airport, public or private school, university or college campus, airport terminal, train or bus station, convention center, exhibition hall, amusement park, fairground, sports arena, military base, state or national park, hotel, lodge, country club, social club, resort, casino, theater, truck-stop, or similar venue.

Relocation; Establishment of Additional Outlets

You do not have the right to relocate your business, and we have no obligation to approve any request for relocation. Our policy is to approve relocation of a franchisee's business on case-by-case basis, considering factors such as changes in demographics, profitability of your current business, or a loss of your premises due to circumstances beyond your control.

If you have purchased a food truck location, we may allow the relocation of your commissary kitchen. You are required to have a lease agreement for a commissary at all times. If your lease for your commissary is terminated for reasons outside of your control, you must immediately exercise best efforts to obtain a new lease for a commissary. If you fail to maintain a lease for a commissary for a period of five (5) days, we may terminate your franchise agreement.

You do not have the right to establish additional franchised outlets unless you sign a Multi-Unit Development Agreement ("MUDA") in the form attached as Exhibit C to this disclosure document. If you and we sign a MUDA, then you will have the right establish a mutually-agreed number of additional outlets. Under the MUDA, your right to develop additional outlets is subject to (1) you must comply with the mutually-agreed development schedule, (2) you must have sufficient financial and organizational capacity to develop, open, operate, and manage each additional Eight Turn Crepe business, (3) you must be in compliance with all brand requirements at your open Eight Turn Crepe business(es), and (4) you must not be in default under any other agreement with us. We will approve the location of future sites and territories for those sites, and our then-current standards for sites and territories will apply.

Options to Acquire Additional Franchises

You do not receive any options, rights of first refusal, or similar rights to acquire additional franchises.

Territory Protection

Regardless of whether you purchase one or more brick and mortar locations, kiosk locations, or food trucks under a franchise agreement or a MUDA, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. If you are a brick and mortar/kiosk location then we reserve the right to sell a food truck franchise within your territory.

The continuation of your territorial protection does not depend on achieving a certain sales volume, market penetration, or other contingency. There are no circumstances that permit us to modify your territorial rights.

Restrictions on Us from Soliciting or Accepting Orders in Your Territory

There are no restrictions on us from soliciting or accepting orders from consumers inside your territory. We reserve the right to use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your territory using our principal trademarks or using trademarks different from the ones you will use under your franchise agreement. We do not pay any compensation to you for soliciting or accepting orders from inside your territory.

Soliciting by You Outside Your Territory

There are no restrictions on you from soliciting or accepting orders from consumers outside of your territory, except that we reserve the right to control all internet-based marketing.

Competition by Us Under Different Trademarks

Neither we nor any of our affiliates operates, franchises, or has plans to operate or franchise a business under a different trademark selling goods or services similar to those you will offer. However, the franchise agreement does not prohibit us from doing so.

Item 13 TRADEMARKS

Principal Trademark

The following is the principal trademark that we license to you. As of the Issuance Date, our predecessor, Eight Turn Hospitality Group, LLC, has registered the following marks on the Principal Register of the U.S. Patent and Trademark Office (“USPTO”):

Trademark	Registration Date	Registration Number
	November 5, 2013/Renewed on December 13, 2018	4429418

Our predecessor, Eight Turn Hospitality Group, LLC, has granted us a license to use and sublicense use of the abovementioned Marks dated May 4, 2022. The term of the license is perpetual. The license agreement may be terminated through mutual agreement of both parties or by either party upon thirty days written notice if there is a material breach, and the other party does not cure within thirty day’s notice. Within the license agreement, the term “Marks” includes any other trade names, service marks, trademarks, designs, logos, slogans and commercial symbols now in existence or later adopted by Eight Turn Hospitality Group, New York that are used in

connection with the System. This license agreement licensed to us any future trademarks acquired by Eight Turn Hospitality Group, New York as well. In the event that Eight Turn Hospitality Group, New York terminates our agreement with them, they must honor all of our franchise agreements, including each of our franchisees' right to renew. No other agreements significantly limit our right to use or license the use of our marks.

Our predecessor has filed all affidavits and renewals required for our principal trademark.

Determinations

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court. There are no pending infringement, opposition, or cancellation proceedings.

Litigation

There is no pending material federal or state court litigation regarding our use or ownership rights in a trademark.

Agreements

There are no currently effective agreements that significantly limit our rights to use or license the use of trademarks listed above in a manner material to the franchise.

Protection of Rights

We protect your right to use the principal trademarks listed in this Item, and we protect you against claims of infringement or unfair competition arising out of your use of the trademarks, to the extent described in this section.

The franchise agreement obligates you to notify us of the use of, or claims of rights to, a trademark identical to or confusingly similar to a trademark licensed to you. The franchise agreement does not require us to take affirmative action when notified of these uses or claims. We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you.

If you use our trademarks in accordance with the franchise agreement, then (i) we have the right, but not the obligation to defend you (at our expense) against any legal action by a third-party alleging infringement by your use of the trademark, and (ii) we will indemnify you for expenses and damages if the legal action is resolved unfavorably to you.

Under the franchise agreement, we may require you to modify or discontinue using a trademark, at your expense. If this occurs, your rights under your franchise agreement will remain unaffected.

Superior Prior Rights and Infringing Uses

We do not know of either superior prior rights or infringing uses that could materially affect your use of the principal trademarks.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

We do not own rights in, or licenses to, patents that are material to the franchise. We do not have any pending patent applications.

Copyrights

All of our original works of authorship fixed in a tangible medium of expression are automatically protected under the U.S. Copyright Act, whether or not we have obtained registrations. This includes our Operating Manual as well as all other sales, training, management and other materials that we have created or will create. You may use these copyrighted materials during the term of the franchise, in a manner consistent with our ownership rights, solely for your franchised business.

We do not have any registered copyrights. There are no pending copyright applications for our copyrighted materials. There are no currently effective determinations of the U.S. Copyright Office (Library of Congress) or any court regarding any copyright.

There are no agreements currently in effect that limit our right to use or license the use of our copyrighted materials.

We have no obligation to protect any of our copyrights or to defend you against claims arising from your use of copyrighted items. The franchise agreement does not require us to take affirmative action when notified of copyright infringement. We control any copyright litigation. We are not required to participate in the defense of a franchisee or indemnify a franchisee for expenses or damages in a proceeding involving a copyright licensed to the franchisee. We may require you to modify or discontinue using the subject matter covered by any of our copyrights.

We do not know of any copyright infringement that could materially affect you.

Proprietary Information

We have a proprietary, confidential Operating Manual and related materials that include guidelines, standards and policies for the development and operation of your business. We also claim proprietary rights in other confidential information or trade secrets that include all methods for developing and operating the business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

You (and your owners, if the franchise is owned by an entity) must protect the confidentiality of our Operating Manual and other proprietary information, and you must use our confidential information only for your franchised business. You must require your Designated Manager and any personnel having access to any of our Confidential Information to sign our then-current form of Confidentiality and Non-Competition Agreement that is attached to the Franchise Agreement, where these individuals agree that they will maintain the confidentiality of information they receive in connection with their employment and restrict their right to work for a competitor while they are employed by you. This confidentiality agreement, which will be in a form that we prescribe, will identify us as a third-party beneficiary to the agreement and will give us independent enforcement rights.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Your Participation

You are not required to conduct day-to-day operations (that is, act as general manager) of your business. However you must remain active in overseeing the Franchised Business. You may operate your Franchised Business as an absentee owner.

If you elect to operate your business as an absentee owner, you must designate one person as your “Designated Manager”. The Designated Manager is the executive primarily responsible for your business and has decision-making authority on behalf of the business. The Designated Manager is not required to own any interest in the Franchised Business. The Designated Manager must:

- (a) Complete our initial training program;
- (b) Complete any post-opening training programs that we develop in the future;
- (c) Execute our then-current confidentiality and non-competition agreement; and
- (d) Make reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls), including regional or national brand conferences, that we require. The Designated Manager cannot fail to attend more than three consecutive required meetings.

Each person or entity owning any percent of the equity or ownership interest in the franchisee or any approved entity relating to the franchise must personally and individually guarantee the franchisee’s performance of its obligations to us. Each such person will be financially responsible for the monetary obligations of the franchisee entity on a pro rata basis in accordance with their ownership interests in the franchisee entity. (see Attachment 3 to Exhibit B).

All employees you hire or employ at your Franchised Business will be your employees and your employees alone, and will not, for any purpose, be deemed to be our employees or subject to our direct or indirect control, most particularly with respect to any mandated or other insurance

coverage, taxes or contributions, or requirements regarding withholdings, levied or fixed by any governmental authority. You will file your own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation insurance payments for your employees and operations. We will not have the power to hire or fire your employees. Our authority under the Franchise Agreement to train and approve your supervisory or managerial personnel for qualification to perform certain functions at your Franchised Restaurant does not directly or indirectly vest us with the power to hire, fire or control any of your personnel. You and you alone will be solely responsible for all hiring and employment decisions and functions relating to the Franchised Business, including those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision and discipline of employees, regardless of whether you have received advice from us on these subjects or not. Any guidance we may give you regarding employment policies should be considered merely examples. You will be responsible for establishing and implementing your own employment policies, and should do so in consultation with local legal counsel experienced in employment law.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale only goods and services that we have approved.

We may supplement, revise and/or modify our Approved Products as we deem appropriate from time to time, as well as our System standards and specifications associated with the provision of these products/services. These changes will be outlined in our Manuals or otherwise in writing, and there are no contractual limitations on our right to make these types of changes.

You agree that failure to offer and sell only Approved Products and Services through the Restaurant is grounds for default under the Franchise Agreement.

You will prepare and present all menu items in accordance with our standards and specifications, using the ingredients and preparation techniques we prescribe. We have the right to require you to offer and sell additional goods or services as we may designate. There are no limits on our right to do so. You will at all times maintain sufficient levels of inventory to adequately satisfy consumer demand.

You must offer for sale all goods and services that we require. We have the right to change the types of authorized goods or services, and there are no limits on our right to make changes.

We do not restrict your access to customers, except that all sales must be made at or from your premises.

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Item 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION
THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	§ 3.1	10 years from date of franchise agreement.
b. Renewal or extension of the term	§ 3.2	You may obtain a successor franchise agreement for up to four additional 5-year terms.
c. Requirements for franchisee to renew or extend	§ 3.2	For our franchise system, “renewal” means that at the end of your term, you sign our successor franchise agreement for an additional 5-year term. You may be asked to sign a contract with materially different terms and conditions than your original contract. To renew, you must give advance notice to us; be in compliance with all contractual obligations to us and third parties; renovate to our then-current standards; sign then-current form of franchise agreement and related documents (including personal guaranty); sign general release (unless prohibited by applicable law); and pay our then-current renewal fee.
d. Termination by franchisee	§ 14.1	You may terminate the Franchise Agreement only if we violate the Franchise Agreement and fail to cure or to make substantial progress toward curing the violation within 30 days after receiving written notice from you detailing the alleged default.
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	§ 14.2	We may terminate your agreement for cause, subject to any applicable notice and cure opportunity.

Provision	Section in franchise or other agreement	Summary
g. “Cause” defined--curable defaults	§ 14.2	Non-payment by you (10 days to cure); violate franchise agreement other than non-curable default (30 days to cure).
h. “Cause” defined--non-curable defaults	§ 14.2	Misrepresentation when applying to be a franchisee; knowingly submitting false information; bankruptcy; lose possession of your location; violation of law; violation of confidentiality; violation of non-compete; violation of transfer restrictions; slander or libel of us; refusal to cooperate with our business inspection; cease operations for more than 5 consecutive days; three defaults in 12 months; cross-termination; charge or conviction of a felony, or accusation of an act that is reasonably likely to materially and unfavorably affect our brand; any other breach of franchise agreement which by its nature cannot be cured.
i. Franchisee’s obligations on termination/non-renewal	§§ 14.3 – 14.5	Pay all amounts due; return Manual and proprietary items; notify phone, internet, and other providers and transfer service; cease doing business; remove identification; purchase option by us.
j. Assignment of agreement by franchisor	§ 15.1	Unlimited
k. “Transfer” by franchisee - defined	Article 1	For you (or any owner of your business) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the business, (ii) the franchise agreement, (iii) direct or indirect ownership interest of more than 25% of the business, or (iv) control of the business.
l. Franchisor’s approval of transfer by franchisee	§ 15.2	No transfers without our approval.

Provision	Section in franchise or other agreement	Summary
m. Conditions for franchisor's approval of transfer	§ 15.2	Pay transfer fee; buyer meets our standards; buyer is not a competitor of ours; buyer and its owners sign our then-current franchise agreement and related documents (including personal guaranty); you've made all payments to us and are in compliance with all contractual requirements; buyer completes training program; you sign a general release (unless prohibited by applicable state law); business complies with then-current system specifications (including remodel, if applicable).
n. Franchisor's right of first refusal to acquire franchisee's business	§ 15.5	If you want to transfer your business (other than to your spouse, sibling, or child), we have a right of first refusal.
o. Franchisor's option to purchase franchisee's business	§ 11.11	We have the right, but not the obligation, to purchase all or any portion of the assets of your Franchised Business upon expiration/termination of your Franchise Agreement at book value.
p. Death or disability of franchisee	§§ 2.4, 15.4	If you die or become incapacitated, a new principal operator acceptable to us must be designated to operate the business, and your executor must transfer the business to a third party within nine months.
q. Non-competition covenants during the term of the franchise	§ 13.2	Neither you, any owner of the business, or any spouse of an owner may have ownership interest in, or be engaged or employed by, any competitor.

Provision	Section in franchise or other agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	§ 13.2	For a period of two (2) years after the termination/expiration/transfer of your Franchise Agreement, neither you, your principals, guarantors owners, Designated Managers, nor any immediate family member of you, your principals, guarantors, owners, Designated Managers, may own, operate or otherwise be involved with any business that is involved in the licensing or franchising of Competing Businesses at any location within the United States where we can demonstrate we have offered this franchise offering. For a period of two (2) years after the termination/expiration/transfer of your Franchise Agreement, neither you, your principals, guarantors, owners, Designated Managers, nor any immediate family member of you, your principals, guarantors, owners, Designated Managers, may own, operate or otherwise be involved with and Competing Business within a twenty (20) mile radius of: (i) the perimeter of your Designated Territory; or (ii) any other Restaurant location that exists or is under development as of the date your Franchise Agreement is terminated, expires or is transferred. During this two (2) year period, these parties are also prohibited from: (i) soliciting business from customers of your former Franchised Business; (ii) contacting any of our suppliers/vendors for a competitive business purpose; or (iii) soliciting any employees of us, our affiliates or any other System franchisee to discontinue their employment
s. Modification of the agreement	§ 18.4	No modification or amendment of the agreement will be effective unless it is in writing and signed by both parties. This provision does not limit our right to modify the Manual or system specifications.

Provision	Section in franchise or other agreement	Summary
t. Integration/merger clause	§ 18.3	Only the terms of the agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. However, no claim made in any franchise agreement is intended to disclaim the express representations made in this Disclosure Document.
u. Dispute resolution by mediation	§ 17.1	You must first submit all disputes and controversies arising under the Franchise Agreement to our management and make every effort to resolve the dispute internally. At our option, all claims or disputes arising out of the Franchise Agreement must be submitted to non-binding mediation, which will take place in Florida at one of our training locations or corporate offices. If the matter is mediated, the parties will split the mediator's fees and bear all of their other respective costs of the mediation.
v. Choice of forum	§§ 17.1; 17.5	Mediation will take place where our headquarters is located (currently, Sunny Isles Beach, Florida) (subject to applicable state law). Any legal proceedings not subject to Mediation will take place in the District Court of the United States, in the district where our headquarters is then located, or if this court lacks jurisdiction, the state courts of the state and county where our headquarters is then located (subject to applicable state law).
w. Choice of law	§ 18.8	Florida (subject to applicable state law).

Provision	Section in multi-unit development agreement or other agreement	Summary
a. Length of the franchise term	Not Applicable	Not Applicable
b. Renewal or extension of the term	Not Applicable	Not Applicable

Provision	Section in multi-unit development agreement or other agreement	Summary
c. Requirements for franchisee to renew or extend	Not Applicable	Not Applicable
d. Termination by franchisee	Not Applicable	Not Applicable
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	§ 4	If you sign a Multi-Unit Development Agreement, termination of your MUDA does not give us the right to terminate your franchise agreement. However, if your franchise agreement is terminated, we have the right to terminate your MUDA.
g. “Cause” defined--curable defaults	Not Applicable	Not Applicable
h. “Cause” defined--non-curable defaults	§ 4	Failure to meet development schedule; violation of franchise agreement or other agreement which gives us the right to terminate it.
i. Franchisee’s obligations on termination/non-renewal	Not Applicable	Not Applicable
j. Assignment of agreement by franchisor	§ 7	Unlimited
k. “Transfer” by franchisee - defined	Background Statement	For you (or any owner of your business) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the business, (ii) the franchise agreement, (iii) direct or indirect ownership interest of more than 25% of the business, or (iv) control of the business.
l. Franchisor’s approval of transfer by franchisee	§ 7	No transfers without our approval.
m. Conditions for franchisor’s approval of transfer	Not Applicable	Not Applicable

Provision	Section in multi-unit development agreement or other agreement	Summary
n. Franchisor's right of first refusal to acquire franchisee's business	Not Applicable	Not Applicable
o. Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
p. Death or disability of franchisee	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	Not Applicable	Not Applicable
s. Modification of the agreement	§ 7	No modification or amendment of the agreement will be effective unless it is in writing and signed by both parties. This provision does not limit our right to modify the Manual or system specifications.
t. Integration/merger clause	§ 7	Only the terms of the agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and MUDA may not be enforceable. However, no claim made in any MUDA is intended to disclaim the express representations made in this Disclosure Document.
u. Dispute resolution by mediation	§ 7	You must first submit all disputes and controversies arising under the Franchise Agreement to our management and make every effort to resolve the dispute internally. At our option, all claims or disputes arising out of the Franchise Agreement must be submitted to non-binding mediation, which will take place in Florida at one of our training locations or corporate offices. If the matter is mediated, the parties will split the mediator's fees and bear all of their other respective costs of the mediation.

Provision	Section in multi-unit development agreement or other agreement	Summary
v. Choice of forum	§ 7	Mediation will take place where our headquarters is located (currently, Sunny Isles Beach, Florida) (subject to applicable state law). Any legal proceedings not subject to Mediation will take place in the District Court of the United States, in the district where our headquarters is then located, or if this court lacks jurisdiction, the state courts of the state and county where our headquarters is then located (subject to applicable state law).
w. Choice of law	§ 7	Florida (subject to applicable state law).

For additional disclosures required by certain states, refer to Exhibit I - State Addenda to Disclosure Document

Item 18 PUBLIC FIGURES

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

Item 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

The following table presents an unaudited historical financial performance representation about the actual revenue from our franchisee in Katy, Texas for the 2021 fiscal year. Our Katy, Texas franchisee has been operational since 2019.

Product	Gross Sales	% of Gross Sales
Beverages	\$35,080	6%
Gelato	\$37,111	7%
Crepes	\$491,808	87%
Total:	\$563,999	100%

Notes:

1. **Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.**

2. Written substantiation of the data presented in this financial performance representation will be made available to you upon reasonable request.

3. The above data does not include any royalties paid by this franchisee.

4. Gross Sales means the total revenue derived from the sale of beverages, gelato, and crepes less sales tax, discounts, allowances, and refunds.

5. We had two franchisees in operation as of December 31, 2021 operating in Katy, TX and Pearland, TX respectively; however, we did not include financial performance representations for our Pearland, TX franchisee because they opened in December 2021 and therefore there is no financial information for all 12 months during the 2021 fiscal year.

Other than the preceding financial performance representation, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Hiro Nishida and Marleen Zhik, 16850 Collins Ave suite #112-178, Sunny Isles Beach, FL 33160, and (917) 660-5001, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20 OUTLETS AND FRANCHISEE INFORMATION

**Table 1
Systemwide Outlet Summary
For years 2019 to 2021**

Column 1 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	2019	0	1	+1
	2020	1	1	0
	2021	1	2	+1
Company-Owned	2019	1	1	0
	2020	1	1	0
	2021	1	1	0

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
Total Outlets	2019	1	2	+1
	2020	2	2	0
	2021	2	3	+1

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

Column 1 State	Column 2 Year	Column 3 Number of Transfers
N/A	2019	0
	2020	0
	2021	0
Total	2019	0
	2020	0
	2021	0

Table 3
Status of Franchised Outlets
For years 2019 to 2021

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi- Nations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
Texas	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	1	0	0	0	0	2
Totals	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	1	0	0	0	0	2

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

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the 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
New York	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
Totals	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1

Table 5
Projected Openings As Of December 31, 2021

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets In The Next Fiscal Year	Column 4 Projected New Company- Owned Outlets In the Next Fiscal Year
California	0	1	0
Florida	0	1	0
Maryland	0	1	0
New Jersey	0	1	0
New York	0	1	1
Virginia	0	1	0
Totals	0	6	1

Current Franchisees

Exhibit H contains the names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets.

Former Franchisees

Exhibit H contains the name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet

terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date.

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

Confidentiality Clauses

In the last three fiscal years, no franchisees have signed any contract, order, or settlement provision that directly or indirectly restricts a current or former franchisee from discussing his or her personal experience as a franchisee in our system with any prospective franchisee.

Franchisee Organizations

There are no trademark-specific franchisee organizations associated with our franchise system.

Item 21 FINANCIAL STATEMENTS

We have not been in business for three years or more, and therefore cannot include all financial statements required by the Franchise Rule of the Federal Trade Commission. Our fiscal year end is December 31. Exhibit F contains our the audited balance sheet of our predecessor for the fiscal years 2021 and 2020.

Item 22 CONTRACTS

Copies of all proposed agreements regarding this franchise offering are attached as the following Exhibits:

- B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
- C. Multi-Unit Development Agreement
- D. Rider to Lease Agreement
- E. Form of General Release
- J. State Addenda to Franchise Agreement
- K. State Addenda to Multi-Unit Development Agreement

Item 23 RECEIPTS

Detachable documents acknowledging your receipt of this disclosure document are attached as the last two pages of this disclosure document.

EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

We may register this Disclosure Document in some or all of the following states in accordance with the applicable state law. If and when we pursue franchise registration, or otherwise comply with the franchise investment laws, in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in each state and the state offices or officials that we will designate as our agents for service of process in those states:

State	State Administrator	Agent for Service of Process (if different from State Administrator)
California	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 2101 Arena Boulevard Sacramento, CA 95834 866-275-2677	
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P.O. Box 40 Honolulu, HI 96810 (808) 586-2722	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, IN 46204 (317) 232-6681	
Maryland	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117	

State	State Administrator	Agent for Service of Process (if different from State Administrator)
Minnesota	Minnesota Department of Commerce Securities-Franchise Registration 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Commissioner of Commerce Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500
New York	New York State Department of Law Investor Protection Bureau 28 Liberty St. 21st Floor New York, NY 10005 212-416-8222	Secretary of State 99 Washington Avenue Albany, NY 12231
North Dakota	North Dakota Securities Department 600 East Boulevard Ave., State Capital Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	Securities Commissioner North Dakota Securities Department 600 East Boulevard Ave., State Capital Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712
Oregon	Department of Consumer & Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, Oregon 97310 (503) 378-4140	
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex-69-1 Cranston, RI 02920-4407 (401) 462-9527	
South Dakota	Division of Insurance Securities Regulation 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563	
Virginia	State Corporation Commission 1300 East Main Street 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division PO Box 9033 Olympia, WA 98507 (360) 902-8760	Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501 (360) 902-8760
Wisconsin	Division of Securities Department of Financial Institutions Post Office Box 1768 Madison, WI 53701 (608) 266-2801	Securities And Franchise Registration Wisconsin Securities Commission 201 West Washington Avenue, Suite 300 Madison, WI 53703

EXHIBIT B

FRANCHISE AGREEMENT



FRANCHISE AGREEMENT

SUMMARY PAGE

1. **Franchisee** _____
2. **Initial Franchise Fee** \$ _____
3. **Development Area** _____
4. **Business Location** _____
5. **Territory** _____
6. **Opening Deadline** _____
7. **Designated Manager** _____
8. **Franchisee's Address** _____
9. **Type of Franchise** _____ Food Truck _____ Brick and Mortar

FRANCHISE AGREEMENT

This Agreement is made between Eight Turn Hospitality Group, LLC, a Florida limited liability company (“Eight Turn Hospitality Group, LLC”), and Franchisee effective as of the date signed by Eight Turn Hospitality Group, LLC (the “Effective Date”).

Background Statement:

A. Eight Turn Hospitality Group, LLC and its affiliate have created and own a system (the “System”) for developing and operating a fast-casual Japanese crepe restaurant, under the trade name “Eight Turn Crepe”.

B. The System includes (1) methods, procedures, and standards for developing and operating an Eight Turn Crepe business, (2) plans, specifications, equipment, signage and trade dress for Eight Turn Crepe businesses, (3) particular products and services, (4) the Marks, (5) training programs, (6) business knowledge, (7) marketing plans and concepts, and (8) other mandatory or optional elements as determined by Eight Turn Hospitality Group, LLC from time to time.

C. The parties desire that Eight Turn Hospitality Group, LLC license the Marks and the System to Franchisee for Franchisee to develop and operate an Eight Turn Crepe business on the terms and conditions of this Agreement.

ARTICLE 1. DEFINITIONS

“**Action**” means any action, suit, proceeding, claim, demand, governmental investigation, governmental inquiry, judgment or appeal thereof, whether formal or informal.

“**Approved Vendor**” means a supplier, vendor, or distributor of Inputs which has been approved by Eight Turn Hospitality Group, LLC.

“**Business**” means the Eight Turn Crepe business owned by Franchisee and operated under this Agreement.

“**Competitor**” means any business which offers a fast-casual crepe experience.

“**Confidential Information**” means all non-public information of or about the System, Eight Turn Hospitality Group, LLC, and any Eight Turn Crepe business, including all methods for developing and operating the Business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

“**Gross Sales**” means the total dollar amount of all sales generated through the Business for a given period, including, but not limited to, payment for any services or products sold by Franchisee, whether for cash or credit. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected by Franchisee, (iii) sales of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Gross Sales).

“Input” means any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Business.

“Location” means the location stated on the Summary Page. If no location is stated on the Summary Page, then the Location will be determined in accordance with Section 6.1.

“Losses” includes (but is not limited to) all losses; damages; fines; charges; expenses; lost profits; reasonable attorneys’ fees; travel expenses, expert witness fees; court costs; settlement amounts; judgments; loss of Eight Turn Hospitality Group, LLC’s reputation and goodwill; costs of or resulting from delays; financing; costs of advertising material and media time/space and the costs of changing, substituting or replacing the same; and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

“Manual” means Eight Turn Hospitality Group, LLC’s confidential Operating Manual(s), including any supplements, additions, or revisions from time to time, which may be in any form or media.

“Marketing Fund” means the fund established (or which may be established) by Eight Turn Hospitality Group, LLC into which Marketing Fund Contributions are deposited.

“Marks” means the trade name and logo contained on the Summary Page, and all other trade names, trademarks, service marks and logos specified by Eight Turn Hospitality Group, LLC from time to time for use in an Eight Turn Crepe business.

“Non-Traditional Location” means a hospital or medical center, airport, public or private school, university or college campus, airport terminal, train or bus station, convention center, exhibition hall, amusement park, fairground, sports arena, military base, state or national park, hotel, lodge, country club, social club, resort, casino, theater, truck-stop, or similar venue.

“Owner” means each person or entity which directly or indirectly owns or controls any equity of Franchisee. If Franchisee is an individual person, then “Owner” means Franchisee.

“Remodel” means a refurbishment, renovation, and remodeling of the Location to conform to the building design, exterior facade, trade dress, signage, fixtures, furnishings, equipment, decor, color schemes, presentation of the Marks, and other System Standards in a manner consistent with the image then in effect for a new Eight Turn Crepe business.

“Required Vendor” means a supplier, vendor, or distributor of Inputs which Eight Turn Hospitality Group, LLC requires franchisees to use.

“System Standards” means, as of any given time, the then-current mandatory procedures, requirements, and/or standards of the System as determined by Eight Turn Hospitality Group, LLC, which may include without limitation, any procedures, requirements and/or standards for appearance, business metrics, cleanliness, customer service, design (such as construction, decoration, layout, furniture, fixtures and signs), equipment, inventory, marketing and public relations, operating hours, presentation of Marks, product and service offerings, quality of products and services (including any guaranty and warranty programs), reporting, safety, technology (such

as computers, computer peripheral equipment, smartphones, point-of-sale systems, back-office systems, information management systems, security systems, video monitors, other software, backup and archiving systems, communications systems (including email, audio, and video systems), payment acceptance systems, and internet access, as well as upgrades, supplements, and modifications thereto), uniforms, and vehicles.

“**Territory**” means the territory stated on the Summary Page. If no territory is stated on the Summary Page, then the Territory is determined in accordance with Section 6.1.

“**Transfer**” means for Franchisee (or any Owner) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the Business, (ii) this Agreement, (iii) direct or indirect ownership interest of more than 25% of the Business, or (iv) control of the Business.

ARTICLE 2. GRANT OF LICENSE

2.1 Grant. Eight Turn Hospitality Group, LLC grants to Franchisee the right to operate an Eight Turn Crepe business solely at the Location. If no Location is stated on the Summary Page when this Agreement is signed, then the parties will determine the Location in accordance with Section 6.1. Franchisee shall develop, open and operate an Eight Turn Crepe business at the Location for the entire term of this Agreement.

2.2 Protected Territory. Except as specified in this Article, Eight Turn Hospitality Group, LLC shall not establish, nor license the establishment of, another Eight Turn Crepe business within the Territory. Eight Turn Hospitality Group, LLC retains the right to:

- (i) establish and license others to establish and operate Eight Turn Crepe businesses outside the Territory;
- (ii) if Franchisee is a brick and mortar/kiosk location, operate and license others to operate Non-Traditional Locations under the Eight Turn Crepe brand name within the Territory;
- (iii) if Franchisee is a brick and mortar/kiosk location, operate and license others to operate a food truck location under the Eight Turn Crepe brand name within the Territory;
- (iv) if Franchisee is a food truck location, operate and license others to operate a brick and mortar/kiosk location under the Eight Turn Crepe brand name within the Territory;
- (v) operate and license others to operate businesses anywhere that do not operate under the Eight Turn Crepe brand name; and
- (vi) sell and license others to sell products and services in the Territory through channels of distribution (including the internet) other than Eight Turn Crepe outlets.

2.3 Franchisee Control. Franchisee represents that Attachment 1 (i) identifies each owner, officer and director of Franchisee, and (ii) describes the nature and extent of each owner's interest in Franchisee. If any information on Attachment 1 changes (which is not a Transfer), Franchisee shall notify Eight Turn Hospitality Group, LLC within 10 days.

2.4 Designated Manager. Franchisee agrees that the person designated as the "Designated Manager" on the Summary Page is the executive primarily responsible for the Business and has decision-making authority on behalf of Franchisee. The Designated Manager does not have to serve as a day-to-day general manager of the Business, but the Designated Manager must devote substantial time and attention to the Business. If the Designated Manager dies, becomes incapacitated, transfers his/her interest in Franchisee, or otherwise ceases to be the executive primarily responsible for the Business, Franchisee shall promptly designate a new Designated Manager, subject to Eight Turn Hospitality Group, LLC's reasonable approval.

2.5 Guaranty. If Franchisee is an entity, then Franchisee shall have each Owner sign a personal guaranty of Franchisee's obligations to Eight Turn Hospitality Group, LLC, in the form of Attachment 3.

2.6 No Conflict. Franchisee represents to Eight Turn Hospitality Group, LLC that Franchisee and each of its Owners (i) are not violating any agreement (including any confidentiality or non-competition covenant) by entering into or performing under this Agreement, (ii) are not a direct or indirect owner of any Competitor, and (iii) are not listed or "blocked" in connection with, and are not in violation under, any anti-terrorism law, regulation, or executive order.

ARTICLE 3. TERM

3.1 Term. This Agreement commences on the Effective Date and continues for 10 years.

3.2 Successor Agreement. When the term of this Agreement expires, Franchisee may enter into a successor agreement for up to 3 additional periods of 5 years each, subject to the following conditions prior to each expiration:

- (i) Franchisee notifies Eight Turn Hospitality Group, LLC of the election to renew between 90 and 180 days prior to the end of the term;
- (ii) Franchisee (and its affiliates) are in compliance with this Agreement and all other agreements with Eight Turn Hospitality Group, LLC (or any of its affiliates) at the time of election and at the time of renewal;
- (iii) Franchisee has made or agrees to make (within a period of time acceptable to Eight Turn Hospitality Group, LLC) renovations and changes to the Business as Eight Turn Hospitality Group, LLC requires (including a Remodel, if applicable) to conform to the then-current System Standards;
- (iv) Franchisee executes Eight Turn Hospitality Group, LLC's then-current standard form of franchise agreement, which may be materially different than this form (including, without limitation, higher and/or different fees), except that Franchisee

will not pay another initial franchise fee and will not receive more renewal or successor terms than described in this Section;

- (v) Franchisee and each Owner executes a general release (on Eight Turn Hospitality Group, LLC's then-standard form) of any and all claims against Eight Turn Hospitality Group, LLC, its affiliates, and their respective owners, officers, directors, agents and employees.
- (vi) Franchisee pays directly to us our then-current renewal fee, which is currently \$10,000.

ARTICLE 4. FEES

4.1 Initial Franchise Fee. Upon signing this Agreement, Franchisee shall pay an initial franchise fee in the amount stated on the Summary Page. This initial franchise fee is not refundable.

4.2 Royalty Fee. Franchisee shall pay Eight Turn Hospitality Group, LLC a monthly royalty fee (the "Royalty Fee") equal to 6% of Gross Sales. The Royalty Fee for any given month is due on the fifth day of the following month.

4.3 Marketing Contributions.

(a) Marketing Fund Contribution. Eight Turn Hospitality Group, LLC reserves the right to implement a Marketing Fund once franchisor has 30 franchised locations. If a Marketing Fund is implemented, Franchisee shall pay Eight Turn Hospitality Group, LLC a contribution to the Marketing Fund (the "Marketing Fund Contribution") equal to 3% of Franchisee's Gross Sales (or such lesser amount as Eight Turn Hospitality Group, LLC determines), at the same time as the Royalty Fee.

(b) Market Cooperative Contribution. If the Business participates in a Market Cooperative, then Franchisee shall contribute to the Market Cooperative a percentage of Gross Sales (or other amount) determined by the Market Cooperative.

4.4 Replacement /Additional Training Fee. If Franchisee sends an employee to Eight Turn Hospitality Group, LLC's training program after opening, Eight Turn Hospitality Group, LLC may charge its then-current training fee. As of the date of this Agreement, the training fee is \$400 per day.

4.5 Third Party Vendors. If Eight Turn Hospitality Group, LLC requires Franchisee to use a designated third-party vendor, Eight Turn Hospitality Group, LLC has the right (but not the obligation) to collect payment on behalf of the vendor and remit the payment to the vendor. If Eight Turn Hospitality Group, LLC does so, it may impose a reasonable markup or charge for administering the payment program.

4.6 Non-Compliance Fee. Eight Turn Hospitality Group, LLC may charge Franchisee \$500 for any instance of non-compliance with the System Standards or this Agreement (other than Franchisee's non-payment of a fee owed to Eight Turn Hospitality Group, LLC) which Franchisee fails to cure after 30 days' notice. Thereafter, Eight Turn Hospitality Group, LLC may charge

Franchisee \$250 per week until Franchisee ceases such non-compliance. This fee is a reasonable estimate of Eight Turn Hospitality Group, LLC's internal cost of personnel time attributable to addressing the non-compliance, and it is not a penalty or estimate of all damages arising from Franchisee's breach. The non-compliance fee is in addition to all of Eight Turn Hospitality Group, LLC's other rights and remedies.

4.7 Reimbursement. Eight Turn Hospitality Group, LLC may (but is never obligated to) pay on Franchisee's behalf any amount that Franchisee owes to a supplier or other third party. If Eight Turn Hospitality Group, LLC does so or intends to do so, Franchisee shall pay such amount plus a 10% administrative charge to Eight Turn Hospitality Group, LLC within 15 days after invoice by Eight Turn Hospitality Group, LLC accompanied by reasonable documentation.

4.8 Payment Terms.

(a) Method of Payment. Franchisee shall pay the Royalty Fee, Marketing Fund Contribution, and any other amounts owed to Eight Turn Hospitality Group, LLC by pre-authorized bank draft or in such other manner as Eight Turn Hospitality Group, LLC may require. Franchisee shall comply with Eight Turn Hospitality Group, LLC's payment instructions.

(b) Calculation of Fees. Franchisee shall report monthly Gross Sales to Eight Turn Hospitality Group, LLC by the fifth day of the following month. If Franchisee fails to report monthly Gross Sales, then Eight Turn Hospitality Group, LLC may withdraw estimated Royalty Fees and Marketing Fund Contributions equal to 125% of the last Gross Sales reported to Eight Turn Hospitality Group, LLC, and the parties will true-up the actual fees after Franchisee reports Gross Sales. Franchisee acknowledges that Eight Turn Hospitality Group, LLC has the right to remotely access Franchisee's point-of-sale system to calculate Gross Sales.

(c) Late Fees and Interest. If Franchisee does not make a payment on time, Franchisee shall pay a \$100 "late fee" plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law).

(d) Insufficient Funds. Eight Turn Hospitality Group, LLC may charge \$50 for any payment returned for insufficient funds (or, if such amount exceeds the maximum allowed by law, then the fee allowed by law).

(e) Costs of Collection. Franchisee shall repay any costs incurred by Eight Turn Hospitality Group, LLC (including reasonable attorney fees) in attempting to collect payments owed by Franchisee.

(f) Application. Eight Turn Hospitality Group, LLC may apply any payment received from Franchisee to any obligation and in any order as Eight Turn Hospitality Group, LLC may determine, regardless of any designation by Franchisee.

(g) Obligations Independent; No Set-Off. The obligations of Franchisee to pay to Eight Turn Hospitality Group, LLC any fees or amounts described in this Agreement are not dependent on Eight Turn Hospitality Group, LLC's performance and are independent covenants by Franchisee. Franchisee shall make all such payments without offset or deduction.

ARTICLE 5. ASSISTANCE

5.1 Manual. Eight Turn Hospitality Group, LLC shall make its Manual available to Franchisee.

5.2 Assistance in Hiring Employees. Eight Turn Hospitality Group, LLC shall provide its suggested staffing levels to Franchisee. Eight Turn Hospitality Group, LLC shall provide suggested guidelines for hiring employees. All hiring decisions and conditions of employment are Franchisee's sole responsibility.

5.3 Assistance in Training Employees. Eight Turn Hospitality Group, LLC shall, to the extent it deems appropriate, provide programs for Franchisee to conduct training of new employees.

5.4 Pre-Opening Assistance.

(a) Selecting Location. Eight Turn Hospitality Group, LLC shall provide its criteria for Eight Turn Crepe locations to Franchisee. Eight Turn Hospitality Group, LLC will review and advise Franchisee regarding potential locations submitted by Franchisee.

(b) Pre-Opening Plans, Specifications, and Vendors. Within a reasonable period of time after the Effective Date, Eight Turn Hospitality Group, LLC shall provide Franchisee with (i) Eight Turn Hospitality Group, LLC's sample set of standard building plans and specifications and/or standard recommended floor plans; (ii) the applicable System Standards, (iii) other specifications as Eight Turn Hospitality Group, LLC deems appropriate (which may include specifications regarding inventory, supplies, materials, and other matters), and (iv) Eight Turn Hospitality Group, LLC's lists of Approved Vendors and/or Required Vendors.

(c) Business Plan Review. If requested by Franchisee, Eight Turn Hospitality Group, LLC shall review and advise on Franchisee's pre-opening business plan and financial projections. **Franchisee acknowledges that Eight Turn Hospitality Group, LLC accepts no responsibility for the performance of the Business.**

(d) Pre-Opening Training. Eight Turn Hospitality Group, LLC shall make available its standard pre-opening training to the Designated Manager and up to 2 other employees, at Eight Turn Hospitality Group, LLC's headquarters and/or at an Eight Turn Crepe business designated by Eight Turn Hospitality Group, LLC. Eight Turn Hospitality Group, LLC shall not charge any fee for this training. Franchisee is responsible for its own travel, lodging, meal, and other out-of-pocket expenses. Eight Turn Hospitality Group, LLC reserves the right to vary the length and content of the initial training program based on the experience and skill level of any individual attending the program.

(e) Grand Opening Plan. Eight Turn Hospitality Group, LLC shall advise Franchisee regarding the planning and execution of Franchisee's Grand Opening Plan.

(f) On-Site Opening Assistance. Eight Turn Hospitality Group, LLC shall have a representative support Franchisee's business opening with at least 3-7 days of onsite opening training and assistance.

5.5 Post-Opening Assistance.

(a) Advice, Consulting, and Support. If Franchisee requests, Eight Turn Hospitality Group, LLC will provide advice to Franchisee (by telephone or electronic communication) regarding improving and developing Franchisee's business, and resolving operating problems Franchisee encounters, to the extent Eight Turn Hospitality Group, LLC deems reasonable. If Eight Turn Hospitality Group, LLC provides in-person support in response to Franchisee's request, Eight Turn Hospitality Group, LLC may charge its then-current fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).

(b) Pricing. Upon request, Eight Turn Hospitality Group, LLC will provide recommended prices for products and services offered by franchisees of the System.

(c) Procedures. Eight Turn Hospitality Group, LLC will provide Franchisee with Eight Turn Hospitality Group, LLC's recommended administrative, bookkeeping, accounting, and inventory control procedures. Eight Turn Hospitality Group, LLC may make any such procedures part of required (and not merely recommended) System Standards.

(d) Marketing. Eight Turn Hospitality Group, LLC shall manage the Marketing Fund.

(e) Internet. Eight Turn Hospitality Group, LLC shall maintain a website for Eight Turn Crepe, which will include Franchisee's location (or territory) and telephone number.

ARTICLE 6. LOCATION, DEVELOPMENT, AND OPENING

6.1 Determining Location and Territory. If the Location and Territory are not stated on the Summary Page:

(i) Franchisee shall find a potential Location within the Development Area described on the Summary Page. Franchisee shall submit its proposed Location to Eight Turn Hospitality Group, LLC for acceptance, with all related information. Eight Turn Hospitality Group, LLC may request. If Eight Turn Hospitality Group, LLC does not accept the proposed Location in writing within 30 days, then it is deemed rejected.

(ii) When Eight Turn Hospitality Group, LLC accepts the Location, it shall issue a Location Acceptance Letter in the form of Attachment 2 which states the Location and Territory. Eight Turn Hospitality Group, LLC shall determine the Territory in its good faith discretion, substantially in accordance with Item 12 of the Franchise Disclosure Document.

(iii) **Eight Turn Hospitality Group, LLC's advice regarding or acceptance of a site is not a representation or warranty that the Business will be successful, and Eight Turn Hospitality Group, LLC has no liability to Franchisee with respect to the location of the Business.**

6.2 Lease. If you operate your Eight Turn Crepe business from a brick and mortar location, in connection with any lease between Franchisee and the landlord of the Location: (i) if requested by Eight Turn Hospitality Group, LLC, Franchisee must submit the proposed lease to Eight Turn Hospitality Group, LLC for written approval, (ii) the term of the lease (including renewal terms)

must be for a period of not less than the term of this Agreement, and (iii) Franchisee shall use commercially reasonable efforts to obtain the landlord's signature to a rider to the lease in the form required by Eight Turn Hospitality Group, LLC.

6.3 Development. Franchisee shall construct (or remodel) and finish the Location in conformity with Eight Turn Hospitality Group, LLC's System Standards. If required by Eight Turn Hospitality Group, LLC, Franchisee shall engage the services of an architect licensed in the jurisdiction of the Location. Franchisee shall not begin any construction or remodeling work without first obtaining Eight Turn Hospitality Group, LLC's approval of Franchisee's plans. Eight Turn Hospitality Group, LLC may, but is not required to, inspect Franchisee's construction or remodeling progress at any reasonable time. Franchisee shall not rely upon any information provided or opinions expressed by Eight Turn Hospitality Group, LLC or its representatives regarding any architectural, engineering or legal matters in the development and construction of the Business, and Eight Turn Hospitality Group, LLC assumes no liability with respect thereto. Eight Turn Hospitality Group, LLC's inspection and/or approval to open the Business is not a representation or a warranty that the Business has been constructed in accordance with any architectural, engineering or legal standards.

6.4 New Franchisee Training. Franchisee's Designated Manager and one additional general manager must complete Eight Turn Hospitality Group, LLC's training program for new franchisees to Eight Turn Hospitality Group, LLC's satisfaction at least four weeks before opening the Business.

6.5 Conditions to Opening. Franchisee shall notify Eight Turn Hospitality Group, LLC at least 30 days before Franchisee intends to open the Business to the public. Before opening, Franchisee must satisfy all of the following conditions: (1) Franchisee is in compliance with this Agreement, (2) Franchisee has obtained all applicable governmental permits and authorizations, (3) the Business conforms to all applicable System Standards, (4) Eight Turn Hospitality Group, LLC has inspected and approved the Business, (5) Franchisee has hired sufficient employees, (6) Franchisee's officers and employees have completed all of Eight Turn Hospitality Group, LLC's required pre-opening training; and (7) Eight Turn Hospitality Group, LLC has given its written approval to open, which will not be unreasonably withheld. If Franchisee has purchased a Food Truck franchise then prior to the Grand Opening or any operation thereof, Franchisee will submit to Eight Turn Hospitality Group, LLC such information and materials as Eight Turn Hospitality Group, LLC may require regarding Franchisee's food truck. Eight Turn Hospitality Group, LLC may, but are not required to, physically inspect Franchisee's food truck. Eight Turn Hospitality Group, LLC will have ten (10) business days after receipt of the information and materials requested to approve or disapprove of Franchisee's food truck. No food truck will be deemed approved unless it has been expressly approved in writing by Eight Turn Hospitality Group, LLC by notice of food truck approval sent to you. Eight Turn Hospitality Group, LLC's examination and approval of Franchisee's food truck does not constitute a representation, guaranty or warranty, express or implied, of the successful operation or profitability of the Franchised Business operated from such food truck.

6.6 Commissary Lease. Prior to the Grand Opening of Franchisee's Food Truck Franchised Business or any operation thereof, Franchisee will submit to Eight Turn Hospitality Group, LLC the proposed lease or other similar agreement for Franchisee's commissary. Eight Turn Hospitality

Group, LLC will have ten (10) business days after receipt of a lease or other agreement for Franchisee's initial commissary or any subsequent commissary to approve or disapprove of such document(s). If Franchisee's commissary lease expires or is terminated for any reason whatsoever during the term of this Agreement, Franchisee must sign a new lease for a commissary within ten (10) business days of the expiration or termination of the prior lease. Eight Turn Hospitality Group, LLC will endeavor to expedite its review of a second commissary lease.

6.7 Opening Date. Franchisee shall open the Business to the public on or before the date stated on the Summary Page.

ARTICLE 7. OPERATIONS

7.1 Compliance with Manual and System Standards. Franchisee shall at all times and at its own expense comply with all mandatory obligations contained in the Manual and with all other System Standards.

7.2 Compliance with Law. Franchisee and the Business shall comply with all laws and regulations. Franchisee and the Business shall obtain and keep in force all governmental permits and licenses necessary for the Business.

7.3 Products, Services, and Methods of Sale. Franchisee shall offer all products and services, and only those products and services, from time to time prescribed by Eight Turn Hospitality Group, LLC in the Manual or otherwise in writing. Franchisee shall make sales only to retail customers, and only at the Location. Unless otherwise approved or required by Eight Turn Hospitality Group, LLC, Franchisee shall not make sales by any other means, including without limitation by wholesale, by delivery, by mail order or over the internet, or at temporary or satellite locations. Franchisee shall provide all products and perform all services in a high-quality manner that meets or exceeds the customer's reasonable expectations and all applicable System Standards. Franchisee shall implement any guaranties, warranties, or similar commitments regarding products and/or services that Eight Turn Hospitality Group, LLC may require.

7.4 Prices. Franchisee acknowledges that the System Standards determined by Eight Turn Hospitality Group, LLC may include the minimum, maximum, and/or exact prices that franchisees may charge for products or services sold (except to the extent such authority is limited or prohibited by applicable law).

7.5 Personnel.

(a) Management. The Business must at all times be under the on-site supervision of the Designated Principal or a general manager who has completed Eight Turn Hospitality Group, LLC's training program.

(b) Service. Franchisee shall cause its personnel to render competent and courteous service to all customers and members of the public.

(c) Appearance. Franchisee shall cause its personnel to comply with any dress attire, uniform, personal appearance and hygiene standards set forth in the Manual.

(d) **Qualifications.** Eight Turn Hospitality Group, LLC may set minimum qualifications for categories of employees employed by Franchisee.

(e) **Sole Responsibility.** Franchisee is solely responsible for the terms and conditions of employment of all of its personnel, including recruiting, hiring, training, scheduling, supervising, compensation, and termination. Franchisee is solely responsible for all actions of its personnel. Franchisee and Eight Turn Hospitality Group, LLC are not joint employers, and no employee of Franchisee will be an agent or employee of Eight Turn Hospitality Group, LLC. Within seven days of Eight Turn Hospitality Group, LLC's request, Franchisee and each of its employees will sign an acknowledgment form stating that Franchisee alone (and not Eight Turn Hospitality Group, LLC) is the employee's sole employer. Franchisee will use its legal name on all documents with its employees and independent contractors, including, but not limited to, employment applications, time cards, pay checks, and employment and independent contractor agreements, and Franchisee will not use the Marks on any of these documents.

7.6 Post-Opening Training. Eight Turn Hospitality Group, LLC may at any time require that the Designated Manager and/or any other employees complete training programs, in any format and in any location determined by Eight Turn Hospitality Group, LLC. Eight Turn Hospitality Group, LLC may charge a reasonable fee for any training programs. Eight Turn Hospitality Group, LLC may require Franchisee to provide training programs to its employees. If a training program is held at a location which requires travel by the Designated Manager or any other employee, then Franchisee shall pay all travel, living and other expenses.

7.7 Software. Without limiting the generality of Section 7.1 or Section 8.1, Franchisee shall acquire and use all software and related systems required by Eight Turn Hospitality Group, LLC. Franchisee shall enter into any subscription and support agreements that Eight Turn Hospitality Group, LLC may require. Franchisee shall upgrade, update, or replace any software from time to time as Eight Turn Hospitality Group, LLC may require. Franchisee shall protect the confidentiality and security of all software systems, and Franchisee shall abide by any System Standards related thereto. Franchisee shall give Eight Turn Hospitality Group, LLC unlimited access to Franchisee's point of sale system, security cameras and archived footage, and other software systems used in the Business, by any means designated by Eight Turn Hospitality Group, LLC.

7.8 Customer Complaints. Franchisee shall use its best efforts to promptly resolve any customer complaints. Eight Turn Hospitality Group, LLC may take any action it deems appropriate to resolve a customer complaint regarding the Business, and Eight Turn Hospitality Group, LLC may require Franchisee to reimburse Eight Turn Hospitality Group, LLC for any expenses.

7.9 Customer Evaluation and System Compliance Programs. Franchisee shall participate at its own expense in programs required from time to time by Eight Turn Hospitality Group, LLC for obtaining customer evaluations and/or reviewing Franchisee's compliance with the System, which may include (but are not limited to) a customer feedback system, customer survey programs, and mystery shopping. Eight Turn Hospitality Group, LLC shall share with Franchisee the results of these programs, as they pertain to the Business. Franchisee must meet or exceed any minimum score requirements set by Eight Turn Hospitality Group, LLC for such programs.

7.10 Payment Systems. Franchisee shall accept payment from customers in any form or manner designated by Eight Turn Hospitality Group, LLC (which may include, for example, cash, specific credit and/or debit cards, gift cards, electronic fund transfer systems, and mobile payment systems). Franchisee shall purchase or lease all equipment and enter into all business relationships necessary to accept payments as required by Eight Turn Hospitality Group, LLC. Franchisee must at all times comply with payment card industry data security standards (PCI-DSS).

7.11 Gift Cards, Loyalty Programs, and Incentive Programs. At its own expense, Franchisee shall sell or otherwise issue gift cards, certificates, or other pre-paid systems, and participate in any customer loyalty programs, membership/subscription programs, or customer incentive programs, designated by Eight Turn Hospitality Group, LLC, in the manner specified by Eight Turn Hospitality Group, LLC in the Manual or otherwise in writing. Franchisee shall honor all valid gift cards and other pre-paid systems, regardless of whether issued by Franchisee or another Eight Turn Crepe business. Franchisee shall comply with all procedures and specifications of Eight Turn Hospitality Group, LLC related to gift cards, certificates, and other pre-paid systems, or related to customer loyalty, membership/subscription, or customer incentive programs.

7.12 Maintenance and Repair. Franchisee shall at all times keep the Business in a neat and clean condition, perform all appropriate maintenance, and keep all physical property in good repair. In addition, Franchisee shall promptly perform all work on the physical property of the Business as Eight Turn Hospitality Group, LLC may prescribe from time to time, including but not limited to periodic interior and exterior painting; resurfacing of the parking lot; roof repairs; and replacement of obsolete or worn out signage, floor coverings, furnishings, equipment and décor. Franchisee acknowledges that the System Standards may include requirements for cleaning, maintenance, and repair.

7.13 Remodeling. In addition to Franchisee's obligations to comply with all System Standards in effect from time to time, Eight Turn Hospitality Group, LLC may require Franchisee to undertake and complete a Remodel of the Location to Eight Turn Hospitality Group, LLC's satisfaction. Franchisee must complete the Remodel in the time frame specified by Eight Turn Hospitality Group, LLC. Eight Turn Hospitality Group, LLC may require the Franchisee to submit plans for Eight Turn Hospitality Group, LLC's reasonable approval prior to commencing a required Remodel. Eight Turn Hospitality Group, LLC's right to require a Remodel is limited as follows: (i) the Remodel will not be required in the first two or last two years of the term (except that a Remodel may be required as a condition to renewal of the term or a Transfer), and (ii) a Remodel will not be required more than once every five years from the date on which Franchisee was required to complete the prior Remodel.

7.14 Meetings. The Designated Manager shall use reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls) that Eight Turn Hospitality Group, LLC requires, including any national or regional brand conventions. Franchisee shall not permit the Designated Manager to fail to attend more than three consecutive required meetings.

7.15 Insurance.

(a) Franchisee shall obtain and maintain insurance policies in the types and amounts as specified by Eight Turn Hospitality Group, LLC in the Manual. If not specified in the Manual, Franchisee shall maintain at least the following insurance coverage:

- (i) “Special” causes of loss coverage forms, including fire and extended coverage, crime, vandalism, and malicious mischief, on all property of the Business, for full repair and replacement value (subject to a reasonable deductible);
- (ii) Business interruption insurance covering at least 12 months of income;
- (iii) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an “occurrence” policy form in an amount of not less than \$1,000,000 single limit per occurrence and \$2,000,000 aggregate limit;
- (iv) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than \$1,000,000; and
- (v) Workers Compensation coverage as required by state law.

(b) Franchisee’s policies (other than Workers Compensation) must (1) list Eight Turn Hospitality Group, LLC and its affiliates as an additional insured, (2) include a waiver of subrogation in favor of Eight Turn Hospitality Group, LLC and its affiliates, (3) be primary and non-contributing with any insurance carried by Eight Turn Hospitality Group, LLC or its affiliates, and (4) stipulate that Eight Turn Hospitality Group, LLC shall receive 30 days’ prior written notice of cancellation.

(c) Franchisee shall provide Certificates of Insurance evidencing the required coverage to Eight Turn Hospitality Group, LLC prior to opening and upon annual renewal of the insurance coverage, as well as at any time upon request of Eight Turn Hospitality Group, LLC.

7.16 Suppliers and Landlord. Franchisee shall pay all vendors and suppliers in a timely manner. If Franchisee leases the Location, Franchisee shall comply with its lease for the Location.

7.17 Public Relations. Franchisee shall not make any public statements (including giving interviews or issuing press releases) regarding Eight Turn Crepe, the Business, or any particular incident or occurrence related to the Business, without Eight Turn Hospitality Group, LLC’s prior written approval.

7.18 Association with Causes. Franchisee shall not in the name of the Business (i) donate money, products, or services to any charitable, political, religious, or other organization, or (ii) act in support of any such organization, without Eight Turn Hospitality Group, LLC’s prior written approval.

7.19 No Other Activity at the Location. Franchisee shall not engage in any activity at the Location other than operation of the Eight Turn Crepe Business.

7.20 No Other Businesses. If Franchisee is an entity, Franchisee shall not own or operate any other business except Eight Turn Crepe businesses.

7.21 No Third-Party Management. Franchisee shall not engage a third-party management company to manage or operate the Business without the prior written approval of Eight Turn Hospitality Group, LLC, which will not be unreasonably withheld.

7.22 No Co-Branding. Franchisee shall not “co-brand” or associate any other business activity with the Eight Turn Crepe Business in a manner which is likely to cause the public to perceive it to be related to the Eight Turn Crepe Business.

7.23 Identification. Franchisee must identify itself as the independent owner of the Business in the manner prescribed by Eight Turn Hospitality Group, LLC. Franchisee must display at the Business signage prescribed by Eight Turn Hospitality Group, LLC identifying the Location as an independently owned franchise.

7.24 Business Practices. Franchisee, in all interactions with customers, employees, vendors, governmental authorities, and other third parties, shall be honest and fair. Franchisee shall comply with any code of ethics or statement of values from Eight Turn Hospitality Group, LLC. Franchisee shall not take any action which may injure the goodwill associated with the Marks.

ARTICLE 8. SUPPLIERS AND VENDORS

8.1 Generally. Franchisee shall acquire all Inputs required by Eight Turn Hospitality Group, LLC from time to time in accordance with System Standards. Eight Turn Hospitality Group, LLC may require Franchisee to purchase or lease any Inputs from Eight Turn Hospitality Group, LLC, Eight Turn Hospitality Group, LLC’s designee, Required Vendors, Approved Vendors, and/or under Eight Turn Hospitality Group, LLC’s specifications. Eight Turn Hospitality Group, LLC may change any such requirement or change the status of any vendor. To make such requirement or change effective, Eight Turn Hospitality Group, LLC shall issue the appropriate System Standards.

8.2 Alternate Vendor Approval. If Eight Turn Hospitality Group, LLC requires Franchisee to purchase a particular Input only from an Approved Vendor or Required Vendor, and Franchisee desires to purchase the Input from another vendor, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Eight Turn Hospitality Group, LLC. Eight Turn Hospitality Group, LLC may condition its approval on such criteria as Eight Turn Hospitality Group, LLC deems appropriate, which may include evaluations of the vendor’s capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Eight Turn Hospitality Group, LLC will provide Franchisee with written notification of the approval or disapproval of any proposed new vendor within 30 days after receipt of Franchisee’s request.

8.3 Alternate Input Approval. If Eight Turn Hospitality Group, LLC requires Franchisee to purchase a particular Input, and Franchisee desires to purchase an alternate to the Input, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Eight Turn Hospitality Group, LLC. Eight Turn Hospitality Group, LLC will

provide Franchisee with written notification of the approval or disapproval of any proposed alternate Input within 30 days after receipt of Franchisee's request.

8.4 Purchasing. Eight Turn Hospitality Group, LLC may negotiate prices and terms with vendors on behalf of the System. Eight Turn Hospitality Group, LLC may receive rebates, payments or other consideration from vendors in connection with purchases by franchisees. Eight Turn Hospitality Group, LLC may implement a centralized purchasing system. Eight Turn Hospitality Group, LLC may establish a purchasing cooperative and require Franchisee to join and participate in the purchasing cooperative on such terms and conditions as Eight Turn Hospitality Group, LLC may determine.

8.5 No Liability of Franchisor. Eight Turn Hospitality Group, LLC shall not have any liability to Franchisee for any claim or loss related to any product provided or service performed by any Approved Vendor or Required Vendor, including without limitation defects, delays, or unavailability of products or services.

8.6 Product Recalls. If Eight Turn Hospitality Group, LLC or any vendor, supplier, or manufacturer of an item used or sold in Franchisee's Business issues a recall of such item or otherwise notifies Franchisee that such item is defective or dangerous, Franchisee shall immediately cease using or selling such item, and Franchisee shall at its own expense comply with all instructions from Eight Turn Hospitality Group, LLC or the vendor, supplier, or manufacturer of such item with respect to such item, including without limitation the recall, repair, and/or replacement of such item.

ARTICLE 9. MARKETING

9.1 Implementation. Franchisee shall not use any marketing materials or campaigns (including point-of-sale materials, advertising, social media marketing, and sponsorships) that have not been approved by Eight Turn Hospitality Group, LLC. Franchisee shall implement any marketing plans or campaigns determined by Eight Turn Hospitality Group, LLC.

9.2 Use By Eight Turn Hospitality Group, LLC. Eight Turn Hospitality Group, LLC may use any marketing materials or campaigns developed by or on behalf of Franchisee, and Franchisee hereby grants an unlimited, royalty-free license to Eight Turn Hospitality Group, LLC for such purpose.

9.3 Marketing Fund. Eight Turn Hospitality Group, LLC may establish a Marketing Fund to promote the System on a local, regional, national, and/or international level. If Eight Turn Hospitality Group, LLC has established a Marketing Fund:

(a) Separate Account. Eight Turn Hospitality Group, LLC shall hold the Marketing Fund Contributions from all franchisees in one or more bank accounts separate from Eight Turn Hospitality Group, LLC's other accounts.

(b) Use. Eight Turn Hospitality Group, LLC shall use the Marketing Fund only for marketing, advertising, and public relations materials, programs and campaigns (including at local, regional, national, and/or international level), and related overhead. The foregoing includes such activities and expenses as Eight Turn Hospitality Group, LLC reasonably determines, and may

include, without limitation: development and placement of advertising and promotions; sponsorships; contests and sweepstakes; development of décor, trade dress, Marks, and/or branding; development and maintenance of brand websites; social media; internet activities; e-commerce programs; search engine optimization; market research; public relations, media or agency costs; trade shows and other events; printing and mailing; and administrative and overhead expenses related to the Marketing Fund (including the compensation of Eight Turn Hospitality Group, LLC's employees working on marketing and for accounting, bookkeeping, reporting, legal and other expenses related to the Marketing Fund).

(c) Discretion. Franchisee agrees that expenditures from the Marketing Fund need not be proportionate to contributions made by Franchisee or provide any direct or indirect benefit to Franchisee. The Marketing Fund will be spent at Eight Turn Hospitality Group, LLC's sole discretion, and Eight Turn Hospitality Group, LLC has no fiduciary duty with regard to the Marketing Fund.

(d) Contribution by Other Outlets. Eight Turn Hospitality Group, LLC is not obligated to (i) have all other Eight Turn Crepe businesses (whether owned by other franchisees or by Eight Turn Hospitality Group, LLC or its affiliates) contribute to the Marketing Fund, or (ii) have other Eight Turn Crepe businesses that do contribute to the Marketing Fund contribute the same amount or at the same rate as Franchisee.

(e) Surplus or Deficit. Eight Turn Hospitality Group, LLC may accumulate funds in the Marketing Fund and carry the balance over to subsequent years. If the Marketing Fund operates at a deficit or requires additional funds at any time, Eight Turn Hospitality Group, LLC may loan such funds to the National Marketing Fund on reasonable terms.

(f) Financial Statement. Eight Turn Hospitality Group, LLC will prepare an unaudited annual financial statement of the Marketing Fund within 120 days of the close of Eight Turn Hospitality Group, LLC's fiscal year and will provide the financial statement to Franchisee upon request.

9.4 Marketing Cooperatives. Eight Turn Hospitality Group, LLC may establish market advertising and promotional cooperative funds ("Market Cooperative") in any geographical areas. If a Market Cooperative for the geographic area encompassing the Location has been established at the time Franchisee commences operations hereunder, Franchisee shall immediately become a member of such Market Cooperative. If a Market Cooperative for the geographic area encompassing the Location is established during the term of this Agreement, Franchisee shall become a member of such Market Cooperative within 30 days. Eight Turn Hospitality Group, LLC shall not require Franchisee to be a member of more than one Market Cooperative. If Eight Turn Hospitality Group, LLC establishes a Market Cooperative:

(a) Governance. Each Market Cooperative will be organized and governed in a form and manner, and shall commence operations on a date, determined by Eight Turn Hospitality Group, LLC. Eight Turn Hospitality Group, LLC may require the Market Cooperative to adopt bylaws or regulations prepared by Eight Turn Hospitality Group, LLC. Unless otherwise specified by Eight Turn Hospitality Group, LLC, the activities carried on by each Market Cooperative shall be decided by a majority vote of its members. Eight Turn Hospitality Group, LLC will be entitled

to attend and participate in any meeting of a Market Cooperative. Any Eight Turn Crepe business owned by Eight Turn Hospitality Group, LLC in the Market Cooperative shall have the same voting rights as those owned by its franchisees. Each Business owner will be entitled to cast one vote for each Business owned, provided, however, that a franchisee shall not be entitled to vote if it is in default under its franchise agreement. If the members of a Market Cooperative are unable or fail to determine the manner in which Market Cooperative monies will be spent, Eight Turn Hospitality Group, LLC may assume this decision-making authority after 10 days' notice to the members of the Market Cooperative.

(b) Purpose. Each Market Cooperative shall be devoted exclusively to administering regional advertising and marketing programs and developing (subject to Eight Turn Hospitality Group, LLC's approval) standardized promotional materials for use by the members in local advertising and promotion.

(c) Approval. No advertising or promotional plans or materials may be used by a Market Cooperative or furnished to its members without the prior approval of Eight Turn Hospitality Group, LLC pursuant to Section 9.1. Eight Turn Hospitality Group, LLC may designate the national or regional advertising agencies used by the Market Cooperative.

(d) Funding. The majority vote of the Market Cooperative will determine the dues to be paid by members of the Market Cooperative, including Franchisee, but not less than 1% of Gross Sales.

(e) Enforcement. Only Eight Turn Hospitality Group, LLC will have the right to enforce the obligations of franchisees who are members of a Market Cooperative to contribute to the Market Cooperative.

(f) Termination. Eight Turn Hospitality Group, LLC may terminate any Market Cooperative. Any funds left in a Market Cooperative upon termination will be transferred to the Marketing Fund.

9.5 Required Spending. Franchisee shall spend at least 1% of Gross Sales each month on marketing the Business. Eight Turn Hospitality Group, LLC reserves the right to increase the required spending to an amount equal to up to 2% of Gross Sales. Upon request of Eight Turn Hospitality Group, LLC, Franchisee shall furnish proof of its compliance with this Section. Eight Turn Hospitality Group, LLC has the sole discretion to determine what activities constitute "marketing" under this Section. Eight Turn Hospitality Group, LLC may, in its discretion, determine that if Franchisee contributes to a Market Cooperative, the amount of the contribution will be counted towards Franchisee's required spending under this Section.

9.6 Grand Opening Advertising. Franchisee must expend at least \$10,000 to promote and advertise the grand opening of your Franchised Business. This amount must be spent over the period of time commencing one (1) month before your Franchised Business opens and ending two (2) months from that opening date.

9.7 Grand Opening Plan. Franchisee must develop a grand opening plan and obtain Eight Turn Hospitality Group, LLC's approval of the grand opening plan at least 30 days before the projected opening date of the Business.

9.8 Internet Marketing. Eight Turn Hospitality Group, LLC has the exclusive right to conduct and manage all marketing and commerce on the internet or other electronic media, including all websites and “social media” marketing. Franchisee shall not conduct such marketing or commerce, nor establish any website or social media presence independently, except as Eight Turn Hospitality Group, LLC may specify, and only with Eight Turn Hospitality Group, LLC’s consent. Eight Turn Hospitality Group, LLC retains the right to approve any linking to or other use of Eight Turn Hospitality Group, LLC’s website. Franchisee must comply with any internet, online commerce and/or social media policy that Eight Turn Hospitality Group, LLC may prescribe.

ARTICLE 10. RECORDS AND REPORTS

10.1 Systems. Franchisee shall use such customer data management, sales data management, administrative, bookkeeping, accounting, and inventory control procedures and systems as Eight Turn Hospitality Group, LLC may specify in the Manual or otherwise in writing.

10.2 Reports.

(a) **Financial Reports.** Franchisee shall provide such periodic financial reports as Eight Turn Hospitality Group, LLC may require in the Manual or otherwise in writing, including:

- (i) a quarterly profit and loss statement and balance sheet for the Business within 30 days after the end of each fiscal quarter of Eight Turn Hospitality Group, LLC’s fiscal year;
- (ii) an annual financial statement (including profit and loss statement, cash flow statement, and balance sheet) for the Business within 90 days after the end of Eight Turn Hospitality Group, LLC’s fiscal year; and
- (iii) any information Eight Turn Hospitality Group, LLC requests in order to prepare a financial performance representation for Eight Turn Hospitality Group, LLC’s franchise disclosure document.

(b) **Legal Actions and Investigations.** Franchisee shall promptly notify Eight Turn Hospitality Group, LLC of any Action or threatened Action by any customer, governmental authority, or other third party against Franchisee or the Business, or otherwise involving the Franchisee or the Business. Franchisee shall provide such documents and information related to any such Action as Eight Turn Hospitality Group, LLC may request.

(c) **Government Inspections.** Franchisee shall give Eight Turn Hospitality Group, LLC copies of all inspection reports, warnings, certificates, and ratings issued by any governmental entity with respect to the Business, within three days of Franchisee’s receipt thereof.

(d) **Other Information.** Franchisee shall submit to Eight Turn Hospitality Group, LLC such other financial statements, reports, records, copies of contracts, documents related to litigation, tax returns, copies of governmental permits, and other documents and information related to the Business as specified in the Manual or that Eight Turn Hospitality Group, LLC may reasonably request.

10.3 Initial Investment Report. Within 120 days after opening for business, Franchisee shall submit to Eight Turn Hospitality Group, LLC a report detailing Franchisee's investment costs to develop and open the Business, with costs allocated to the categories described in Item 7 of Eight Turn Hospitality Group, LLC's Franchise Disclosure Document and with such other information as Eight Turn Hospitality Group, LLC may request.

10.4 Business Records. Franchisee shall keep complete and accurate books and records reflecting all expenditures and receipts of the Business, with supporting documents (including, but not limited to, payroll records, payroll tax returns, register receipts, production reports, sales invoices, bank statements, deposit receipts, cancelled checks and paid invoices) for at least three years. Franchisee shall keep such other business records as Eight Turn Hospitality Group, LLC may specify in the Manual or otherwise in writing.

10.5 Records Audit. Eight Turn Hospitality Group, LLC may examine and audit all books and records related to the Business, and supporting documentation, at any reasonable time. Eight Turn Hospitality Group, LLC may conduct the audit at the Location and/or require Franchisee to deliver copies of books, records and supporting documentation to a location designated by Eight Turn Hospitality Group, LLC. Franchisee shall also reimburse Eight Turn Hospitality Group, LLC for all costs and expenses of the examination or audit if (i) Eight Turn Hospitality Group, LLC conducted the audit because Franchisee failed to submit required reports or was otherwise not in compliance with the System, or (ii) the audit reveals that Franchisee understated Gross Sales by 3% or more for any 4-week period.

ARTICLE 11. FRANCHISOR RIGHTS

11.1 Manual; Modification. The Manual, and any part of the Manual, may be in any form or media determined by Eight Turn Hospitality Group, LLC. Eight Turn Hospitality Group, LLC may supplement, revise, or modify the Manual, and Eight Turn Hospitality Group, LLC may change, add or delete System Standards at any time in its discretion. Eight Turn Hospitality Group, LLC may inform Franchisee thereof by any method that Eight Turn Hospitality Group, LLC deems appropriate (which need not qualify as "notice" under Section 18.9). In the event of any dispute as to the contents of the Manual, Eight Turn Hospitality Group, LLC's master copy will control.

11.2 Inspections. Eight Turn Hospitality Group, LLC may enter the premises of the Business from time to time during normal business hours and conduct an inspection. Franchisee shall cooperate with Eight Turn Hospitality Group, LLC's inspectors. The inspection may include, but is not limited to, observing operations, conducting a physical inventory, evaluating physical conditions, monitoring sales activity, speaking with employees and customers, and removing samples of products, supplies and materials. Eight Turn Hospitality Group, LLC may videotape and/or take photographs of the inspection and the Business. Without limiting Eight Turn Hospitality Group, LLC's other rights under this Agreement, Franchisee will, as soon as reasonably practical, correct any deficiencies noted during an inspection. If Eight Turn Hospitality Group, LLC conducts an inspection because of a governmental report, customer complaint or other customer feedback, or a default or non-compliance with any System Standard by Franchisee (including following up a previous failed inspection), then Eight Turn Hospitality Group, LLC may charge all out-of-pocket expenses plus its then-current inspection fee to Franchisee.

11.3 Eight Turn Hospitality Group, LLC's Right to Cure. If Franchisee breaches or defaults under any provision of this Agreement, Eight Turn Hospitality Group, LLC may (but has no obligation to) take any action to cure the default on behalf of Franchisee, without any liability to Franchisee. Franchisee shall reimburse Eight Turn Hospitality Group, LLC for its costs and expenses (including the allocation of any internal costs) for such action, plus 10% as an administrative fee.

11.4 Right to Discontinue Supplies Upon Default. While Franchisee is in default or breach of this Agreement, Eight Turn Hospitality Group, LLC may (i) require that Franchisee pay cash on delivery for products or services supplied by Eight Turn Hospitality Group, LLC, (ii) stop selling or providing any products and services to Franchisee, and/or (iii) request any third-party vendors to not sell or provide products or services to Franchisee. No such action by Eight Turn Hospitality Group, LLC shall be a breach or constructive termination of this Agreement, change in competitive circumstances or similarly characterized, and Franchisee shall not be relieved of any obligations under this Agreement because of any such action. Such rights of Eight Turn Hospitality Group, LLC are in addition to any other right or remedy available to Eight Turn Hospitality Group, LLC.

11.5 Business Data. All customer data and other non-public data generated by the Business is Confidential Information and is exclusively owned by Eight Turn Hospitality Group, LLC. Eight Turn Hospitality Group, LLC hereby licenses such data back to Franchisee without charge solely for Franchisee's use in connection with the Business for the term of this Agreement.

11.6 Innovations. Franchisee shall disclose to Eight Turn Hospitality Group, LLC all ideas, plans, improvements, concepts, methods and techniques relating to the Business (collectively, "Innovations") conceived or developed by Franchisee, its employees, agents or contractors. Eight Turn Hospitality Group, LLC will automatically own all Innovations, and it will have the right to use and incorporate any Innovations into the System, without any compensation to Franchisee. Franchisee shall execute any documents reasonably requested by Eight Turn Hospitality Group, LLC to document Eight Turn Hospitality Group, LLC's ownership of Innovations.

11.7 Communication Systems. If Eight Turn Hospitality Group, LLC provides email accounts and/or other communication systems to Franchisee, then Franchisee acknowledges that it has no expectation of privacy in the assigned email accounts and other communications systems, and Franchisee authorizes Eight Turn Hospitality Group, LLC to access such communications.

11.8 Delegation. Eight Turn Hospitality Group, LLC may delegate any duty or obligation of Eight Turn Hospitality Group, LLC under this Agreement to an affiliate or to a third party.

11.9 System Variations. Eight Turn Hospitality Group, LLC may vary or waive any System Standard for any one or more Eight Turn Crepe franchises due to the peculiarities of the particular site or circumstances, density of population, business potential, population of trade area, existing business practices, applicable laws or regulations, or any other condition relevant to the performance of a franchise or group of franchises. Franchisee is not entitled to the same variation or waiver.

11.10 Temporary Public Safety Closure. If Eight Turn Hospitality Group, LLC discovers or becomes aware of any aspect of the Business which, in Eight Turn Hospitality Group, LLC's

opinion, constitutes an imminent danger to the health or safety of any person, then immediately upon Eight Turn Hospitality Group, LLC's order, Franchisee must temporarily cease operations of the Business and remedy the dangerous condition. Eight Turn Hospitality Group, LLC shall have no liability to Franchisee or any other person for action or failure to act with respect to a dangerous condition.

11.11 Purchase of Assets. Franchisor shall have the option, but not the obligation, within thirty (30) days after the date of termination, expiration, and non-renewal of this Agreement to purchase any and all of Franchisee's assets from the Franchised Business at a purchase price equal to net depreciated book value. If Franchisor elects this option, Franchisor will deliver written notice to Franchisee. Franchisor will have the right to inspect equipment at any time during this thirty (30) day period. If Franchisor elects to purchase equipment as part of the asset purchase, Franchisor will be entitled to, and Franchisee must provide, all customary warranties and representations as to compliance with law, the maintenance, function, and condition of the equipment and Franchisee's good title to the equipment (including, but not limited to, that Franchisee owns the equipment free and clear of any liens and encumbrances).

ARTICLE 12. MARKS

12.1 Authorized Marks. Franchisee shall use no trademarks, service marks or logos in connection with the Business other than the Marks. Franchisee shall use all Marks specified by Eight Turn Hospitality Group, LLC, and only in the manner as Eight Turn Hospitality Group, LLC may require. Franchisee has no rights in the Marks other than the right to use them in the operation of the Business in compliance with this Agreement. All use of the Marks by Franchisee and any goodwill associated with the Marks, including any goodwill arising due to Franchisee's operation of the Business, will inure to the exclusive benefit of Eight Turn Hospitality Group, LLC.

12.2 Change of Marks. Eight Turn Hospitality Group, LLC may add, modify, or discontinue any Marks to be used under the System. Within a reasonable time after Eight Turn Hospitality Group, LLC makes any such change, Franchisee must comply with the change, at Franchisee's expense.

12.3 Infringement.

(a) Defense of Franchisee. If Franchisee has used the Marks in accordance with this Agreement, then (i) Eight Turn Hospitality Group, LLC shall defend Franchisee (at Eight Turn Hospitality Group, LLC's expense) against any Action by a third-party alleging infringement by Franchisee's use of a Mark, and (ii) Eight Turn Hospitality Group, LLC will indemnify Franchisee for expenses and damages if the Action is resolved unfavorably to Franchisee.

(b) Infringement by Third Party. Franchisee shall promptly notify Eight Turn Hospitality Group, LLC if Franchisee becomes aware of any possible infringement of a Mark by a third party. Eight Turn Hospitality Group, LLC may, in its sole discretion, commence or join any claim against the infringing party.

(c) Control. Eight Turn Hospitality Group, LLC shall have the exclusive right to control any prosecution or defense of any Action related to possible infringement of or by the Marks.

ARTICLE 13. COVENANTS

13.1 Confidential Information. With respect to all Confidential Information, Franchisee shall (a) adhere to all procedures prescribed by Eight Turn Hospitality Group, LLC for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business; (c) not use any such information in any other business or in any manner not specifically authorized in writing by Eight Turn Hospitality Group, LLC, (d) exercise the highest degree of diligence and effort to maintain the confidentiality of all such information during and after the term of this Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Franchisee acknowledges that all Confidential Information is owned by Eight Turn Hospitality Group, LLC (except for Confidential Information which Eight Turn Hospitality Group, LLC licenses from another person or entity). This Section will survive the termination or expiration of this Agreement indefinitely.

13.2 Covenants Not to Compete.

(a) Restriction – In Term. During the term of this Agreement, neither Franchisee, any Owner, nor any spouse of an Owner (the “Restricted Parties”) shall directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor.

(b) Restriction – Post Term. For two years after this Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer), no Restricted Party shall directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor within twenty miles of Franchisee’s Territory or the territory of any other Eight Turn Crepe business operating on the date of termination or transfer, as applicable.

(c) Interpretation. The parties agree that each of the foregoing covenants is independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court, then the parties intend that the court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Eight Turn Hospitality Group, LLC. Franchisee agrees that the existence of any claim it may have against Eight Turn Hospitality Group, LLC shall not constitute a defense to the enforcement by Eight Turn Hospitality Group, LLC of the covenants of this Section. If a Restricted Party fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

13.3 Employee Recruitment. During the term of this Agreement and for one year after termination, transfer, or expiration of this Agreement, Franchisee shall not knowingly employ or seek to employ or engage as an independent contractor any person then employed by Eight Turn Hospitality Group, LLC or its affiliates.

13.4 General Manager and Key Employees. If requested by Eight Turn Hospitality Group, LLC, Franchisee will cause its general manager and other key employees to sign Eight Turn

Hospitality Group, LLC's then-current form of confidentiality and non-compete agreement (unless prohibited by applicable law).

ARTICLE 14. DEFAULT AND TERMINATION

14.1 Termination by Franchisee. Franchisee may terminate this Agreement only if Eight Turn Hospitality Group, LLC violates a material provision of this Agreement and fails to cure or to make substantial progress toward curing the violation within 30 days after receiving written notice from Franchisee detailing the alleged default. Termination by Franchisee is effective 10 days after Eight Turn Hospitality Group, LLC receives written notice of termination.

14.2 Termination by Eight Turn Hospitality Group, LLC.

(a) Subject to 10-Day Cure Period. Eight Turn Hospitality Group, LLC may terminate this Agreement if Franchisee does not make any payment to Eight Turn Hospitality Group, LLC when due, or if Franchisee does not have sufficient funds in its account when Eight Turn Hospitality Group, LLC attempts an electronic funds withdrawal, and Franchisee fails to cure such non-payment within 10 days after Eight Turn Hospitality Group, LLC gives notice to Franchisee of such breach.

(b) Subject to 30-Day Cure Period. If Franchisee breaches this Agreement in any manner not described in subsection (a) or (c), and Franchisee fails to cure such breach to Eight Turn Hospitality Group, LLC's satisfaction within 30 days after Eight Turn Hospitality Group, LLC gives notice to Franchisee of such breach, then Eight Turn Hospitality Group, LLC may terminate this Agreement.

(c) Without Cure Period. Eight Turn Hospitality Group, LLC may terminate this Agreement by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

- (i) Franchisee misrepresented or omitted material facts when applying to be a franchisee, or breaches any representation in this Agreement;
- (ii) Franchisee knowingly submits any false report or knowingly provides any other false information to Eight Turn Hospitality Group, LLC;
- (iii) a receiver or trustee for the Business or all or substantially all of Franchisee's property is appointed by any court, or Franchisee makes a general assignment for the benefit of Franchisee's creditors or Franchisee makes a written statement to the effect that Franchisee is unable to pay its debts as they become due, or a levy or execution is made against the Business, or an attachment or lien remains on the Business for 30 days unless the attachment or lien is being duly contested in good faith by Franchisee, or a petition in bankruptcy is filed by Franchisee, or such a petition is filed against or consented to by Franchisee and the petition is not dismissed within 45 days, or Franchisee is adjudicated as bankrupt;
- (iv) Franchisee fails to open for business by the date specified on the Summary Page;

- (v) Franchisee loses possession of the Location;
- (vi) Franchisee or any Owner commits a material violation of Section 7.2 (compliance with laws) or Section 13.1 (confidentiality), violates Section 13.2 (non-compete) or Article 15 (transfer), or commits any other violation of this Agreement which by its nature cannot be cured;
- (vii) Franchisee abandons or ceases operation of the Business for more than five consecutive days;
- (viii) Franchisee or any Owner slanders or libels Eight Turn Hospitality Group, LLC or any of its employees, directors, or officers;
- (ix) Franchisee refuses to cooperate with or permit any audit or inspection by Eight Turn Hospitality Group, LLC or its agents or contractors, or otherwise fails to comply with Section 10.5 or Section 11.2;
- (x) the Business is operated in a manner which, in Eight Turn Hospitality Group, LLC's reasonable judgment, constitutes a significant danger to the health or safety of any person, and Franchisee fails to cure such danger within 48 hours after becoming aware of the danger (due to notice from Eight Turn Hospitality Group, LLC or otherwise);
- (xi) Franchisee has received two or more notices of default and Franchisee commits another breach of this Agreement, all in the same 12-month period;
- (xii) Eight Turn Hospitality Group, LLC (or any affiliate) terminates any other agreement with Franchisee (or any affiliate) due to the breach of such other agreement by Franchisee (or its affiliate) (provided that termination of a Multi-Unit Development Agreement with Franchisee or its affiliate shall not give Eight Turn Hospitality Group, LLC the right to terminate this Agreement); or
- (xiii) Franchisee or any Owner is accused by any governmental authority or third party of any act that in Eight Turn Hospitality Group, LLC's opinion is reasonably likely to materially and unfavorably affect the Eight Turn Crepe brand, or is charged with, pleads guilty to, or is convicted of a felony.

14.3 Effect of Termination. Upon termination or expiration of this Agreement, all obligations that by their terms or by reasonable implication survive termination, including those pertaining to non-competition, confidentiality, indemnity, and dispute resolution, will remain in effect, and Franchisee must immediately:

- (i) pay all amounts owed to Eight Turn Hospitality Group, LLC based on the operation of the Business through the effective date of termination or expiration;
- (ii) return to Eight Turn Hospitality Group, LLC all copies of the Manual, Confidential Information and any and all other materials provided by Eight Turn Hospitality Group, LLC to Franchisee or created by a third party for Franchisee relating to the

operation of the Business, and all items containing any Marks, copyrights, and other proprietary items; and delete all Confidential Information and proprietary materials from electronic devices;

- (iii) notify the telephone, internet, email, electronic network, directory, and listing entities of the termination or expiration of Franchisee's right to use any numbers, addresses, domain names, locators, directories and listings associated with any of the Marks, and authorize their transfer to Eight Turn Hospitality Group, LLC or any new franchisee as may be directed by Eight Turn Hospitality Group, LLC, and Franchisee hereby irrevocably appoints Eight Turn Hospitality Group, LLC, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest; to execute such directions and authorizations as may be necessary or appropriate to accomplish the foregoing; and
- (iv) cease doing business under any of the Marks.

14.4 Remove Identification. Within 30 days after termination or expiration, Franchisee shall at its own expense "de-identify" the Location so that it no longer contains the Marks, signage, or any trade dress of an Eight Turn Crepe business, to the reasonable satisfaction of Eight Turn Hospitality Group, LLC. Franchisee shall comply with any reasonable instructions and procedures of Eight Turn Hospitality Group, LLC for de-identification. If Franchisee fails to do so within 30 days after this Agreement expires or is terminated, Eight Turn Hospitality Group, LLC may enter the Location to remove the Marks and de-identify the Location. In this event, Eight Turn Hospitality Group, LLC will not be charged with trespass nor be accountable or required to pay for any assets removed or altered, or for any damage caused by Eight Turn Hospitality Group, LLC.

14.5 Purchase Option. When this Agreement expires or is terminated, Eight Turn Hospitality Group, LLC will have the right (but not the obligation) to purchase any or all of the assets related to the Business, and/or to require Franchisee to assign its lease or sublease to Eight Turn Hospitality Group, LLC. To exercise this option, Eight Turn Hospitality Group, LLC must notify Franchisee no later than 30 days after this Agreement expires or is terminated. The purchase price for all assets that Eight Turn Hospitality Group, LLC elects to purchase will be the lower of (i) the book value of such assets as declared on Franchisee's last filed tax returns or (ii) the fair market value of the assets. If the parties cannot agree on fair market value within 30 days after the exercise notice, the fair market value will be determined by an independent appraiser reasonably acceptable to both parties. The parties will equally share the cost of the appraisal. Eight Turn Hospitality Group, LLC's purchase will be of assets only (free and clear of all liens), and the purchase will not include any liabilities of Franchisee. The purchase price for assets will not include any factor or increment for any trademark or other commercial symbol used in the business, the value of any intangible assets, or any goodwill or "going concern" value for the Business. Eight Turn Hospitality Group, LLC may withdraw its exercise of the purchase option at any time before it pays for the assets. Franchisee will sign a bill of sale for the purchased assets and any other transfer documents reasonably requested by Eight Turn Hospitality Group, LLC. If Eight Turn Hospitality Group, LLC exercises the purchase option, Eight Turn Hospitality Group, LLC may deduct from the purchase price: (a) all amounts due from Franchisee; (b) Franchisee's portion of the cost of any appraisal conducted hereunder; and (c) amounts paid or to be paid by Eight Turn Hospitality

Group, LLC to cure defaults under Franchisee's lease and/or amounts owed by Franchisee to third parties. If any of the assets are subject to a lien, Eight Turn Hospitality Group, LLC may pay a portion of the purchase price directly to the lienholder to pay off such lien. Eight Turn Hospitality Group, LLC may withhold 25% of the purchase price for 90 days to ensure that all of Franchisee's taxes and other liabilities are paid. Eight Turn Hospitality Group, LLC may assign this purchase option to another party.

ARTICLE 15. TRANSFERS

15.1 By Eight Turn Hospitality Group, LLC. Eight Turn Hospitality Group, LLC may transfer or assign this Agreement, or any of its rights or obligations under this Agreement, to any person or entity, and Eight Turn Hospitality Group, LLC may undergo a change in ownership and/or control, without the consent of Franchisee.

15.2 By Franchisee. Franchisee acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and that Eight Turn Hospitality Group, LLC entered into this Agreement in reliance on Franchisee's business skill, financial capacity, personal character, experience, and business ability. Accordingly, Franchisee shall not conduct or undergo a Transfer without providing Eight Turn Hospitality Group, LLC at least 60 days prior notice of the proposed Transfer, and without obtaining Eight Turn Hospitality Group, LLC's consent. In granting any such consent, Eight Turn Hospitality Group, LLC may impose conditions, including, without limitation, the following:

- (i) Eight Turn Hospitality Group, LLC receives a transfer fee equal to \$15,000 plus any broker fees and other out-of-pocket costs incurred by Eight Turn Hospitality Group, LLC;
- (ii) the proposed assignee and its owners have completed Eight Turn Hospitality Group, LLC's franchise application processes, meet Eight Turn Hospitality Group, LLC's then-applicable standards for new franchisees, and have been approved by Eight Turn Hospitality Group, LLC as franchisees;
- (iii) the proposed assignee is not a Competitor;
- (iv) the proposed assignee executes Eight Turn Hospitality Group, LLC's then-current form of franchise agreement and any related documents, which form may contain materially different provisions than this Agreement;
- (v) all owners of the proposed assignee provide a guaranty in accordance with Section 2.5;
- (vi) Franchisee has paid all monetary obligations to Eight Turn Hospitality Group, LLC and its affiliates, and to any lessor, vendor, supplier, or lender to the Business, and Franchisee is not otherwise in default or breach of this Agreement or of any other obligation owed to Eight Turn Hospitality Group, LLC or its affiliates;
- (vii) the proposed assignee and its owners and employees undergo such training as Eight Turn Hospitality Group, LLC may require;

- (viii) Franchisee, its Owners, and the transferee and its owners execute a general release of Eight Turn Hospitality Group, LLC in a form satisfactory to Eight Turn Hospitality Group, LLC; and
- (ix) the Business fully complies with all of Eight Turn Hospitality Group, LLC's most recent System Standards.

15.3 Transfer for Convenience of Ownership. If Franchisee is an individual, Franchisee may Transfer this Agreement to a corporation or limited liability company formed for the convenience of ownership after at least 15 days' notice to Eight Turn Hospitality Group, LLC, if, prior to the Transfer: (1) the transferee provides the information required by Section 2.3; (2) Franchisee provides copies of the entity's charter documents, by-laws (or operating agreement) and similar documents, if requested by Eight Turn Hospitality Group, LLC, (3) Franchisee owns all voting securities of the corporation or limited liability company, and (4) Franchisee provides a guaranty in accordance with Section 2.5.

15.4 Transfer upon Death or Incapacity. Upon the death or incapacity of Franchisee (or, if Franchisee is an entity, the person with the largest ownership interest in Franchisee), the executor, administrator, or personal representative of that person must Transfer the Business to a third party approved by Eight Turn Hospitality Group, LLC within nine months after death or incapacity. Such transfer must comply with Section 15.2.

15.5 Eight Turn Hospitality Group, LLC's Right of First Refusal. Before Franchisee (or any Owner) engages in a Transfer (except under Section 15.3 or to a spouse, sibling, or child of an Owner), Eight Turn Hospitality Group, LLC will have a right of first refusal, as set forth in this Section. Franchisee (or its Owners) shall provide to Eight Turn Hospitality Group, LLC a copy of the terms and conditions of any Transfer. For a period of 30 days from the date of Eight Turn Hospitality Group, LLC's receipt of such copy, Eight Turn Hospitality Group, LLC will have the right, exercisable by notice to Franchisee, to purchase the assets subject of the proposed Transfer for the same price and on the same terms and conditions (except that Eight Turn Hospitality Group, LLC may substitute cash for any other form of payment). If Eight Turn Hospitality Group, LLC does not exercise its right of first refusal, Franchisee may proceed with the Transfer, subject to the other terms and conditions of this Article.

15.6 No Sublicense. Franchisee has no right to sublicense the Marks or any of Franchisee's rights under this Agreement.

15.7 No Lien on Agreement. Franchisee shall not grant a security interest in this Agreement to any person or entity. If Franchisee grants an "all assets" security interest to any lender or other secured party, Franchisee shall cause the secured party to expressly exempt this Agreement from the security interest.

ARTICLE 16. INDEMNITY

16.1 Indemnity. Franchisee shall indemnify and defend (with counsel reasonably acceptable to Eight Turn Hospitality Group, LLC) Eight Turn Hospitality Group, LLC, its parent entities, subsidiaries and affiliates, and their respective owners, directors, officers, employees, agents, successors and assignees (collectively, "Indemnitees") against all Losses in any Action by or

against Eight Turn Hospitality Group, LLC and/or any Indemnitee directly or indirectly related to, or alleged to arise out of, the operation of the Business. Notwithstanding the foregoing, Franchisee shall not be obligated to indemnify an Indemnitee from Actions arising as a result of any Indemnitee's misconduct or negligence. This indemnity will continue in effect after this Agreement ends.

16.2 Assumption by Eight Turn Hospitality Group, LLC. Eight Turn Hospitality Group, LLC may elect to assume the defense and/or settlement of any Action subject to this indemnification, at Franchisee's expense. Such an undertaking shall not diminish Franchisee's obligation to indemnify the Indemnitees.

ARTICLE 17. DISPUTE RESOLUTION

17.1 Mediation.

(a) Disputes Subject to Mediation. Except as expressly provided in subsection (c), any controversy or claim arising out of or relating to this Agreement (including its formation) shall be resolved by Mediation administered by the American Arbitration Association in accordance with its Commercial Mediation Rules, including the Optional Rules for Emergency Measures of Protection. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction.

(b) Location. The place of Mediation shall be the city and state where Eight Turn Hospitality Group, LLC's headquarters are located.

(c) Injunctive Relief. Either party may apply to the arbitrator seeking injunctive relief until the Mediation award is rendered or the controversy is otherwise resolved. Either party also may, without waiving any remedy or right to arbitrate under this Agreement, seek from any court having jurisdiction any interim or provisional injunctive relief.

(d) Confidentiality. All documents, information, and results pertaining to any Mediation or lawsuit will be confidential, except as required by law or as required for Eight Turn Hospitality Group, LLC to comply with laws and regulations applicable to the sale of franchises.

(e) Performance During Mediation or Litigation. Unless this Agreement has been terminated, Eight Turn Hospitality Group, LLC and Franchisee will comply with this Agreement and perform their respective obligations under this Agreement during the Mediation or litigation process.

17.2 Damages. In any controversy or claim arising out of or relating to this Agreement, each party waives any right to punitive or other monetary damages not measured by the prevailing party's actual damages, except damages expressly authorized by federal statute and damages expressly authorized by this Agreement.

17.3 Waiver of Class Actions. The parties agree that any claims will be arbitrated, litigated, or otherwise resolved on an individual basis, and waive any right to act on a class-wide basis.

17.4 Time Limitation. Any Mediation or other legal action arising from or related to this Agreement must be instituted within two years from the date such party discovers the conduct or event that forms the basis of the Mediation or other legal action. The foregoing time limit does not apply to claims (i) by one party related to non-payment under this Agreement by the other party, (ii) for indemnity under Article 16, or (iii) related to unauthorized use of Confidential Information or the Marks.

17.5 Venue Other Than Mediation. For any legal proceeding not required to be submitted to Mediation, the parties agree that any such legal proceeding will be brought in the United States District Court where Eight Turn Hospitality Group, LLC's headquarters is then located. If there is no federal jurisdiction over the dispute, the parties agree that any such legal proceeding will be brought in the court of record of the state and county where Eight Turn Hospitality Group, LLC's headquarters is then located. Each party consents to the jurisdiction of such courts and waives any objection that it, he or she may have to the laying of venue of any proceeding in any of these courts.

17.6 Legal Costs. In any legal proceeding (including Mediation) related to this Agreement or any guaranty, the non-prevailing party shall pay the prevailing party's attorney fees, costs and other expenses of the legal proceeding. "Prevailing party" means the party, if any, which prevailed upon the central litigated issues and obtained substantial relief.

ARTICLE 18. MISCELLANEOUS

18.1 Relationship of the Parties. The parties are independent contractors, and neither is the agent, partner, joint venturer, or employee of the other. Eight Turn Hospitality Group, LLC is not a fiduciary of Franchisee. Eight Turn Hospitality Group, LLC does not control or have the right to control Franchisee or its Business. Any required specifications and standards in this Agreement and in the System Standards exist to protect Eight Turn Hospitality Group, LLC's interest in the System and the Marks, and the goodwill established in them, and not for the purpose of establishing any control, or duty to take control, over the Business. Eight Turn Hospitality Group, LLC has no liability for Franchisee's obligations to any third party whatsoever.

18.2 No Third-Party Beneficiaries. This Agreement does not confer any rights or remedies upon any person or entity other than Franchisee, Eight Turn Hospitality Group, LLC, and Eight Turn Hospitality Group, LLC's affiliates.

18.3 Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior negotiations and representations. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made by Eight Turn Hospitality Group, LLC in its franchise disclosure document.

18.4 Modification. No modification or amendment of this Agreement will be effective unless it is in writing and signed by both parties. This provision does not limit Eight Turn Hospitality Group, LLC's rights to modify the Manual or System Standards.

18.5 Consent; Waiver. No consent under this Agreement, and no waiver of satisfaction of a condition or nonperformance of an obligation under this Agreement will be effective unless it is in writing and signed by the party granting the consent or waiver. No waiver by a party of any right will affect the party's rights as to any subsequent exercise of that right or any other right. No

delay, forbearance or omission by a party to exercise any right will constitute a waiver of such right.

18.6 Cumulative Remedies. Rights and remedies under this Agreement are cumulative. No enforcement of a right or remedy precludes the enforcement of any other right or remedy.

18.7 Severability. The parties intend that (i) if any provision of this Agreement is held by an arbitrator or court to be unenforceable, then that provision be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded, and (ii) if an unenforceable provision is modified or disregarded, then the rest of this Agreement will remain in effect as written.

18.8 Governing Law. The laws of the state of Florida (without giving effect to its principles of conflicts of law) govern all adversarial proceedings between the parties. The parties agree that any Florida law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 18.8.

18.9 Notices. Any notice will be effective under this Agreement only if made in writing and delivered as set forth in this Section to: (A) if to Franchisee, addressed to Franchisee at the notice address set forth in the Summary Page; and (B) if to Eight Turn Hospitality Group, LLC, addressed to 16850 Collins Ave suite #112-178, Sunny Isles Beach, FL 33160. Any party may designate a new address for notices by giving notice of the new address pursuant to this Section. Notices will be effective upon receipt (or first rejection) and must be: (1) delivered personally; (2) sent by registered or certified U.S. mail with return receipt requested; or (3) sent via overnight courier. Notwithstanding the foregoing, Eight Turn Hospitality Group, LLC may amend the Manual, give binding notice of changes to System Standards, and deliver notices of default by electronic mail or other electronic communication.

18.10 Joint and Several Liability. If two or more people sign this Agreement as “Franchisee”, each will have joint and several liability.

18.11 No Offer and Acceptance. Delivery of a draft of this Agreement to Franchisee by Eight Turn Hospitality Group, LLC does not constitute an offer. This Agreement shall not be effective unless and until it is executed by both Franchisee and Eight Turn Hospitality Group, LLC.

ARTICLE 19. CERTIFICATION OF FRANCHISOR’S COMPLIANCE

By signing this Agreement, Franchisee acknowledges the following:

- (1) Franchisee understands all the information in Eight Turn Hospitality Group, LLC’s Disclosure Document.

Initial

- (2) Franchisee has conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of operating the Franchised Business. Franchisee further acknowledges that, except as may be set forth in Franchisor’s Disclosure Document, no representations of performance (financial or

otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee by Franchisor and Franchisee and any and all Principals hereby waive any claim against Franchisor for any business failure Franchisee may experience as a franchisee under this Agreement.

- _____
Initial
- (3) Franchisee understands the success or failure of the Business will depend in large part upon Franchisee's skills, abilities and efforts and those of the persons Franchisee employs, as well as many factors beyond Franchisee's control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, lease terms, and the marketplace.

- _____
Initial
- (4) That no person acting on Eight Turn Hospitality Group, LLC's behalf made any statement or promise regarding the costs involved in operating an Eight Turn Crepe franchise that is not in the Disclosure Document or that is contrary to, or different from, the information in the Disclosure Document.

- _____
Initial
- (5) That no person acting on Eight Turn Hospitality Group, LLC's behalf made any claim or representation to Franchisee, orally, visually, or in writing, that contradicted the information in the Disclosure Document.

- _____
Initial
- (6) That no person acting on Eight Turn Hospitality Group, LLC's behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money Franchisee may earn, or the total amount of revenue an Eight Turn Crepe franchise will generate, that is not in the Disclosure Document or that is contrary to, or different from, the information in the Disclosure Document.

- _____
Initial
- (7) That no person acting on Eight Turn Hospitality Group, LLC's behalf made any statement or promise or agreement, other than those matters addressed in this Agreement, concerning advertising, marketing, media support, market penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Disclosure Document.

- _____
Initial
- (8) Franchisee acknowledges that Franchisor's approval or acceptance of Franchisee's Business location does not constitute a warranty, recommendation or endorsement of the location for the Franchised Business, nor any assurance by Franchisor that

the operation of the Franchised Business at the premises will be successful or profitable.

- (9) Franchisee acknowledges that it has received the Eight Turn Hospitality Group, LLC Franchise Disclosure Document with a complete copy of the Franchise Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement was executed. Franchisee further acknowledges that Franchisee has read such Franchise Disclosure Document and understands its contents.

Initial

- (10) Franchisee acknowledges that it has had ample opportunity to consult with its own attorneys, accountants and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee with respect to the Franchise Agreement or the relationship thereby created.

Initial

- (11) Franchisee, together with Franchisee's advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement.

Initial

- (12) Franchisee is aware of the fact that other present or future franchisees of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor's obligations and rights with respect to its various franchisees may differ materially in certain circumstances.

Initial

- (13) It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not warrant that such products will not be sold within the Franchisee's Territory by others who may have purchased such products from Franchisor.

Initial

- (14) Franchisee understands that this Agreement contains the entire agreement between Eight Turn Hospitality Group, LLC and Franchisee concerning the Eight Turn Crepe franchise, which means that any oral or written statements not set out in this Agreement will not be binding. In deciding to enter into this Agreement, Franchisee is not relying on any statement, promise, claim, or representation not expressly set forth in this Agreement or in the Disclosure Document.

Initial

- (15) BY EXECUTING THIS AGREEMENT, FRANCHISEE AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF FRANCHISEE'S AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE EIGHT TURN HOSPITALITY GROUP, LLC, THE EIGHT TURN HOSPITALITY GROUP, LLC INDEMNITEES, AND ALL OF THEIR OFFICERS, DIRECTORS, SHAREHOLDERS, AGENTS AND SUCCESSORS AND ASSIGNS FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF.

[Signature on the following page]

Agreed to by:

FRANCHISOR:

EIGHT TURN HOSPITALITY GROUP, LLC

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

[if an individual:]

Name: _____

Date: _____

[if an entity:]

By: _____

Name: _____

Title: _____

Date: _____

Attachment 1 to Franchise Agreement

OWNERSHIP INFORMATION

1. **Form of Ownership.** Franchisee is a (check one):

_____ *Sole Proprietorship*
_____ *Partnership*
_____ *Limited Liability Company*
_____ *Corporation*

State: _____

2. **Owners.** If Franchisee is a partnership, limited liability company or corporation:

Name	Shares or Percentage of Ownership

3. **Officers.** If Franchisee is a limited liability company or corporation:

Name	Title

Attachment 2 to Franchise Agreement

LOCATION ACCEPTANCE LETTER

To: _____

This Location Acceptance Letter is issued by Eight Turn Hospitality Group, LLC for your Eight Turn Crepe franchise in accordance with Section 6.1 of the Franchise Agreement.

1. The Location of the Business is:

2. The Territory of the Business is:

EIGHT TURN HOSPITALITY GROUP, LLC

By: _____

Name: _____

Title: _____

Date: _____

Attachment 3 to Franchise Agreement

GUARANTY AND NON-COMPETE AGREEMENT

This Guaranty and Non-Compete Agreement (this “Guaranty”) is executed by the undersigned person(s) (each, a “Guarantor”) in favor of Eight Turn Hospitality Group, LLC, a Florida limited liability company (“Eight Turn Hospitality Group, LLC”).

Background Statement: _____ (“Franchisee”) desires to enter into a Franchise Agreement with Eight Turn Hospitality Group, LLC for the franchise of an Eight Turn Crepe business (the “Franchise Agreement”; capitalized terms used but not defined in this Guaranty have the meanings given in the Franchise Agreement). Guarantor owns an equity interest in Franchisee. Guarantor is executing this Guaranty in order to induce Eight Turn Hospitality Group, LLC to enter into the Franchise Agreement.

Guarantor agrees as follows:

1. Guaranty. Guarantor hereby unconditionally guarantees to Eight Turn Hospitality Group, LLC and its successors and assigns that Franchisee shall pay and perform every undertaking, agreement and covenant set forth in the Franchise Agreement and further guarantees every other liability and obligation of Franchisee to Eight Turn Hospitality Group, LLC, whether or not contained in the Franchise Agreement. Guarantor shall render any payment or performance required under the Franchise Agreement or any other agreement between Franchisee and Eight Turn Hospitality Group, LLC upon demand from Eight Turn Hospitality Group, LLC. Guarantor waives (a) acceptance and notice of acceptance by Eight Turn Hospitality Group, LLC of this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations of Franchisee; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right Guarantor may have to require that an action be brought against Franchisee or any other person or entity as a condition of liability hereunder; (e) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guaranty by the undersigned; (f) any law which requires that Eight Turn Hospitality Group, LLC make demand upon, assert claims against or collect from Franchisee or any other person or entity (including any other guarantor), foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any other person or entity (including any other guarantor) prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guaranty; and (g) any and all other notices and legal or equitable defenses to which Guarantor may be entitled.

2. Confidential Information. With respect to all Confidential Information Guarantor shall (a) adhere to all security procedures prescribed by Eight Turn Hospitality Group, LLC for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business; (c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Eight Turn Hospitality Group, LLC, (d) exercise the highest degree of diligence and make every effort to maintain the confidentiality of all such information during and after the term of the Franchise Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any

unauthorized disclosure or use of Confidential Information. Guarantor acknowledges that all Confidential Information is owned by Eight Turn Hospitality Group, LLC or its affiliates (except for Confidential Information which Eight Turn Hospitality Group, LLC licenses from another person or entity). Guarantor acknowledges that all customer data generated or obtained by Guarantor is Confidential Information belonging to Eight Turn Hospitality Group, LLC. This Section will survive the termination or expiration of the Franchise Agreement indefinitely.

3. Covenants Not to Compete.

(a) Restriction - In Term. During the term of the Franchise Agreement, Guarantor shall not directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor.

(b) Restriction – Post Term. For two years after the Franchise Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer by Guarantor), Guarantor shall not directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor located within twenty miles of Franchisee's Territory or the territory of any other Eight Turn Crepe business operating on the date of termination or transfer, as applicable.

(c) Interpretation. Guarantor agrees that each of the foregoing covenants is independent of any other covenant or provision of this Guaranty or the Franchise Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court, then the parties intend that the court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Eight Turn Hospitality Group, LLC. Guarantor agrees that the existence of any claim it or Franchisee may have against Eight Turn Hospitality Group, LLC shall not constitute a defense to the enforcement by Eight Turn Hospitality Group, LLC of the covenants of this Section. If Guarantor fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

4. Employee Recruitment. During the term of the Franchise Agreement and for one year after termination, transfer, or expiration of the Franchise Agreement, Guarantor shall not knowingly employ or seek to employ or engage as an independent contractor any person then employed by Eight Turn Hospitality Group, LLC or its affiliates.

5. Modification. Guarantor agrees that Guarantor's liability hereunder shall not be diminished, relieved or otherwise affected by (a) any amendment of the Franchise Agreement, (b) any extension of time, credit or other indulgence which Eight Turn Hospitality Group, LLC may from time to time grant to Franchisee or to any other person or entity, or (c) the acceptance of any partial payment or performance or the compromise or release of any claims.

6. Governing Law; Dispute Resolution. This Guaranty shall be governed by and construed in accordance with the laws of the state of Florida (without giving effect to its principles of conflicts of law). The parties agree that any Florida law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 6. The provisions of Article 17 (Dispute Resolution) of the Franchise Agreement apply to and are incorporated into this Guaranty as if fully set forth herein.

Guarantor shall pay to Eight Turn Hospitality Group, LLC all costs incurred by Eight Turn Hospitality Group, LLC (including reasonable attorney fees) in enforcing this Guaranty. If multiple Guarantors sign this Guaranty, each will have joint and several liability.

Agreed to by:

Name: _____

Address: _____

Date: _____

Name: _____

Address: _____

Date: _____

Name: _____

Address: _____

Date: _____

EXHIBIT C

MULTI-UNIT DEVELOPMENT AGREEMENT

This Multi-Unit Development Agreement (this “MUDA”) is made between Eight Turn Hospitality Group, LLC, a Florida limited liability company (“Eight Turn Hospitality Group, LLC”) and _____, a _____ (“Franchisee”) on the Effective Date.

Background Statement: On the same day as they execute this MUDA, Eight Turn Hospitality Group, LLC and Franchisee have entered into a Franchise Agreement for the franchise of an Eight Turn Crepe business (the “Franchise Agreement”; capitalized terms used but not defined in this MUDA have the meanings given in the Franchise Agreement). Eight Turn Hospitality Group, LLC and Franchisee desire that Franchisee develop multiple Eight Turn Crepe businesses.

1. Multi-Unit Commitment.

(a) Development Schedule; Fee. Franchisee shall develop and open Eight Turn Crepe businesses on the following schedule:

Store #	Deadline for Opening	Total # of Stores to be Open and Operating On Deadline	Initial Franchise Fee
1		1	\$_____
2		2	\$_____
3		3	\$_____
4		4	\$_____
5		5	\$_____
Total Initial Franchise Fee:			

(b) Payment. Upon execution of this MUDA, Franchisee shall pay the total Initial Franchise Fee to Eight Turn Hospitality Group, LLC. The Initial Franchise Fee is non-refundable.

2. Form of Agreement. For Store #1, Franchisee and Eight Turn Hospitality Group, LLC have executed the Franchise Agreement simultaneously with this MUDA. For each additional Eight Turn Crepe franchise, Franchisee shall execute Eight Turn Hospitality Group, LLC’s then-current standard form of franchise agreement no later than three business days after Franchisee leases or acquires a location. This MUDA does not give Franchisee the right to construct, open, or operate an Eight Turn Crepe business, and Franchisee acknowledges that Franchisee may construct, open, and operate each Eight Turn Crepe business only pursuant to a separate franchise agreement executed pursuant to this MUDA for each such Eight Turn Crepe business.

3. Development Area. Franchisee shall locate each Eight Turn Crepe business it develops under this MUDA within the following area: _____ (the “Development Area”). Franchisee acknowledges that it does not have exclusive rights to develop, open or operate Eight Turn Crepe businesses in the Development Area.

4. Default and Termination. Eight Turn Hospitality Group, LLC may terminate this MUDA by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

- (i) Franchisee fails to satisfy the development schedule; or
- (ii) Eight Turn Hospitality Group, LLC has the right to terminate any franchise agreement between Eight Turn Hospitality Group, LLC and Franchisee (or any affiliate thereof) due to Franchisee’s default thereunder (whether or not Eight Turn Hospitality Group, LLC actually terminates such franchise agreement).

5. Limitation of Liability. Franchisee’s commitment to develop Eight Turn Crepe businesses is in the nature of an option only. If Eight Turn Hospitality Group, LLC terminates this MUDA for Franchisee’s default, Franchisee shall not be liable to Eight Turn Hospitality Group, LLC for lost future revenues or profits from the unopened Eight Turn Crepe businesses. Franchisee may terminate this MUDA at any time.

6. Conditions. Franchisee’s right to develop each Eight Turn Crepe franchise after the Store #1 is subject to the following:

- (i) Franchisee must possess sufficient financial and organizational capacity to develop, open, operate, and manage each additional Eight Turn Crepe business, in the reasonable judgment of Eight Turn Hospitality Group, LLC, and
- (ii) Franchisee must be in full compliance with all brand requirements at its open Eight Turn Crepe businesses, and not in default under any Franchise Agreement or any other agreement with Eight Turn Hospitality Group, LLC.

7. Dispute Resolution; Miscellaneous. The laws of the State of Florida (without giving effect to its principles of conflicts of law) govern all adversarial proceedings between the parties. The parties agree that any Florida law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 7. Franchisee shall not Transfer this MUDA without the prior written consent of Eight Turn Hospitality Group, LLC, and any Transfer without Eight Turn Hospitality Group, LLC’s prior written consent shall be void. The provisions of Article 17 (Dispute Resolution) and Article 18 (Miscellaneous) of the Franchise Agreement apply to and are incorporated into this MUDA as if fully set forth herein.

8. Entire Agreement. This Agreement and all related agreements executed simultaneously with this Agreement constitute the entire understanding of the parties and supersede any and all prior oral or written agreements between Franchisee and Eight Turn Hospitality Group, LLC on the matters contained in this Agreement; but nothing in this or any related agreement is intended to disclaim the representations Eight Turn Hospitality Group, LLC made in the latest franchise disclosure document that Eight Turn Hospitality Group, LLC furnished to Franchisee.

Agreed to by:

FRANCHISOR:

EIGHT TURN HOSPITALITY GROUP, LLC

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

[if an individual:]

Name: _____

[if an entity:]

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT D

RIDER TO LEASE AGREEMENT

(NOT REQUIRED FOR FOOD TRUCK LOCATION)

Landlord: _____

Notice Address: _____

Telephone: _____

Franchisor: Eight Turn Hospitality Group,
LLC

Notice Address: 16850 Collins Ave suite
#112-178, Sunny Isles Beach, FL 33160

Telephone: (917) 660-5001

Tenant: _____

Leased Premises: _____

1. Use. Tenant is a franchisee of Franchisor. The Leased Premises shall be used only for the operation of an Eight Turn Crepe business (or any name authorized by Franchisor).

2. Notice of Default and Opportunity To Cure. Landlord shall provide Franchisor with copies of any written notice of default (“Default”) given to Tenant under the Lease, and Landlord grants to Franchisor the option (but not the obligation) to cure any Default under the Lease (should Tenant fail to do so) within 10 days after the expiration of the period in which Tenant may cure the Default.

3. Termination of Lease. Landlord shall copy Franchisor on any notice of termination of the Lease. If Landlord terminates the Lease for Tenant’s Default, Franchisor shall have the option to enter into a new Lease with Landlord on the same terms and conditions as the terminated Lease. To exercise this option, Franchisor must notify Landlord within 15 days after Franchisor receives notice of the termination of the Lease.

4. Termination of Franchise Agreement. If the Franchise Agreement between Franchisor and Tenant is terminated during the term of the Lease, then upon the written request of Franchisor, Tenant shall assign the Lease to Franchisor. Landlord hereby consents to the assignment of the Lease to Franchisor.

5. Assignment and Subletting. Notwithstanding any provision of the Lease to the contrary, Tenant shall have the right to assign or sublet the Lease to Franchisor, provided that no such assignment or sublease shall relieve Tenant or any guarantor of liability under the Lease. If Franchisor becomes the lessee of the Lease Premises, then Franchisor shall have the right to assign or sublease its lease to a franchisee of the Eight Turn Crepe brand.

6. Authorization. Tenant authorizes Landlord and Franchisor to communicate directly with each other about Tenant and Tenant’s business.

7. Right to Enter. Upon the expiration or termination of the Franchise Agreement or the Lease, or the termination of Tenant's right of possession of the Leased Premises, Franchisor or its designee may, after giving reasonable prior notice to Landlord, enter the Leased Premises to remove signs and other material bearing Franchisor's brand name, trademarks, and commercial symbols, provided that Franchisor will be liable to Landlord for any damage Franchisor or its designee causes by such removal.

8. No Liability. By executing this Rider, Franchisor does not assume any liability with respect to the Lease Premises or any obligation as Tenant under the Lease.

Executed by:

LANDLORD:

By: _____

Name: _____

Title: _____

Date: _____

TENANT:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

EIGHT TURN HOSPITALITY GROUP, LLC

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT E

FORM OF GENERAL RELEASE

[This is our current standard form of General Release. This document is not signed when you purchase a franchise. In circumstances such as a renewal of your franchise or as a condition of our approval of a sale of your franchise, we may require you to sign a general release.]

This General Release (“Release”) is executed by the undersigned (“Releasor”) in favor of Eight Turn Hospitality Group, LLC, a Florida limited liability company (“Eight Turn Hospitality Group, LLC”).

Background Statement: *[describe circumstances of Release]*

Releasor agrees as follows:

- 1. Release.** Releasor (on behalf of itself and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees (collectively, the “Releasing Parties”)) hereby releases Eight Turn Hospitality Group, LLC, its affiliates, and their respective directors, officers, shareholders, employees, and agents (collectively, the “Released Parties”) from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature, known or unknown, which any Releasing Party now has or ever had against any Released Party based upon and/or arising out of events that occurred through the date hereof, including without limitation, anything arising out of the Franchise Agreement (collectively, “Claims”).
- 2. Covenant Not to Sue.** Releasor (on behalf of all Releasing Parties) covenants not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any Released Party with respect to any Claim.
- 3. Representations and Acknowledgments.** Releasor represents and warrants that: (i) Releasor is the sole owner of all Claims, and that no Releasing Party has assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim; (ii) Releasor has full power and authority to sign this Release; and (iii) this Release has been voluntarily and knowingly signed after Releasor has had the opportunity to consult with counsel of Releasor’s choice. Releasor acknowledges that the release in Section 1 is a complete defense to any Claim.
- 4. Miscellaneous.** If any of the provisions of this Release are held invalid for any reason, the remainder of this Release will not be affected and will remain in full force and effect. In the event of any dispute concerning this Release, the dispute resolution, governing law, and venue provisions of the Franchise Agreement shall apply. Releasor agrees to take any actions and sign any documents that Eight Turn Hospitality Group, LLC reasonably requests to effectuate the purposes of this Release. This Release contains the entire agreement of the parties concerning the subject matter hereof. This Release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Agreed to by:

Name: _____
Date: _____

EXHIBIT F

FINANCIAL STATEMENTS

EIGHT TURN HOSPITALITY GROUP, LLC

FINANCIAL REPORT
AS OF DECEMBER 31, 2021



EIGHT TURN HOSPITALITY GROUP, LLC

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Independent Auditor's Report

To the Members
Eight Turn Hospitality Group, LLC
Brooklyn, New York

We have audited the accompanying financial statements of Eight Turn Hospitality Group, LLC which comprise the balance sheet as of December 31, 2021, and 2020, and the related statements of operations, changes in members' equity and cash flows for the for the year ended December 31, 2021, and 2020 and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of Eight Turn Hospitality Group, LLC as of December 31, 2021, and 2020 and the results of its operations and cash flows for the for the year ended December 31, 2021, and 2020 in conformity with accounting principles generally accepted in the United States of America.

Reese CPA LLC

Thornton, Colorado

February 22, 2022, except for Notes 1 and 6 as to which the date is May 12, 2022

15953 Fillmore Street • Thornton, CO 80602
Office: (303) 999-6485 • Fax (303) 284-5041

EIGHT TURN HOSPITALITY GROUP, LLC
BALANCE SHEET
AS OF DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS:		
CURRENT ASSETS		
Cash and equivalents	\$ 3,369	\$ 2,224
Franchise acquisition cost, current	4,000	-
TOTAL CURRENT ASSETS	<u>7,369</u>	<u>2,224</u>
NON-CURRENT ASSETS		
Intangible assets	24,000	30,000
Franchise acquisition costs	12,667	-
TOTAL ASSETS	<u><u>\$ 44,036</u></u>	<u><u>\$ 32,224</u></u>
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES		
Due to affiliates	\$ -	\$ 12,170
Non-refundable deferred franchise sales - current portion	7,500	2,500
TOTAL CURRENT LIABILITIES	<u>7,500</u>	<u>14,670</u>
Non-refundable deferred franchise sales	30,625	17,292
TOTAL LIABILITIES	<u>38,125</u>	<u>31,962</u>
MEMBERS' EQUITY	5,911	262
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u><u>\$ 44,036</u></u>	<u><u>\$ 32,224</u></u>

The accompanying notes are an integral part of this financial statement.

EIGHT TURN HOSPITALITY GROUP, LLC
STATEMENTS OF OPERATIONS
YEAR ENDED DECEMBER 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
REVENUES		
Franchise sales	\$ 11,667	\$ 2,500
Royalties fees	33,679	2,127
Product sales	-	4,385
TOTAL REVENUE	<u>45,346</u>	<u>9,012</u>
 OPERATING EXPENSES		
Professional fees	37,571	3,479
Amortization	6,000	-
General and administrative	5,452	2,530
Advertising	1,650	922
Cost of sales	1,194	4,385
TOTAL OPERATING EXPENSES	<u>51,867</u>	<u>11,316</u>
 OPERATING (LOSS)	(6,521)	(2,304)
 OTHER INCOME (EXPENSE)	-	5,000
 NET INCOME (LOSS)	<u><u>\$ (6,521)</u></u>	<u><u>\$ 2,696</u></u>

The accompanying notes are an integral part of these financial statements.

EIGHT TURN HOSPITALITY GROUP, LLC
STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020

	<u>Member Interest</u>	<u>Accumulated Earnings</u>	<u>Total Members' Equity</u>
BALANCE, DECEMBER 31, 2019	\$ 100	\$ 19,758	\$ 19,858
Adoption of new revenue standard	-	(22,292)	(22,292)
Net income	-	2,696	2,696
BALANCE, DECEMBER 31, 2020	100	162	262
Conversion of affiliate advances to equity	12,170	-	12,170
Net (loss)	-	(6,521)	(6,521)
BALANCE, DECEMBER 31, 2021	<u>\$ 12,270</u>	<u>\$ (6,359)</u>	<u>\$ 5,911</u>

The accompanying notes are an integral part of these financial statements.

EIGHT TURN HOSPITALITY GROUP, LLC
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ (6,521)	\$ 2,696
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization	6,000	-
Recognition of non-refundable deferred franchise fees	(11,667)	(2,500)
Recognition of franchise acquisition costs	3,333	-
Changes in assets and liabilities		
Franchise acquisition costs	(20,000)	
Non-refundable deferred franchise fees	30,000	
Due to affiliates	-	1,200
Net cash provided by operating activities	<u>1,145</u>	<u>1,396</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
Net cash (used) by investing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
Net cash provided (used) by financing activities	<u>-</u>	<u>-</u>
NET INCREASE IN CASH	1,145	1,396
CASH, BEGINNING	<u>2,224</u>	<u>828</u>
CASH, ENDING	<u>\$ 3,369</u>	<u>\$ 2,224</u>

SCHEDULE OF NON-CASH ACTIVITIES

OPERATING ACTIVITIES

Decrease in due to affiliates by conversion to equity	\$ (12,170)	\$ -
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FINANCING ACTIVITIES

Increase in equity by conversion of amounts due to affiliates.	\$ 12,170	\$ -
--	-----------	------

The accompanying notes are an integral part of these financial statements.

EIGHT TURN HOSPITALITY GROUP, LLC **NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Eight Turn Hospitality Group, LLC, a Florida limited liability company (the “Company”), was formed on April 14, 2022 (“Inception”). The Company is a franchisor qualified individuals and entities a franchise for the right to independently own and operate a fast casual restaurant featuring a wide array of sweet and savory Japanese crepes and specialty tea and coffee blends that are made in accordance with our proprietary recipes and ingredients, as well as any other authorized items. Each franchised location is licensed to use our proprietary business operating system and our proprietary marks, including the mark Eight Turn Crepe. All activities are conducted in a specified territory.

Predecessors and Affiliates

The Company’s predecessor was Eight Turn Hospitality Group, LLC, a New York limited liability company established on October 16, 2016. In May 2022, the Company acquired the assets and operations of The Company’s predecessor. The Company’s predecessor offered franchises from November 2018 to April 2022.

ETCP, LLC, a New York limited liability company formed on January 21, 2016, and has operated a business similar to the franchise offered by the Company. 8 Turn Catering, LLC, a New York limited liability company formed on May 10, 2018, and has operated a catering service. Eight Turn Crepe Hospitality, LLC, a New York limited liability company formed on October 16, 2016, and owns the intellectual property for the brand and franchised business.

Outlet Summary

Changes in the number of system outlets for the years ended December 31, 2021, and 2020 consist of the following:

	2021	2020
Outlets in operation, beginning	2	2
Outlets opened	1	-
Outlets terminated or closed	-	-
Outlets in operation, ending	3	2
Franchised outlets	2	1
Affiliate owned outlets	1	1

COVID-19

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. On March 11, 2021, the World Health Organization declared the outbreak a pandemic. In response, many states implemented measures to combat the outbreak including, but not limited to, temporarily closing businesses. The franchised location and the affiliate owned locations temporarily closed at this time. The locations have since opened. The Company does not anticipate the capacity restrictions to become permanent and no impairments have been recorded as of the balance sheet date; however, the Company will continue to monitor the situation. The Company’s results of operations, cash flows, and financial condition could continue to be negatively impacted, however the extent of the impact cannot be reasonably estimated at this time.

EIGHT TURN HOSPITALITY GROUP, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A summary of significant accounting policies follows:

Use of Estimates

Preparation of the Company's financial statement in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. The Company had no cash equivalents as of December 31, 2021, and 2020.

Accounts Receivable

Accounts receivable are recorded for amounts due based on the terms of executed franchise agreements for franchise sales and royalty fees. These accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of outstanding amounts. Management regularly evaluates individual customer's receivables considering their financial condition, credit history and current economic conditions. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as income when received. The Company had no allowance for uncollectible accounts and did not charge off any accounts receivable during the years ended December 31, 2021, and 2020.

Intangible Assets

The Company has adopted ASC 350, Intangibles – Goodwill and Other that requires that goodwill and intangible assets with indefinite lives (such as intellectual property) no longer be amortized to earnings but be tested for impairment at least annually. Intangible assets with finite are amortized over their estimated useful lives. Intangible assets consist of franchise development cost. The Company determined to begin amortization in 2021 over a life of 5 years.

Intangible assets consist of the following as of December 31:

	2021	2020
Franchise development costs	\$ 30,000	\$ 30,000
Less accumulated depreciation	(6,000)	-
	<u>\$ 24,000</u>	<u>\$ 30,000</u>

Amortization was \$6,000 and \$0 at December 31, 2021, and 2020. Amortization is expected to be \$6,000 per year for the next four years.

EIGHT TURN HOSPITALITY GROUP, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Company recognizes revenue under the guidance ASC 606 "Contracts with Customers". The Company's revenue mainly consists of franchise fees and royalties.

Each franchise agreement is comprised of several performance obligations. The Company identifies those performance obligations, determines the contract price for each obligation, allocates the transaction price to each performance obligation and recognizes revenue when the Company has satisfied the performance obligation by transferring control of the good or service to the franchisee. The remainder of performance obligations represent a single performance obligation and are recognized over the term of the respective franchise agreement from the date the agreement is executed. Unearned initial fee revenues from franchisee acquisition and acceptance will be recorded as deferred revenue and recognized as revenue over the term of the contract which is currently 10 years.

When a franchisee purchases an Eight Turn Crepe franchise, the Company grants the franchisee the right to conduct the franchise business in a specified territory and to use the proprietary methods, techniques, trade dress, trademarks, and logos ("license"). The license is symbolic intellectual property. Revenues related to the territory and the license are continuing royalties are based on gross revenues and are 6%. These revenues will be used to continue the development of the Company's brand, are billed monthly and are recognized as revenue when earned.

Product Revenue – Revenue from product sales is recognized upon the transferring control of the product to the franchisee.

Marketing Fund Contribution – The Company has reserved the right to collect a monthly advertising fee of 1% percent of gross revenue. The advertising fee would be recognized as revenue when earned.

Income Taxes

The Company has elected to be treated as a partnership under the provisions of the Internal Revenue Code. Under those provisions, taxable income and losses of the Company are reported on the income tax returns of the members and no provisions for federal or state income taxes have been recorded on the accompanying balance sheet and statement of operations.

The Company adopted ASC 740-10-25-6 "Accounting for Uncertainty in Income Taxes", that requires the Company to disclose uncertain tax positions. Under the standard an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold upon examination by taxing authorities.

Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements.

Advertising Costs

The Company expenses advertising costs as incurred. Advertising costs expensed were \$1,650 and \$922 for the years ended December 31, 2021, and 2020, respectively.

EIGHT TURN HOSPITALITY GROUP, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, the carrying amounts approximate fair value due to their short maturities.

Recently Adopted Accounting Guidance

The Company has adopted all recently issued Accounting Standards Updates ("ASU"). Management has not yet determined the effect of the adoption of the other recently issued ASUs, including those not yet effective, could have on the financial position or results of operations of the Company.

NOTE 2 – CONTRACT BALANCES

The Company recorded a liability for unearned revenue associated with the performance obligation of the Company's franchise agreements. The account balances and activity are as follows:

	December 31,	
	2021	2020
Franchise Acquisition Costs:		
Balance Beginning of year	\$ -	\$ -
Deferral of franchise acquisition costs	20,000	-
Recognition of franchise acquisition costs	(3,333)	-
Balance at End of Year	<u>\$ 16,667</u>	<u>\$ -</u>
Deferred Non-refundable Franchise Fees:		
Balance Beginning of year	\$ 19,792	\$ -
Implementation of new revenue standard	-	22,292
Deferral of non-refundable franchise fees	30,000	-
Recognition of non-refundable franchise fees	(11,667)	(2,500)
Balance at End of Year	<u>\$ 38,125</u>	<u>\$ 19,792</u>

Disaggregation of Revenues

Disaggregated revenues based on the satisfaction of performance obligations in the Company's contracts with franchisees for the years ending December 31, 2021, and 2020 is as follows:

	2021	2020
Performance obligations satisfied at a point in time	\$ 33,679	\$ 6,512
Performance obligations satisfied through the passage of time	11,667	2,500
Total revenues	<u>\$ 45,346</u>	<u>\$ 9,012</u>

EIGHT TURN HOSPITALITY GROUP, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – CONTRACT BALANCES (CONTINUED)

Estimated Recognition of Non-refundable Deferred Franchise Fees and Franchise Acquisition Costs

Estimated revenues and franchise acquisition costs to be recognized in future periods related to non-refundable deferred franchise fees as reported at December 31, 2021, is as follows:

	Franchise Acquisition Costs	Non-refundable Franchise Fees
Year ending December 31:		
2022	\$ 4,000	\$ 7,500
2023	4,000	7,500
2024	4,000	7,500
2025	4,000	7,500
2026	667	3,333
Thereafter	-	4,792
	\$ 16,667	\$ 38,125

NOTE 3 – AFFILIATE TRANSACTIONS

As of December 31, 2021, the Company has converted \$12,170 in advances from affiliates to an equity contribution.

NOTE 4 – COVID-19 RELIEF

During the year ended December 31, 2020, the Company received an EIDL advance in the amount of \$5,000. According to the terms of the advance the amount is not subject to repayment and has been recognized as other income in the attached statement of operations for the year ended December 31, 2020.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

Litigation

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

NOTE 6 - SUBSEQUENT EVENTS

Change of Entity

As described in Note 1 above, the Company has acquired all of the asset of the Company's predecessor in May 2022.

Date of Management's Evaluation

Management has evaluated subsequent events through February 22, 2022, the date on which the financial statements were available to be issued.

EXHIBIT G

OPERATING MANUAL TABLE OF CONTENTS

Manual Section	Number of Pages
Preface & Introduction	35
Establishing My Franchise Business	37
Personnel	48
Administrative Procedures	25
Daily Procedures	21
Selling & Marketing	22
Total Number of Pages	188

EXHIBIT H

CURRENT AND FORMER FRANCHISEES

Current Franchisees

Names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets:

<u>Legal Entity</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Postal</u>	<u>Telephone #</u>
Mana Crepes, LLC	23119 Colonial Parkway #C8	Katy	Texas	77449	(832) 913-3461
Yummy Crepe, LLC	2810 Business Center Dr. Ste 137	Pearland	Texas	77584	(832) 486-9014

Former Franchisees

Name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date:

None

EXHIBIT I

STATE ADDENDA TO DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department Of Financial Protection and Innovation, prior to a solicitation of a proposed material modification of an existing franchise.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE OFFERING CIRCULAR.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dpfi.ca.gov.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

ALL THE OWNERS OF THE FRANCHISE WILL BE REQUIRED TO EXECUTE PERSONAL GUARANTEES. THIS REQUIREMENT PLACES THE MARITAL ASSETS OF THE SPOUSES DOMICILED IN COMMUNITY PROPERTY STATES – ARIZONA, CALIFORNIA, IDAHO, LOUISIANA, NEVADA, NEW MEXICO, TEXAS, WASHINGTON AND WISCONSIN AT risk IF YOUR FRANCHISE FAILS.

1. The following paragraph is added to the end of Item 3 of the Disclosure Document:

Neither franchisor nor any person or franchise broker in Item 2 of this disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

2. The following paragraph is added to the end of Item 5 of the Disclosure Document:

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

3. The following paragraph is added to the end of Item 6 of the Disclosure Document:

With respect to the Late Fee described in Item 6, this Item is amended to disclose that the maximum rate of interest permitted under California law is 10%.

4. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

The Franchise Agreement requires franchisee to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of that law or any rule or order thereunder is void.

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

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

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

The Franchise Agreement requires non-binding Mediation. The Mediation will occur in Sunny Isles Beach, Florida, with the costs being borne equally by Franchisor and Franchisee. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

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

5. The following paragraph is added at the end of Item 19 of the Disclosure Document:

The earnings claims figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Eight Turn Crepe business. Franchisees or former franchisees, listed in the offering circular, may be one source of this information.

HAWAII ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Hawaii only, this Disclosure Document is amended as follows:

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Registered agent in the state authorized to receive service of process:

Commissioner of Securities
335 Merchant Street
Honolulu, Hawaii 96813

Registration of franchises or filings of offering circulars in other states. As of the date of filing of this Addendum in the State of Hawaii:

1. A franchise registration is effective or an offering circular is on file in the following states: _____
2. A proposed registration or filing is or will be shortly on file in the following states:

3. No states have refused, by order or otherwise to register these franchises.
4. No states have revoked or suspended the right to offer these franchises.
5. The proposed registration of these franchises has not been withdrawn in any state.

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, as amended (the “Act”), this Disclosure Document is amended as follows:

RISK FACTORS

Short Operating History. This Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise with a longer operating history.

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Act provides that any provision in a franchise agreement that designates jurisdiction of venue outside the State of Illinois is void. However, a franchise agreement may provide for Mediation outside of Illinois.

Section 41 of the Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Act.

Based upon the franchisor’s financial condition, the Illinois Attorney General has required a financial assurance. We have obtained a surety bond in the sum of \$40,000 and that our bond is on file with the Illinois Securities Division.

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Maryland only, this Disclosure Document is amended as follows:

The following is added to Item 11:

Fees related to advertising are to be raised and spent as follows:
_____. You may obtain an accounting of advertising expenditures
by the Marketing Fund by making a written request to us.

The following is added to Item 15:

Your spouse is not required to sign a separate personal guaranty, non-competition agreement, or confidentiality agreement. However, it would be a breach of the franchise agreement if your spouse directly or indirectly has any ownership interest in, or is engaged or employed by, any competitor.

The following is added to Item 17:

Pursuant to COMAR 02-02-08-16L, 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.

You are not required to assent to a period of limitations for causes of action under the Maryland Franchise Law, Business Regulation Article, §14-227, Annotated Code of Maryland, other than the period of limitations set forth in that statute. You must bring an action under such law within three years after the grant of the franchise.

You have the right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

The Franchise Agreement provides for termination upon bankruptcy of the franchisee. This provision may not be enforceable under federal bankruptcy law.

MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Minnesota only, this Disclosure Document is amended as follows:

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.
- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, which states "No action may be commenced pursuant to this Section more than three years after the cause of action accrues."

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION

WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

In the State of New York only, this Disclosure Document is amended as follows:

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in

the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled **“Requirements for franchisee to renew or extend,”** and Item 17(m), entitled **“Conditions for franchisor approval of transfer”**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled **“Termination by franchisee”**:

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled **“Choice of forum”**, and Item 17(w), titled **“Choice of law”**:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of North Dakota only, this Disclosure Document is amended as follows:

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

1. Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute.
2. Situs of Mediation Proceedings: Franchise agreements providing that the parties must agree to the Mediation of disputes at a location that is remote from the site of the franchisee's business.
3. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
4. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
5. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.
6. Waiver of Trial by Jury: Requiring North Dakota Franchises to consent to the waiver of a trial by jury.
7. Waiver of Exemplary and Punitive Damages: Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damage.
8. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.
9. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
10. Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

RHODE ISLAND ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Rhode Island only, this Disclosure Document is amended as follows:

Item 17, summary columns for (v) and (w) are amended to add the following:

Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of a state other than Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

In the Commonwealth of Virginia only, this Disclosure Document is amended as follows:

The following statements are added to Item 5:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the development fee owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the development agreement.

The following statements are added to Item 17(h):

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

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

Item 17(t) is amended to read as follows:

Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.

WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT

(See Exhibit J: Washington Franchise Agreement Addendum)

EXHIBIT J

STATE ADDENDA TO FRANCHISE AGREEMENT

ILLINOIS RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Eight Turn Hospitality Group, LLC, a Florida limited liability company (“Eight Turn Hospitality Group, LLC”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Illinois Act” means the Illinois Franchise Disclosure Act of 1987.

2. Governing Law and Jurisdiction. Notwithstanding any provision of the Agreement to the contrary, the Agreement is governed by Illinois law. The parties irrevocably submit to the jurisdiction and venue of the federal and state courts in Illinois, except for matters which the Agreement provides will be resolved by Mediation.

3. Limitation of Claims. No action can be maintained to enforce any liability created by the Illinois Act unless brought before the expiration of 3 years from the act or transaction constituting the violation upon which it is based, the expiration of 1 year after Franchisee become aware of facts or circumstances reasonably indicating that Franchisee may have a claim for relief in respect to conduct governed by the Illinois Act, or 90 days after delivery to the Franchisee of a written notice disclosing the violation, whichever shall first expire.

4. Waivers Void. Notwithstanding any provision of the Agreement to the contrary, any condition, stipulation, or provision purporting to bind Franchisee to waive compliance with any provision of the Illinois Act or any other law of the State of Illinois is void. This Section shall not prevent Franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the Mediation of any claim pursuant to the provisions of Title 9 of the United States Code.

5. Financial Condition. Based upon the franchisor's financial condition, the Illinois Attorney General has required a financial assurance. We have obtained a surety bond in the sum of \$40,000 and that our bond is on file with the Illinois Securities Division.

6. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

EIGHT TURN HOSPITALITY GROUP,
LLC

By: _____

Name: _____

Title: _____

Date: _____

INDIANA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Eight Turn Hospitality Group, LLC, a Florida limited liability company (“Eight Turn Hospitality Group, LLC”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Indiana Acts” means the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act.

2. Certain Provisions Modified. Any provision of the Agreement which would have any of the following effects is hereby modified to the extent required for the Agreement to be in compliance with the Indiana Acts:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or services or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor.

(2) Allowing the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted the franchisee by the franchise agreement; or, if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee.

(4) Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

(5) Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subsection (5) does not apply to Mediation before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase

notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6).

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subsection (7) includes any material violation of the franchise agreement.

(8) Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the franchisee to participate in any (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials; or (D) display decorations or materials; at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

EIGHT TURN HOSPITALITY GROUP,
LLC

By: _____

Name: _____

Title: _____

Date: _____

MARYLAND RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Eight Turn Hospitality Group, LLC, a Florida limited liability company (“Eight Turn Hospitality Group, LLC”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Maryland Franchise Law” means the Maryland Franchise Registration and Disclosure Law, Business Regulation Article, §14-206, Annotated Code of Maryland.

2. No Waiver of State Law In Sale. Notwithstanding any provision of the Agreement to the contrary, as a condition of the sale of a franchise, Eight Turn Hospitality Group, LLC shall not require a prospective franchisee to agree to a release, assignment, novation, waiver, or estoppel that would relieve Eight Turn Hospitality Group, LLC or any other person from liability under the Maryland Franchise Law.

3. No Release of Liability. Pursuant to COMAR 02-02-08-16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Law.

4. Statute of Limitations. Any provision of the Agreement which provides for a period of limitations for causes of action shall not apply to causes of action under the Maryland Franchise Law, Business Regulation Article, §14-227, Annotated Code of Maryland. Franchisee must bring an action under such law within three years after the grant of the franchise.

5. Jurisdiction. Notwithstanding any provision of the Agreement to the contrary, Franchisee does not waive its right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

6. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

EIGHT TURN HOSPITALITY GROUP,
LLC

By: _____

Name: _____

Title: _____

Date: _____

MINNESOTA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Eight Turn Hospitality Group, LLC, a Florida limited liability company (“Eight Turn Hospitality Group, LLC”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Minnesota Act” means Minnesota Statutes, Sections 80C.01 to 80C.22.

2. Amendments. The Agreement is amended to comply with the following:

Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

The franchisor will protect the franchisee’s rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee’s right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, and therefore the applicable provision of the Agreement is amended to state “No action may be commenced pursuant to Minnesota Statutes, Section 80C.17 more than three years after the cause of action accrues.”

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

EIGHT TURN HOSPITALITY GROUP,
LLC

By: _____

Name: _____

Title: _____

Date: _____

NEW YORK RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Eight Turn Hospitality Group, LLC, a Florida limited liability company (“Eight Turn Hospitality Group, LLC”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Waivers Not Required. Notwithstanding any provision of the Agreement to the contrary, Franchisee is not required to assent to a release, assignment, novation, waiver or estoppel which would relieve Eight Turn Hospitality Group, LLC or any other person from any duty or liability imposed by New York General Business Law, Article 33.

3. Waivers of New York Law Deleted. Any condition, stipulation, or provision in the Agreement purporting to bind Franchisee to waive compliance by Eight Turn Hospitality Group, LLC with any provision of New York General Business Law, or any rule promulgated thereunder, is hereby deleted.

4. Governing Law. Notwithstanding any provision of the Agreement to the contrary, the New York Franchises Law shall govern any claim arising under that law.

5. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

EIGHT TURN HOSPITALITY GROUP,
LLC

By: _____

Name: _____

Title: _____

Date: _____

NORTH DAKOTA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Eight Turn Hospitality Group, LLC, a Florida limited liability company (“Eight Turn Hospitality Group, LLC”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Amendments. The Agreement (and any Guaranty Agreement) is amended to comply with the following:

- (1) Restrictive Covenants: Every contract by which Franchisee, any Guarantor, or any other person is restrained from exercising a lawful profession, trade, or business of any kind is subject to NDCC Section 9-08-06.
- (2) Situs of Mediation Proceedings: Franchisee and any Guarantor are not required to agree to the Mediation of disputes at a location that is remote from the site of Franchisee’s business.
- (3) Restrictions on Forum: Franchisee and any Guarantor are not required to consent to the jurisdiction of courts outside of North Dakota.
- (4) Liquidated Damages and Termination Penalties: Franchisee is not required to consent to liquidated damages or termination penalties.
- (5) Applicable Laws: The Agreement (and any Guaranty Agreement) is governed by the laws of the State of North Dakota.
- (6) Waiver of Trial by Jury: Franchisee and any Guarantor do not waive a trial by jury.
- (7) Waiver of Exemplary and Punitive Damages: The parties do not waive exemplary and punitive damages.
- (8) General Release: Franchisee and any Guarantor are not required to sign a general release upon renewal of the Agreement.
- (9) Limitation of Claims: Franchisee is not required to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
- (10) Enforcement of Agreement: The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney’s fees.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

EIGHT TURN HOSPITALITY GROUP,
LLC

By: _____

Name: _____

Title: _____

Date: _____

RHODE ISLAND RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Eight Turn Hospitality Group, LLC, a Florida limited liability company (“Eight Turn Hospitality Group, LLC”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Jurisdiction and Venue. Any provision of the Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under Rhode Island Franchise Investment Act.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

EIGHT TURN HOSPITALITY GROUP,
LLC

By: _____

Name: _____

Title: _____

Date: _____

WASHINGTON FRANCHISE AGREEMENT ADDENDUM

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

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

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

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

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

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

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

FRANCHISOR

FRANCHISEE

This addendum may also be used as a rider to the Franchise Disclosure Document.

EXHIBIT K

STATE ADDENDA TO MULTI-UNIT DEVELOPMENT AGREEMENT

ILLINOIS RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Multi-Unit Development Agreement dated _____ (the "Agreement"), between Eight Turn Hospitality Group, LLC, a Florida limited liability company ("Franchisor") and _____, a _____ ("Franchisee").

1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Illinois Act" means the Illinois Franchise Disclosure Act of 1987.

2. **Governing Law and Jurisdiction.** Notwithstanding any provision of the Agreement to the contrary, the Agreement is governed by Illinois law. The parties irrevocably submit to the jurisdiction and venue of the federal and state courts in Illinois, except for matters which the Agreement provides will be resolved by arbitration.

3. **Limitation of Claims.** No action can be maintained to enforce any liability created by the Illinois Act unless brought before the expiration of 3 years from the act or transaction constituting the violation upon which it is based, the expiration of 1 year after Franchisee become aware of facts or circumstances reasonably indicating that Franchisee may have a claim for relief in respect to conduct governed by the Illinois Act, or 90 days after delivery to the Franchisee of a written notice disclosing the violation, whichever shall first expire.

4. **Waivers Void.** Notwithstanding any provision of the Agreement to the contrary, any condition, stipulation, or provision purporting to bind Franchisee to waive compliance with any provision of the Illinois Act or any other law of the State of Illinois is void. This Section shall not prevent Franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

5. **Financial Condition.** Based upon the franchisor's financial condition, the Illinois Attorney General has required a financial assurance. We have obtained a surety bond in the sum of \$40,000 and that our bond is on file with the Illinois Securities Division.

6. **Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

FRANCHISOR:

EIGHT TURN HOSPITALITY GROUP,
LLC

By: _____

Name: _____

Date: _____

Title: _____

Date: _____

INDIANA RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Multi-Unit Development Agreement dated _____ (the “Agreement”), between Eight Turn Hospitality Group, LLC, a Florida limited liability company (“Franchisor”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Indiana Acts” means the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act.

2. Certain Provisions Deleted. To the extent required for the Agreement to be in compliance with the Indiana Acts, any provision of the Agreement which would have any of the following effects is hereby deleted:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or service or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor.

(2) Allowing the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted the franchisee by the franchise agreement; or, if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee.

(4) Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

(5) Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subsection (5) does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6).

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subsection (7) includes any material violation of the franchise agreement.

(8) Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the franchisee to participate in any (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials; or (D) display decorations or materials; at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

EIGHT TURN HOSPITALITY GROUP,
LLC

By: _____

Name: _____

Title: _____

Date: _____

MARYLAND RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Multi-Unit Development Agreement dated _____ (the “Agreement”), between Eight Turn Hospitality Group, LLC, a Florida limited liability company (“Franchisor”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Maryland Franchise Law” means the Maryland Franchise Registration and Disclosure Law, Business Regulation Article, §14-206, Annotated Code of Maryland.

2. No Waiver of State Law In Sale. Notwithstanding any provision of the Agreement to the contrary, as a condition of the sale of a franchise, Franchisor shall not require a prospective franchisee to agree to a release, assignment, novation, waiver, or estoppel that would relieve Franchisor or any other person from liability under the Maryland Franchise Law.

3. No Release of Liability. Pursuant to COMAR 02-02-08-16L, 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.

4. Statute of Limitations. Any provision of the Agreement which provides for a period of limitations for causes of action shall not apply to causes of action under the Maryland Franchise Law, Business Regulation Article, §14-227, Annotated Code of Maryland. Franchisee must bring an action under such law within three years after the grant of the franchise.

5. Jurisdiction. Notwithstanding any provision of the Agreement to the contrary, Franchisee does not waive its right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

6. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

EIGHT TURN HOSPITALITY GROUP,
LLC

By: _____

Name: _____

Title: _____

Date: _____

MINNESOTA RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Multi-Unit Development Agreement dated _____ (the “Agreement”), between Eight Turn Hospitality Group, LLC, a Florida limited liability company (“Franchisor”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Minnesota Act” means Minnesota Statutes, Sections 80C.01 to 80C.22.

2. Amendments. The Agreement is amended to comply with the following:

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non- renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee’s rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee’s right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.
- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, and therefore the applicable provision of the Agreement is amended to state “No action may be commenced pursuant to Minnesota Statutes, Section 80C.17 more than three years after the cause of action accrues.”

3. **Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

EIGHT TURN HOSPITALITY GROUP,
LLC

By: _____

Name: _____

Title: _____

Date: _____

NEW YORK RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Multi-Unit Development Agreement dated _____ (the "Agreement"), between Eight Turn Hospitality Group, LLC, a Florida limited liability company ("Franchisor") and _____, a _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Waivers Not Required. Notwithstanding any provision of the Agreement to the contrary, Franchisee is not required to assent to a release, assignment, novation, waiver or estoppel which would relieve Franchisor or any other person from any duty or liability imposed by New York General Business Law, Article 33.

3. Waivers of New York Law Deleted. Any condition, stipulation, or provision in the Agreement purporting to bind Franchisee to waive compliance by Franchisor with any provision of New York General Business Law, or any rule promulgated thereunder, is hereby deleted.

4. Governing Law. Notwithstanding any provision of the Agreement to the contrary, the New York Franchises Law shall govern any claim arising under that law.

5. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

EIGHT TURN HOSPITALITY GROUP,
LLC

By: _____

Name: _____

Title: _____

Date: _____

NORTH DAKOTA RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Multi-Unit Development Agreement dated _____ (the “Agreement”), between Eight Turn Hospitality Group, LLC, a Florida limited liability company (“Franchisor”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Amendments. The Agreement (and any Guaranty Agreement) is amended to comply with the following:

- (1) Restrictive Covenants: Every contract by which Franchisee, any Guarantor, or any other person is restrained from exercising a lawful profession, trade, or business of any kind subject to NDCC Section 9-08-06.
- (2) Situs of Arbitration Proceedings: Franchisee and any Guarantor are not required to agree to the arbitration of disputes at a location that is remote from the site of Franchisee’s business.
- (3) Restrictions on Forum: Franchisee and any Guarantor are not required to consent to the jurisdiction of courts outside of North Dakota.
- (4) Liquidated Damages and Termination Penalties: Franchisee is not required to consent to liquidated damages or termination penalties.
- (5) Applicable Laws: The Agreement (and any Guaranty Agreement) is governed by the laws of the State of North Dakota.
- (6) Waiver of Trial by Jury: Franchisee and any Guarantor do not waive a trial by jury.
- (7) Waiver of Exemplary & Punitive Damages: Franchisee does not waive of exemplary and punitive damages.
- (8) General Release: Franchisee and any Guarantor are not required to sign a general release upon renewal of the Agreement.
- (9) Limitation of Claims: Franchisee is not required to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
- (10) Enforcement of Agreement: The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney’s fees.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

EIGHT TURN HOSPITALITY GROUP,
LLC

By: _____

Name: _____

Title: _____

Date: _____

RHODE ISLAND RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Multi-Unit Development Agreement dated _____ (the "Agreement"), between Eight Turn Hospitality Group, LLC, a Florida limited liability company ("Franchisor") and _____, a _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Jurisdiction and Venue. Any provision of the Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under Rhode Island Franchise Investment Act.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

EIGHT TURN HOSPITALITY GROUP,
LLC

By: _____

Name: _____

Title: _____

Date: _____

VIRGINIA RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Multi-Unit Development Agreement dated _____ (the “Agreement”), between Eight Turn Hospitality Group, LLC, a Florida limited liability company (“Franchisor”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Deferral. The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the development fee owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the development agreement.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

EIGHT TURN HOSPITALITY GROUP,
LLC

By: _____

Name: _____

Title: _____

Date: _____

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 document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	PENDING
Hawaii	
Illinois	PENDING
Indiana	
Maryland	
Michigan	
Minnesota	
New York	PENDING
North Dakota	
Rhode Island	
South Dakota	
Virginia	PENDING
Washington	PENDING
Wisconsin	

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Eight Turn Hospitality Group, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If Eight Turn Hospitality Group, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (which are listed in Exhibit A).

The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Hiro Nishida	16850 Collins Ave suite #112-178, Sunny Isles Beach, FL 33160	(917) 660-5001
Marleen Zhik	16850 Collins Ave suite #112-178, Sunny Isles Beach, FL 33160	(917) 660-5001
Long Nguyen	23119 Colonial Parkway, Unit C8, Katy, TX 77449	(832) 427-9453

Issuance Date: May 12, 2022, as amended June 14, 2022.

I received a disclosure document dated May 12, 2022, as amended June 14, 2022, that included the following Exhibits:

- | | |
|--|--|
| A. State Administrators and Agents for Service of Process | G. Operating Manual Table of Contents |
| B. Franchise Agreement (with Guaranty and Non-Compete Agreement) | H. Current and Former Franchisees |
| C. Multi-Unit Development Agreement | I. State Addenda to Disclosure Document |
| D. Rider to Lease Agreement | J. State Addenda to Franchise Agreement |
| E. Form of General Release | K. State Addenda to Multi-Unit Development Agreement |
| F. Financial Statements | |

Signature: _____

Print Name: _____

Date Received: _____

Keep This Copy For Your Records

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Signature: _____

Print Name: _____

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Return This Copy To Us

Eight Turn Hospitality Group, LLC - 16850 Collins Ave suite #112-178, Sunny Isles Beach, FL 33160