FRANCHISE DISCLOSURE DOCUMENT

FIREHOUSE OF AMERICA, LLC
a Florida limited liability company
12735 Gran Bay Parkway, Suite 150
Jacksonville, Florida 32258
(904) 886-8300
e-mail address: franchising@firehousesubs.com
www.firehousesubs.com
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The franchise is for the establishment and operation of a restaurant which offers and serves large-portion hot submarine style sandwiches in a unique fire-fighting atmosphere and decorum at an economical price under the FIREHOUSE SUBS® trade name and business system (a "**FIREHOUSE SUBS® Restaurant**" or "**Restaurant**").

The total investment necessary to begin operation of a single FIREHOUSE SUBS® Restaurant ranges from $200,132 to $993,297 for Traditional Restaurants; $402,972 to $842,806 for End-Cap Strip Mall Restaurants with Drive Thru; and $432,375 to $1,013,099 for Free-Standing Restaurants with Drive Thru. This includes $20,500 to $21,700 that must be paid to the franchisor or its affiliates. If you sign an Area Development Agreement, you will pay to us a prepaid franchise fee equal to $10,000 times the number of Restaurants you must develop and have open for business under the Area Development Agreement, which will be credited against the initial franchise fee for each Restaurant developed under the Area Development Agreement.

This Disclosure Document summarizes certain provisions of your Franchise Agreement and Development 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 disclosure in different formats, contact Greg Delks, 12735 Gran Bay Parkway, Suite 150, Jacksonville, Florida 32258; (904) 606-5145.

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 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 877-FTC-HELP, or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 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: March 24, 2023

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 and losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits "N" and "O."
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 supplies you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21, or Exhibit "A" 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 FIREHOUSE SUBS® Restaurant business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a FIREHOUSE SUBS® Restaurant franchisee?	Item 20 or Exhibits "N" and "O" list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement and the area development agreement require 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. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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

THE FOLLOWING PROVISIONS APPLY ONLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW

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

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

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

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

2. A provision that permits a franchisor to terminate a franchise before 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.

3. 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.

4. 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.

5. A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

6. A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(a) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(b) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

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

(d) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

7. 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).

8. 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 $100,000.00, 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
CONSUMER PROTECTION DIVISION
Attention: Franchise
G. Mennen Williams Building
525 West Ottawa, 1st Floor
Lansing, Michigan 48909
Telephone Number: (517) 373-7117

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

The Franchisor

The Franchisor is **FIREHOUSE OF AMERICA, LLC**, referred to as "**FOA**," "**we**," "**us**," or "**our**." We also do business under the name "FIREHOUSE SUBS® Restaurants." "**You**" or "**your**" means a person who buys the right to operate a FIREHOUSE SUBS® Restaurant from us. If you are a corporation, partnership or other entity, certain provisions of our Franchise Agreement also will apply to your owners. This Disclosure Document will indicate when your owners also are covered by a particular provision.

We are a Florida limited liability company organized on November 16, 2004. Our current principal business address is 12735 Gran Bay Parkway, Suite 150, Jacksonville, Florida 32258. Our agents for service of process in various states is disclosed in Exhibit "P." We conduct business under our corporate name and under the trade and service marks "**FIREHOUSE SUBS® Est. 1994 and design**," "**FIREHOUSE SUBS® and Design**," and "**FIREHOUSE SUBS®**" and associated logos, designs, symbols and trade dress (the "**Marks**"). See Item 13. We began offering franchises in January 2005 following the Reorganization Date (described below). We do not engage in other business activities and have not offered franchises in other lines of business, except our Area Representative Program. As of December 31, 2022, there were 1,242 FIREHOUSE SUBS® Restaurants worldwide, of which 1,187 were located in the United States, including the U.S. Territory of Puerto Rico. Of the total number of FIREHOUSE SUBS® restaurants in the U.S., 38 were owned by us.

Except as disclosed below, we have no predecessors, parents or affiliates required to be disclosed in this Item 1.

Our Parents and Predecessors

Our immediate parent and predecessor is FRG, LLC ("**FRG**"). FRG was originally incorporated as Firehouse Restaurant Group, Inc., a Florida corporation, on February 20, 1995 and converted to a Florida limited liability company under the name FRG, LLC on December 9, 2021. Its principal business address is the same as ours. FRG has no obligations to franchisees and does not provide any services to franchisees. FRG has licensed us the right to use all of its Marks in connection with our franchising activities. See Item 13. Prior to a reorganization on December 26, 2004 (the "**Reorganization Date**") establishing us as a wholly owned subsidiary, FRG was the franchisor of FIREHOUSE SUBS® Restaurants and sold 219 FIREHOUSE SUBS® franchises, of which 178 were open and operating as of the Reorganization Date. FRG offered franchises from February 20, 1995 until the Reorganization Date.

Effective as of December 15, 2021, FRG and its stockholders (collectively, the "**Seller**") sold all of the capital stock of FRG to North Pole Acquisition, Inc. (the "**Purchaser**"), whose principal business address is 5707 Blue Lagoon Drive, Miami, Florida 33126. Accordingly, the Purchaser is FRG's immediate parent, and along with the Purchaser we are indirect subsidiaries of Restaurant Brands International Limited Partnership ("**RBILP**"), a limited partnership organized under the laws of the Province of Ontario. The general partner of RBILP is Restaurant Brands International Inc., a Canadian corporation ("**RBI**"). The principal business address of RBILP and RBI is 130 King Street West, Suite 300, Toronto, Ontario M5X 1E1, Canada. 3G Restaurant Brands Holdings, L.P., a Cayman Islands limited partnership ("**3G Holdings**"), owns the largest percentage of the combined voting power of RBI (approximately 29%). 3G Holdings' general partner is 3G Restaurant Brands Holdings General Partner Ltd., a Cayman Islands exempted company ("**3G Restaurant Brands GP**"). The principal business address of 3G Holdings and 3G Restaurant Brands GP is c/o 3G Capital, Inc., 600 Third Avenue, 37th Floor, New York, New York 10016.

Our Affiliates

Our affiliate, Firehouse Subs System Fund, Inc. ("**FSSF**"), administers the System Fund and our affiliate, Firehouse Subs Market Fund, Inc. ("**FSMF**"), administers the Co-op. FSSF's and FSMF's principal business addresses are the same as ours. Our affiliate, Firehouse Subs of Canada Ltd. ("**Firehouse Canada**"), has been offering and selling franchises in Canada since February 2014. As of December 26, 2022, Firehouse Canada had 55 franchised restaurants in Canada. Firehouse Canada's principal business address is 130 King Street West, Suite 300, Toronto, Ontario M5X 1E1, Canada. Except for Firehouse Canada, none of our affiliates have offered, and do not currently offer, franchises for this or any other lines of business; nor sell products or services to our franchisees.

Our affiliate, Burger King Company LLC ("**BKC**") through its predecessor Burger King Corporation ("**BK Corporation**"), has owned, operated and franchised Burger King® quick-service hamburger restaurants in the United States since 1954. BK Corporation assigned to BKC all the franchise agreements, company restaurants and all intellectual property in August 2022 and BK Corporation was dissolved in December 2022. BKC's principal business address is 5707 Blue Lagoon Drive, Miami, Florida 33126. As of December 31, 2022, there were 19,789 total Burger King® restaurants worldwide, of which 7,042 were located in the United States. Of the total number of Burger King® restaurants in the United States, 50 were owned by BKC or an affiliate of BKC. Of BKC's affiliates, only Burger King Europe GmbH ("**BK Europe**"), BK AsiaPac, Pte. Ltd. ("**BK APac**") and BK Canada Service ULC ("**BK Canada**") offer franchises in their respective countries or regions. BK Europe and BK APac have operated and franchised the operation of Burger King® restaurants since April 2006 and BK Canada since April 2016. As of December 31, 2022, BK Europe had 6,317 franchised Burger King® restaurants. BK Europe's principal business address is Dammstrasse 23, 6300 Zug, Switzerland. BK APac had 3,836 franchised Burger King® restaurants. BK APac's principal business address is 8 Cross Street, Manulife Tower, #28-01, Singapore 048424. As of December 31, 2022, BK Canada had 347 Burger King® restaurants. BK Canada's principal business address is 130 King Street West, Suite 300, Toronto, Ontario M5X 1E1 Canada

Our affiliate, Popeyes Louisiana Kitchen, Inc. ("**PLK**") has been operating and franchising the operation of Popeyes® restaurants (formerly Popeyes Chicken and Biscuits) in the United States since 1992. PLK's principal business address is the same as BKC's. PLK's affiliate, PLK APAC Pte, Ltd. ("**PLK APAC**") has been operating and franchising the operation of Popeyes® restaurants in Asia since January 2018 and in Europe from January 2018 through July 2019. PLK's affiliate, PLK Europe GmbH ("**PLK Europe**") has been operating and franchising the operation of Popeyes® restaurants in Europe since August 2019. As of December 31, 2022, there were 4,091 Popeyes® restaurants worldwide, of which 2,945 were located in the United States, including the U.S. Territories of Guam and Puerto Rico. Of the total number of Popeyes® restaurants in the U.S., 41 were owned by PLK. As of December 31, 2022, PLK APAC had 124 franchised Popeyes® restaurants. PLK APAC's principal business address is 8 Cross Street, Manulife Tower, #28-01, Singapore 048424. As of December 31, 2022, PLK Europe had 490 franchised Popeyes® restaurants. PLK Europe's principal business address is Dammstrasse 23, 6300 Zug, Switzerland.

Our affiliate, The TDL Group Corp. ("**TDL**"), has been selling franchises for Tim Hortons® restaurants selling coffee and other non-alcoholic beverages, baked goods, soups, sandwiches and related products in Canada since January 1965. Its principal business address is 130 King Street West, Suite 300, Toronto, Ontario M5X 1E1, Canada. As of December 31, 2022, there were 3,896 total Tim Hortons® restaurants in Canada, including both full service and kiosk restaurants. Of the total number of Tim Hortons® restaurants in Canada, 7 were owned by TDL, or an affiliate of TDL. Since July 1984, predecessors of Tim Hortons USA, Inc. ("**THUSA**") and currently THUSA, have been selling Tim Hortons® unit franchises in the United States. Since July 2020, THUSA has also been selling unit franchises in Latin America and the Caribbean. As of December 31, 2022, there were 623, excluding self-serve locations, franchised Tim Hortons® restaurants in the United States and 55 franchised restaurants in

Latin America and the Caribbean. THUSA's principal business address is the same as BKC's. Since 2016, our affiliate, Tim Hortons Restaurants International GmbH and its predecessor, Tim Hortons International S.à.r.l. ("**TH International**") is the franchisor for the Tim Hortons® brand outside of the United States and Canada, and in July 2020 began focusing on the regions of Europe, the Middle East and Africa. As of December 31, 2022, TH International had 339 franchised Tim Hortons® restaurants. TH International's principal business address is Dammstrasse 23, 6300 Zug, Switzerland. Since July 2020, Tim Hortons Asia Pacific Pte. Ltd. ("**TH APAC**") has been the franchisor for the Tim Hortons® brand in the Asia Pacific region. TH APAC's principal business address is 8 Cross Street, Manulife Tower, #28-01, Singapore 048424. As of December 31, 2022, TH APAC had 687 franchised Tim Hortons® restaurants.

FIREHOUSE SUBS® System

We and our affiliates have expended considerable time and effort developing a sandwich restaurant system specializing in serving large portion hot submarine style sandwiches, in a unique fire-fighting atmosphere and decorum, at an economical price (a "**FIREHOUSE SUBS® Restaurant**" or a "**Restaurant**"). FIREHOUSE SUBS® Restaurants operate under the service marks and trade name "**FIREHOUSE SUBS® Est. 1994 and design**," "**FIREHOUSE SUBS® and design,**" "**FIREHOUSE SUBS**" and under distinctive business formats, methods, procedures, designs, layouts, signs, equipment, menus, recipes, trade dress, standards and specifications, all of which we may improve, further develop or otherwise modify from time to time (the "**System**"). We use, promote and license in the operation of a FIREHOUSE SUBS® Restaurant the Marks, certain trademarks, service marks and other commercial symbols, including the trade and service marks "**FIREHOUSE SUBS® Est. 1994 and design,**" "**FIREHOUSE SUBS® and design**," "**FIREHOUSE SUBS**" and other associated logos, designs, artwork and trade dress, trademarks, service marks, commercial symbols, and e-names, which have gained and continue to gain public acceptance and goodwill, and may create, use and license additional trademarks, service marks, e-names and commercial symbols in conjunction with the operation of FIREHOUSE SUBS® Restaurants (collectively, the "**Marks**").

The Franchise

In this Disclosure Document we grant a franchise for the right to own and operate a FIREHOUSE SUBS® Restaurant (the "**Franchise**") at a single location to persons who meet our qualifications and who are willing to undertake the investment and effort. The Franchise will be granted for a single location that we approve. The current form of Target Reservation Agreement (the "**Target Reservation Agreement**" or "**TRA**") is attached as Exhibit "D1," which you must sign to develop a FIREHOUSE SUBS® Restaurant. FIREHOUSE SUBS® Restaurants operate under the Marks and under the System.

In this Disclosure Document, we also grant to persons who meet our qualifications and who are willing to undertake the investment and effort the right to develop, within a predetermined time frame, and operate FIREHOUSE SUBS® Restaurants at multiple locations within a specific geographical area ("**Area Developer(s)**"). Our standard form of Area Development Agreement (the "**Area Development Agreement**" or "**ADA**") is attached as Exhibit "D2."

You must meet our then-current operational, financial, credit, legal and other criteria for the development and operation of a FIREHOUSE SUBS® Restaurant before you can sign a TRA or Area Development Agreement, and at all times during the term of the TRA or Area Development Agreement, including at the time of development of a FIREHOUSE SUBS® Restaurant under any of these agreements. You must obtain our acceptance for any site on which you propose to construct a new FIREHOUSE SUBS® Restaurant under the TRA or Area Development Agreement in accordance with our then-current standards for site acceptance. You must then construct, equip and furnish the FIREHOUSE SUBS® Restaurant at the approved site in accordance with plans and specifications approved by us.

For each FIREHOUSE SUBS® Restaurant that you develop under a TRA or Area Development Agreement, you will sign our then-current form of FIREHOUSE SUBS® Franchise Agreement. The terms of these agreements may differ from the form attached to this Disclosure Document. Our current form of Franchise Agreement is attached as Exhibit "C1" (the "**Franchise Agreement**" or "**FA**"). Under the Franchise Agreement, you must operate the Franchise under our System and Marks at a site that we approve.

We offered franchises for FIREHOUSE SUBS® area representatives businesses starting on the Reorganization Date until December 15, 2021, and no longer do so. FRG offered area representative franchises from April 1, 2005 until the Reorganization Date. We and FRG have sold 43 Area Representative Businesses with some holding multiple area representative agreements, but we recently converted many of them to direct support from us so, as of the issuance date of this Disclosure Document, the total number of Area Representative Businesses in operation in the U.S. is 2. In those converted areas, we sell and support our Franchises directly. See Exhibit "M" for information on any Area Representatives in your city and state. In those markets, area representatives provide various solicitation, marketing, and support services to our franchisees.

The General Market and the Competition

You will be competing with other Restaurants, casual restaurants, fast food restaurants, full service restaurants, grocery stores and specialty stores that offer food and food-related products. These restaurants and similar businesses may be associated with national or regional chains or may be local independent restaurants and other businesses. You also will be competing with other food service outlets that feature products and services that differ from those offered by FIREHOUSE SUBS® Restaurants. Your products and services will be offered to the general public, to individual consumers, for on-site consumption, carry out, and via third party delivery. Through our affiliates, we may operate other third-party franchise concepts in combination with our own. The market for FIREHOUSE SUBS® Restaurants is developed in some areas and developing in other areas, depending on the number of this type of restaurant in the particular area.

Industry Specific Laws and Regulations

We are not aware of any laws applicable to a FIREHOUSE SUBS® Restaurant that would not apply to restaurant businesses generally. You will be required to comply with all local, state and federal laws and regulations applicable to the operation of your FIREHOUSE SUBS® Restaurant, including: labor and employment laws and regulations; health, sanitation, food handling, food preparation, and waste disposal laws and regulations; smoking restrictions; and advertising and point-of-sale disclosures, such as statements concerning the nutritional and dietary characteristics of the food served at your FIREHOUSE SUBS® Restaurant. There are other laws and regulations applicable to businesses generally (such as the Americans with Disabilities Act) with which you must comply. You must also comply with Payment Card Industry Data Security Standards and data privacy laws. You must also comply with all provisions of the USA Patriot Act and Executive Order 13224. You must also obtain all real estate permits, licenses and operational licenses. Your business is subject to state and federal regulations that allow the government to restrict travel and/or require businesses to close or limit operations during state or national emergencies. You should consult with your attorney concerning all laws, regulations and standards that may affect your restaurant operations.

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ITEM 2.
BUSINESS EXPERIENCE

The Firehouse Board of Directors:

Don Fox: Mr. Fox was named director of FRG in December 2021. Mr. Fox joined us in May 2005 and has been our Chief Executive Officer since December 2009.

Jill Granat: Ms. Granat was named a director of FRG in December 2021. She has been a director of PLK since March 2017. She has served as the Secretary of PLK since October 2017 and as the Secretary of THUSA since January 2015. Ms. Granat has been General Counsel of RBI since December 2014. She has also served as General Counsel for BKC since August 2022 and for BK Corporation from February 2011 to December 2022, along with serving in various legal positions in BK Corporation's Legal Department from 1998 to February 2011.

Matt Dunnigan: Mr. Dunnigan was named a director of FRG in December 2021. He has been a director of THUSA since September 2021. He has been a director and Vice President of PLK since March 2018. Mr. Dunnigan has been Chief Financial Officer of RBI since January 2018. From October 2014 to January 2018, he served as Treasurer of RBI. Mr. Dunnigan has served as a director of Carrols Restaurant Group, Inc., the parent company of Carrols, LLC, a Burger King franchisee located in Syracuse, New York since February 2018.

Executive Chairman of Restaurant Brands International Inc.: Patrick Doyle

Mr. Doyle was appointed as an Officer of RBI in November 2022 and as a Director in January 2023. Before joining RBI, Mr. Doyle served as the Executive Partner for Carlyle Group from September 2019 to November 2022 and the Chief Executive Officer for Domino's Pizza from July 1997 to June 2018. Mr. Doyle joined the Board of Best Buy Co., Inc. located in Minneapolis, MN in 2014 and has served as the Chairman of the Board since 2020.

Chief Executive Officer of Restaurant Brands International Inc.: Joshua Kobza

Mr. Kobza was appointed as the Chief Executive Officer of RBI in March 2023. Mr. Kobza previously served as the Chief Operational Officer of RBI from January 2019 to February 2023. From January 2018 to January 2019, Mr. Kobza served as the Chief Technology and Development Officer of RBI, and from April 2013 to January 2018, as its Chief Financial Officer.

Restaurant Brands International, Inc.: Jose Cil

Mr. Cil served as RBI's Chief Executive Officer from January 2019 to February 2023. Since that time Mr. Cil has been providing transition services to RBI's new Chief Executive Officer. Mr. Cil previously served as director and President of BK Corporation from December 2014 to January 2019.

Chief Operating Officer: Michael Hancock

Mr. Hancock joined us in April 2022 as our Chief Operating Officer. He was Head of Development for BK Corporation in Miami, Florida, from April 2017 to August 2017, when he became its Head of Field until October 2018. From October 2018 until April 2022, he was COO for TDL in Toronto, Ontario, Canada.

Chief Marketing Officer: Yosef Rosenblatt Hojchman

Mr. Hojchman was appointed as our Chief Marketing Officer in January 2023. He served as the Chief Marketing Officer for BK Corporation from November 2021 to December 2022, and as the Chief Marketing Officer for THUSA from February 2020 to November 2021. Mr. Hojchman was the Head of Marketing for PLK from October 2018 to May 2019, and Head of Sales from May 2019 to February 2020 and the Vice President of Global Marketing for BK Corporation from January to October 2018.

Vice President, Finance: George Altmann

Mr. Atlmann has been appointed as the Vice President of Finance for FOA in September 2022. From October 2020 to September 2022**,** he served as the Vice President, Global Development Zero Based Budgeting for RBI. From December 2018t to October 2020, Mr. Altmann served as the Head of Guest Intelligence and Category Management for BK Corporation and from March 2017 to December 2018 Mr. Altmann was the Global Head of Finance and Development for PLK.

Vice President, Development and Franchising: Jalila Bouchareb

Ms. Bouchareb was named as our Vice President, Development and Franchising in February 2023. Previously, Ms. Bouchareb has served as the General Manager and Vice President, Operations for THUSA from December 2021 to February 2023. She previously served as THUSA's General Manager and Head of Operations from May 2020 to December 2021 and as THUSA's Head of Development and Operations from January 2019 to May 2020. From August 2017 to January 2019, she served as Lead, Training Platforms for RBI and as Senior Manager, Operations Training for RBI from January 2017 to August 2017 in Miami, FL. Ms. Bouchareb also served as Senior Manager, Global Learning for BK Corporation from October 2015 to January 2017 and as Senior Manager, Market Planning for BK Corporation from June 2015 to October 2015.

Vice President, Operations: Theo Camurca

Mr. Camurca was named our Vice President of Operations in April 2022. He has served as Vice President of People Business Partners and Talent Acquisition for RBI from July 2019 to April 2022 and as the Vice President of Global Operations from March 2018 to July 2019. From February 2017 to March 2018, Mr. Camurca was the General Manager for Burger King Corporation for Latin America and the Caribbean.

Director of Franchise Operations: Michael Branson

Mr. Branson joined us as Franchise Area Director in July 2018 and has been Director of Franchise Operations since October 2020. He joined FOA in Jacksonville, Florida, as District Manager in September 2006 and served as Senior Director of Company Operations from January 2017 to July 2018, and Director of Company Operations from November 2012 to January 2017.

Director of Franchise Operations: Shauna Cozzens

Ms. Cozzens was promoted to Director of Franchise Operations in September 2020 and previously was our Franchise Business Manager from February 2015 to September 2020.

Director of Franchise Operations: Scott Friedman

Mr. Friedman became our Director of Franchise Operations in December 2021. Previously, he was a Firehouse Subs Area Representative / Managing Partner for Arizona Leadership Group, LLC in Phoenix, AZ from July 2006 to December 2021.

General Manager: Adriana Masson de Souza e Silva

Ms. Silva was named the General Manager for FOA covering Puerto Rico in January 2023. She also serves in the same capacity for Tim Hortons in Latin America. Ms. Silva served as the General Manager for BK Corporation for Latin America and the Caribbean from October 2021 to December 2022 and the Area Franchise Lead from July 2019 to October 2021. Previously, Ms. Silva served as the Global Finance and Development for BK Corporation from July 2018 to July 2019. From June 2018 to July 2018, she was not employed.

See Exhibit "M" for information on any Area Representatives in your city and state.

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ITEM 3.
LITIGATION

The litigation below involves only certain of our affiliates or parents. We are not a party to any of these actions.

Pending Litigation

William H. Rogers, Jr. vs FRG, LLC (Cancellation No. 92079396), U.S. Trademark Trial and Appeal Board ("TTAB") filed on March 31, 2022.

On March 31, 2022, William H. Rogers, as a pro se petitioner, filed a cancellation proceeding before the TTAB to cancel certain "FIREHOUSE SUBS" trademarks. Plaintiff is seeking to cancel three FRG federal trademark registrations for marks containing the wording "FIREHOUSE SUBS" – Reg. Nos. 3246353, 2606263, and 1983934. The alleged grounds for cancellation are fraud. On May 16, 2022, FRG moved to dismiss the petition. On May 23, 2022, Plaintiff filed an opposition to FRG's motion to dismiss, and on May 27, 2022, filed an amended petition, clarifying the sole basis of his petition is based in fraud. On June 10, 2022, FRG filed a motion to dismiss the amended complaint, and on October 26, 2022 the TTAB granted FRG's motion to dismiss and granted Plaintiff leave to file an amended complaint 30 days from the date of the order dismissing the petition. On November 7, 2022, Plaintiff filed a Motion for Reconsideration requesting the TTAB to reconsider its October ruling. FRG filed its response on November 27, 2022 and the case is pending the TTAB's ruling. Plaintiff missed his deadline to file an amended complaint. We are not a party to this litigation.

Olympia Tile International Inc. vs. Restaurant Brands International Inc., The TDL Group Corp., Ricky Leem and Gesco Limited Partnership, (File No. CV-20-00648343-0000), Ontario Court of Justice filed on September 25, 2020.

On September 25, 2020, Olympia Tile International Inc. Filed a Statement of Claim in the Ontario Superior Court of Justice against RBI, carrying on business as Tim Hortons, The TDL Group Corp., Ricky Leem, and Gesco Limited Partnership, carrying on business as Savoia and Savoia Canada. Defendants were served with notice of this Statement of Claim on October 27, 2020.. Plaintiff is claiming damages of $3,500,000 and $500,000 in punitive damages on the basis of breach of contract, intentional interference in economic relations, and fraudulent misrepresentation and conspiracy arising from inventory allegedly purchased behalf of Tim Hortons franchisees in reliance of forecasted demand of these tiles for a renovation program. RBI and TDL Group have filed a Statement of Defence of Restaurant Brands International Inc., and The TDL Group Corp. on June 28, 2021 after receiving Plantiff's Response to a Demand for Particulars. We are not a party to this litigation.

City of Warwick Municipal Employees Pension Fund v. Restaurant Brands International, et al (Case No. 655686/2020), Supreme Court of the State of New York for the County of New York, filed on October 26, 2020.

On October 26, 2020, City of Warwick Municipal Employees Pension Fund, a purported stockholder of RBI, individually and on behalf of all other stockholders similarly situated, filed a lawsuit in the Supreme Court of the State of New York County of New York naming RBI and certain of its officers, directors and affiliates as Defendants alleging violations of Sections 11, 12(a)(2) and 15 of the Securities Act of 1933, as amended, in connection with the offering of securities by an affiliate in August and September 2019. The complaint alleges that the shelf registration statement used in connection with such offering contained certain false and/or misleading statements or omissions. The complaint seeks, among other relief, class certification of the lawsuit, unspecified compensatory damages, rescission, pre-judgement

and post-judgement interest, costs and expenses. On December 18, 2020, the Plaintiffs filed an amended complaint. RBI filed a motion to dismiss the complaint on February 16, 2021 and the Plaintiffs filed a brief in opposition to the motion in April 2021. The court denied the motion to dismiss in May 2022. RBI filed an answer to the complaint on June 6, 2022 and RBI filed an appeal of its motion to dismiss on July 8, 2022. The appellate court granted the motion to dismiss, and the plaintiffs have moved for leave to further appeal to which RBI filed an opposition motion on January 17, 2023. The New York Court of Appeals denied the further appeal. We are not a party to this litigation.

Arrington v. Burger King Worldwide, Inc., (Case No. 18-24128-CV-MARTINEZ/AOR), United States District Court for the Southern District of Florida filed on March 15, 2019.

In October 2018 and November 2018, four separate class action complaints; Jarvis Arrington v. Burger King Worldwide and Burger King Corporation, (Case No. 1:18-cv-24128-JEM), Monique Michel v. Restaurant Brands International, Inc., Burger King Worldwide Inc., and Burger King Corporation, (Case No. 1:18-cv-24304-JEM), Geneva Blanchard and Tiffany Miller v. Burger King Corporation and Burger King Worldwide, Inc., (Case No. 1:18-cv-24576 – SCOLA/TORRES), and Sandra Munster v. Restaurant Brands International Inc., Burger King Worldwide, Inc. and Burger King Corporation, (Case No. 1:18-cv-24623 – RNS) were filed against BK Corporation and various BKC affiliates ("**Defendants**") in the U.S. District Court for the Southern District of Florida. Plaintiffs allege that they have been employed at a BURGER KING® restaurant at some point after 2010, and are filing the complaint individually and on behalf of all others similarly situated. Plaintiffs allege that Defendants violated Section 1 of the Sherman Antitrust Act by incorporating an employee no-solicitation and no-hiring clause in the standard form franchise agreement all Burger King® franchisees must sign. Plaintiffs seek injunctive relief and damages for themselves and other members of the class. On January 17, 2019, the Court issued an order consolidating all four cases. On March 15, 2019, the Plaintiffs filed the Consolidated Complaint in the matter, and on April 19, 2019 Defendants filed a Consolidated Motion to Dismiss. The Plaintiffs filed an Opposition to the Motion to Dismiss on May 23, 2019, and Defendants filed a Reply in Support of the Motion to Dismiss on June 10, 2019. The Court Granted the Motion to Dismiss on March 24, 2020. Plaintiffs filed a motion for leave to amend their complaint on April 20, 2020, and the Defendants filed a motion opposing the motion for leave to amend on April 27, 2020. On August 24, 2020, the court denied the Plaintiffs' motion for leave to amend their complaint. On September 22, 2020, the Plaintiffs filed a notice to appeal the Court's decision to the federal appellate court. A court ordered mediation was held on December 7, 2020 but the parties did not reach a settlement. On January 27, 2021, the Defendants filed their answer in the case. In February 2021, the International Franchise Association and the Florida Chamber of Commerce filed separate amicus briefs in support of Defendants. The Plaintiffs filed their reply brief on March 17, 2021. The Court heard oral arguments for this case on September 22, 2021. On August 31, 2022, the federal appellate court reversed the lower court's decision to dismiss the case and remanded the case to the lower court for further proceedings. We are not a party to this litigation.

Concluded Litigation

Multi-Jurisdictional No-Poach Settlements

In February 2020, our affiliate, BK Corporation, entered into a Settlement Agreement with the states of Massachusetts, California, Illinois, Iowa, Maryland, Minnesota, New Jersey, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, Vermont and the District of Columbia. At this same time, our affiliate PLK entered into a Settlement Agreement with Massachusetts, California, Illinois, Iowa, Maryland, Minnesota, New Jersey, New York, North Carolina, Oregon, Pennsylvania, Rhode Island and the District of Columbia; and our affiliate THUSA entered into a Settlement Agreement with the states of Massachusetts, California, Illinois, Iowa, Maryland, Minnesota, New Jersey, New York, Pennsylvania and Rhode Island.

Each of these settlement agreements arose out of an investigation by the states Attorney Generals regarding the alleged impact of the no-poach provision of the BK Corporation, PLK and THUSA franchise agreements which purportedly restricted franchisees from soliciting or employing each other's employees in these franchise agreements. The states alleged that these provisions and there use violated state antitrust laws, consumer protection laws and laws governing the free exercise of the right to contract for employment. Although the parties denied all allegations and each of them had already removed the provisions from their current franchise agreements, the parties entered into the Settlement Agreement and, among other things, agreed to not enforce these provisions in existing franchise agreements, notify their franchisees that they had entered into the settlements, attempt to get franchisees with a no-poach provision in their franchise agreement to remove it, notify the Attorneys General of any franchisees who failed to remove the provisions, post a notice at company-owned locations, and ask franchisees to post a notice at their locations, indicating that these types of provisions are unenforceable. None of the parties paid any money under the Settlement Agreements. These states enforced the settlement agreements through Final Judgments and Orders, Assurances of Discontinuance, Assurances of Voluntary Compliance and similar methods.

PLK APAC PTE. Ltd. ("**PLKA**") and Restaurant Brands International, Inc. v. Popeyes Shanghai Restaurant Management Co. Ltd.; TFI TAB Gida Yatirimlari A.Ş.; and TFI Asia Holdings B.V., (International Chamber of Commerce, International Court of Arbitration, ICC CASE NO. 26121/HTG) filed on March 12, 2021.

On March 12, 2021, PLKA filed its initial Statement of Claim with the International Court of Arbitration in Singapore seeking declaratory relief; specifically, a declaration that PLKA properly exercised its right to terminate the MFDA on December 7, 2020 following Respondent's breach of the MFDA. Respondents filed their initial Answer on May 24, 2021, containing their basic defenses, along with four counterclaims with unspecified damages, and adding RBI as a party to the proceeding. Respondents have alleged lost profits of $53,264,697, plus lost franchise income of $5,543,475. PLKA filed its Memorialized Statement of Claim on July 8, 2021. Respondents filed their Memorialized Defenses and Counterclaims on September 6, 2021. PLKA and RBI filed their Memorialized Defenses to Respondents' Counterclaims and Reply in support of PLKA's Statement of Claim on December 16, 2021. Respondents' Memorialized Rejoinder and Reply to the Defenses to its Counterclaims was filed on February 28, 2022. The parties reached a confidential settlement which was acknowledged by the ICC pursuant to an Award by Consent dated June 20, 2022. We are not a party to this litigation.

Other than these actions, no litigation is required to be disclosed in this disclosure document.

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ITEM 4.
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

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ITEM 5.
INITIAL FEES

Application Deposit

Prospective franchisees must pay us a deposit of $2,500 (the "**Deposit**"). The Deposit is not refundable, but it will be applied to the initial franchise fee. We hold and apply the Deposit in accordance with our Application and Deposit Agreement (the "**Deposit Agreement**"). A copy of it is attached as Exhibit "B." You must pay the Deposit when you sign the Deposit Agreement which will not be due until 14 calendar days after we have provided you with this disclosure document. We carefully evaluate all prospective franchise owners and the markets in which they want to operate. As part of this evaluation, you must attend and observe the operation of a FIREHOUSE SUBS® Restaurant (the "**Observation Process**") for at least 2 business days or 16 hours. You will not be paid any compensation during the Observation Process. Your observation does not constitute training of any type.

Certain prospective franchisees, including those who are new to the FIREHOUSE SUBS® system, must also pay us our current background check fee (up to $500). The background check fee is not refundable and is not credited to any other amounts you owe.

Initial Franchise Fee

The standard initial franchise fee for a 10-year Franchise Agreement term is $20,000. The Initial Franchise Fees actually paid for new franchises during our fiscal year ended December 31, 2022 ranged from $0 to $20,000 per FIREHOUSE SUBS® Restaurant. The franchise fee is prorated for terms of different duration. You must pay the initial franchise fee in a lump sum (less the Deposit) when you sign the Franchise Agreement. In consideration for this initial franchise fee, we grant you a franchise to operate a Restaurant in a specified protected Territory and provide you with initial training. If you do not satisfactorily complete training, we will terminate the franchise agreement. The initial franchise fee is fully earned and nonrefundable. We use the fee to provide training and other services to our franchisees.

Management Information System Fee

You must pay us an annual Management Information System Fee (the "**MIS System Fee**") of up to $1,200 per Restaurant for use of our mandated management information system ("**MIS System**"). The MIS System Fee is due annually even if the Restaurant has not yet opened. You must pay us a proportionate share of the MIS System Fee before opening your Restaurant upon request from us to cover the period from our invoice date through December 31 of that year and commence the annual MIS System Fee on January 1 of the next year. The MIS System Fee is not refundable.

Other Initial Fees

Area Development Agreement

We charge a development fee for you to obtain the exclusive right to open multiple Restaurants in a pre-determined area in a specific amount of time under the Area Development Agreement. This development fee is equal to half of the initial franchise fee times the number of Restaurants scheduled to be developed (the "**Prepaid Franchise Fee**"). During 2022, the Prepaid Franchise Fee we collected from franchisees was $10,000 per Area Development Agreement. You must pay the Prepaid Franchise Fee in a lump sum when you sign the Area Development Agreement. The Prepaid Franchise Fee is fully earned and non-refundable. Upon signing each Franchise Agreement for each Restaurant developed under the Area Development Agreement, we apply the respective amount of the Prepaid Franchise Fees as payment

of half of the initial franchise fee owed for that Restaurant until the full amount of the Prepaid Franchise Fees are exhausted.

Except as otherwise stated above, all fees are charged on a uniform basis.

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ITEM 6.
OTHER FEES

Type of Fee[1]	Amount	Due Date	Remarks
Royalty	6% of Gross Sales[2] per Accounting Period[3]	Payable the 3rd day of Accounting Period[3]	We may require you to pay the royalties by electronic transfer.[1]
MIS System Fees	$1,200 per year	Payable on the 1st day of each year even if the Restaurant has not yet opened	We may require you to pay this MIS System Fee by electronic transfer.
Software Fees	To be determined; not currently charged	As incurred	We may charge a reasonable fee for modifications and enhancements made to any software we license to you or maintenance and support services we furnish.
Technology Fees	None currently, but may vary	As incurred	We may charge a reasonable fee for technology services that we elect to provide to you.
System Fund Contribution	Not to exceed 5% of Gross Sales[2] per Accounting Period[3] (currently 5%)	Payable the 3rd day of each Accounting Period[3]	Paid to the System Fund we established for the creation and development of marketing, advertising and related programs and materials on a system-wide basis.
Special Co-Op Contribution	None currently but may vary as a percentage of Gross Sales	Payable as required under your Franchise Agreement and your Membership Agreement	If the Co-Op requires you to participate in a Special Co-Op Contribution, you must pay weekly contributions
Additional Training	Currently, $50 per person, per day	Before training begins	We train the Managing Owner and 1 additional employee or owner for free. If space is available, we will also train up to 3 additional people at no charge. (See Item 11) – Additional training is provided if necessary. There is no established schedule or frequency for additional training. It is provided on an as-needed basis.
Refresher Training	Currently, $100 per person, per day	30 days after billing	Payable if we require you or your Managing Owner to attending refresher training.

Type of Fee[1]	Amount	Due Date	Remarks
Artwork Costs	Varies	Upon demand	You must reimburse us for our expenses and costs in removing any artwork at your Restaurant upon termination or expiration of your Franchise Agreement
Transfer	50% of our then-current initial franchise fee; $1,500 if transfer is among your owners	Prior to consummation of transfer	Payable when the Franchise Agreement or a controlling interest in you is transferred.
Renewal	25% of our then-current initial franchise fee	At the time you elect to acquire a successor franchise	You may exercise an option, subject to conditions, to acquire a successor franchise during the 9th year of the Term, but no later than 180 days before expiration.
Audit	Cost of inspection or audit plus travel	15 days after billing	Payable only if you fail to furnish reports, supporting records or other required information or if sales are underreported by 2% or more.
Interest	Lesser of 1.5% per month or highest contract rate of interest allowed by law	15 days after billing	Payable on all overdue amounts. The maximum interest rate in California is 10% per annum.
Late Payment Penalties	$250	Due on payment of late amount	Payable on all late payments, late reports and dishonored checks, including interest.
Third-Party Food Safety and Brand Standards Inspections	Costs for conducting third-party inspections of Restaurants for compliance with food safety and brand standards	If incurred, on demand.	Only payable if your Restaurant fails a third-party inspection, or you or your restaurant receives a non-passing score in any of our then-standard metrics (or any successor metrics used by us to measure operational performance), and we require re-inspection or additional inspections.
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Payable upon your failure to comply with the Franchise Agreement.
Indemnification	Will vary under circumstances	As incurred	You have to reimburse us if we are held liable for claims arising from your Restaurant's operations.

Type of Fee[1]	Amount	Due Date	Remarks
Product Testing and Inspection Approval	Costs for testing new products and inspecting new suppliers.	If incurred, on demand	If you request approval to purchase ingredients, supplies and goods from suppliers that we have not approved, you, or the supplier must pay the actual cost and expenses we incur for inspecting the supplier's facility and testing such ingredients, supplies, and goods.
Relocation Expenses	Costs of Relocation	15 days after billing	This covers the cost we incur if you want to relocate the Restaurant.
Deferred Renovation Default Royalty	Royalty increases to an agreed-upon percentage of Gross Sales[2] per Accounting Period[3] until renovation is complete.	Payable the 3rd day of Accounting Period[3] until the date we confirm that the renovation meeting our specifications is complete.	We will set the maximum royalty rate before you sign the Deferred Renovation Addendum, which you will pay if you fail to complete the renovation to our specifications by the deadlines required.[4]

1. All fees are imposed by and payable to us except the System Fund Contribution fees and Special Co-Op Contribution (if any). All fees are uniformly imposed and are non-refundable, except as provided in Item 5. We may require that you pay any or all recurring or periodic fees by electronic transfer. All Royalty and System Fund Contributions applicable to the Gross Sales and other amounts owed under the Franchise Agreement, including interest charges, must be received by us or credited to our account by pre-authorized bank debit before 5:00 p.m. on the 12th day following the issuance of each invoice, or at a later point specified by us. On each due date, we will transfer from your Restaurant's commercial bank operating account the amount reported to us in your remittance report or determined by us based on the records contained in your Restaurant's point-of-sale system and back-of-house system.

2. "**Gross Sales**" means all revenues generated by all business conducted upon, from or with respect to your Restaurant, whether such sales are evidenced by cash, check, credit, charge, account, barter or exchange. Gross Sales includes monies or credit received from the sale of food and merchandise, from tangible property of every kind and nature, promotional or otherwise, and for services performed from or at the Restaurant, including off-premises services such as catering and delivery. Gross Sales does not include the sale of food or merchandise for which refunds have been made in good faith to customers, the sale of equipment used in the operation of the Restaurant, nor does it include sales, meals, use or excise tax imposed by a governmental authority directly on sales and collected from customers (to the extent that the amount for the tax is added to the selling price or absorbed in the selling price, and is actually paid by you to the governmental authority).

3. "**Accounting Period**" is that period we designate in the Manual (currently a 7-day accounting period for Royalty and Marketing calculations that runs from Monday through Sunday and a 4, 4, 5-week accounting system for financial statement purposes).

4. If you enter into our Deferred Renovation program, you will sign our Deferred Renovation Addendum (attached as Exhibit "C2") when you sign your Franchise Agreement. Before signing, we will agree on a default royalty rate (typically, up to 9% of Gross Sales) and renovation deadline by which you

must complete certain reimagings, renovations, refurbishments, and modernizations of your Restaurant to meet our current standards, specifications and design criteria for FIREHOUSE SUBS® Restaurants. If you fail to complete the renovation to our specifications by the deadline required, you will pay the higher default royalty rate that we agreed on upon 90 days' notice to you until you complete the renovation as we require.

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ITEM 7.
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT
(TRADITIONAL NEW RESTAURANT DEVELOPMENT)

Type of Expenditure	Low Amount	High Amount	Method Of Payment	When Due	To Whom Payment is to be Made
Background Check Fee	$0	$500	Lump Sum	Payable upon application submission	Us
Initial Franchise Fee (1)(18)	$20,000	$20,000	Lump Sum	Payable on signing	Us
Mural (2)	$3,500	$5,500	Lump Sum	Payable at time of order	Artist
Travel and Living Expenses during Training (3)	$0	$20,000	As incurred	As incurred	Third Parties
Opening Advertising (4)	$5,000	$15,000	As incurred	As incurred	Third Parties
Real Property Leasing (3 months) (5)	$7,050	$21,966	As incurred	Monthly	Third Parties
Real Property Improvements (6)	$0	$18,000	Monthly	Monthly	Third Parties
Leasehold Improvements (7)	$136,950	$411,870	Prior to Opening	As incurred	Third Parties
Deposits and Prepaid Expenses (8)	$0	$38,836	Prior to Opening	Lump Sum	Third Parties
Signs (9)	$0	$18,000	Prior to Opening	As incurred	Third Parties
Equipment and Fixtures (10)	$21,432	$172,925	Prior to Opening	As incurred	Third Parties
Opening Inventory (11)	$5,000	$22,000	Prior to Opening	Lump Sum	Third Parties
Business Licenses (12)	$0	$4,000	Prior to Opening	Lump Sum	Third Parties
Insurance (13)	$0	$8,000	As Agreed	As Incurred	Third Parties
Miscellaneous Expenses (3 months) (14)	$0	$138,000	As Agreed	As Incurred	Third Parties
MIS System Fee (15)	$1,200	$1,200	Prior to Opening	Lump Sum	Us

Type of Expenditure	Low Amount	High Amount	Method Of Payment	When Due	To Whom Payment is to be Made
Accounting and Professional Fees (16)	$0	$2,500	As Incurred	As Incurred	Third Parties
Additional Funds (Working Capital – 3 months) (17)	$0	$75,000	As Agreed	As Incurred	Third Parties
Total Estimated Initial Investment (18)	**$200,132**	**$993,297**			

YOUR ESTIMATED INITIAL INVESTMENT
(END-CAP STRIP MALL RESTAURANTS W/ DRIVE THRU)

Type of Expenditure	Low Amount	High Amount	Method Of Payment	When Due	To Whom Payment is to be Made
Background Check Fee	$0	$500	Lump Sum	Payable upon application submission	Us
Initial Franchise Fee (1)(19)	$20,000	$20,000	Lump Sum	Payable on signing	Us
Mural (2)	$3,175	$3,175	Lump Sum	Payable at time of order	Artist
Travel and Living Expenses during Training (3)	$909	$3,238	As incurred	As incurred	Third Parties
Opening Advertising (4)	$5,000	$6,646	As incurred	As incurred	Third Parties
Real Property Leasing (3 months) (5)	$11,000	$15,525	As incurred	Monthly	Third Parties
Real Property Improvements (6)	$0	$12,489	Monthly	Monthly	Third Parties
Leasehold Improvements (7)	$207,935	$278,484	Prior to Opening	As incurred	Third Parties
Deposits and Prepaid Expenses (8)	$0	$16,470	Prior to Opening	Lump Sum	Third Parties
Signs (9)	$8,710	$43,345	Prior to Opening	As incurred	Third Parties
Equipment and Fixtures (10)	$119,623	$294,171	Prior to Opening	As incurred	Third Parties
Opening Inventory (11)	$12,417	$17,727	Prior to Opening	Lump Sum	Third Parties

Type of Expenditure	Low Amount	High Amount	Method Of Payment	When Due	To Whom Payment is to be Made
Business Licenses (12)	$812	$1,778	Prior to Opening	Lump Sum	Third Parties
Insurance (13)	$795	$1,267	As Agreed	As Incurred	Third Parties
Miscellaneous Expenses (3 months) (14)	$10,436	$38,855	As Agreed	As Incurred	Third Parties
MIS System Fee (15)	$1,200	$1,200	Prior to Opening	Lump Sum	Us
Accounting and Professional Fees (16)	$0	$19,441	As Incurred	As Incurred	Third Parties
Additional Funds (Working Capital – 3 months) (17)	$960	$68,495	As Agreed	As Incurred	Third Parties
Total Estimated Initial Investment (18)	**$402,972**	**$842,806**			

YOUR ESTIMATED INITIAL INVESTMENT
(FREE STANDING RESTAURANTS W/ DRIVE THRU)

Type of Expenditure	Low Amount	High Amount	Method Of Payment	When Due	To Whom Payment is to be Made
Background Check Fee	$0	$500	Lump Sum	Payable upon application submission	Us
Initial Franchise Fee (1)(19)	$20,000	$20,000	Lump Sum	Payable on signing Franchise Agreement	Us
Mural (2)	$875	$4,500	Lump Sum	Payable at time of order	Artist
Travel and Living Expenses during Training (3)	$0	$18,864	As incurred	As incurred	Third Parties
Opening Advertising (4)	$5,000	$6,000	As incurred	As incurred	Third Parties

Type of Expenditure	Low Amount	High Amount	Method Of Payment	When Due	To Whom Payment is to be Made
Real Property Leasing (3 months) (5)	$13,250	$22,946	As incurred	Monthly	Third Parties
Real Property Improvements (6)	$0	$51,544	Monthly	Monthly	Third Parties
Leasehold Improvements (7)	$204,521	$407,505	Prior to Opening	As incurred	Third Parties
Deposits and Prepaid Expenses (8)	$0	$7,856	Prior to Opening	Lump Sum	Third Parties
Signs (9)	$6,809	$31,723	Prior to Opening	As incurred	Third Parties
Equipment and Fixtures (10)	$145,562	$248,784	Prior to Opening	As incurred	Third Parties
Opening Inventory (11)	$11,850	$19,577	Prior to Opening	Lump Sum	Third Parties
Business Licenses (12)	$250	$2,514	Prior to Opening	Lump Sum	Third Parties
Insurance (13)	$795	$4,000	As Agreed	As Incurred	Third Parties
Miscellaneous Expenses (3 months) (14)	$14,763	$139,028	As Agreed	As Incurred	Third Parties
MIS System Fee (15)	$1,200	$1,200	Prior to Opening	Lump Sum	Us
Accounting and Professional Fees (16)	$0	$1,558	As Incurred	As Incurred	Third Parties
Additional Funds (Working Capital – 3 months) (17)	$7,500	$25,000	As Agreed	As Incurred	Third Parties
Total Estimated Initial Investment (18)	**$432,375**	**$1,013,099**			

Explanatory Notes

We relied on our experience and that of our affiliates and franchisees in opening Firehouse Subs Restaurants to compile these estimates. None of these amounts are refundable unless specifically noted.

1. The Deposit is $2,500 (see Item 5). You must pay us the Deposit upon signing the Deposit Agreement. The Deposit will be applied to the initial franchise fee. The current initial franchise fee is $20,000 (see Item 5), which you must pay us upon signing the Franchise Agreement.

2. We commission a mural for your Restaurant which you must pay to the artist when we order it. The amount depends on size, design and other factors and these estimates are based on our typical mural sizes and designs, and assume that the walls and site have been prepped as we require.

3. We provide our initial training program to you, your Managing Owner, and one additional employee or owner without charge. If space is available at the training session, we will also provide this training for up to 3 additional employees or owners without charge. You are responsible for all travel and living expenses for trainees. This low estimate assumes that only you and other required attendees attend this training and all required attendees are able to drive to the training sessions without incurring any lodging expenses, and does not include the 1 week of classroom training. The high estimate is only for the 1 week of classroom training and includes travel, hotel, rental car and reasonable food allowances for you and your required attendees, as well as additional travel and living costs if you have to travel to complete the rest of your training.

4. You must spend at least $5,000 on a market introduction program for your Restaurant after its opening, exclusive of the cost of food that we may specify for use in the market introduction program. The market introduction program may be conducted over a 12 month period determined as we require; however, these estimates assume you spend at least the minimum amount during the first 3 months after your Restaurant opens. You must use the marketing and public relations programs and media and advertising materials that we have developed or approved. This requirement may be waived if your Restaurant exceeds our expectations for sales performance. The market introduction program is in addition to other ongoing marketing obligations.

5. The size of a Restaurant is estimated to be between 1,212 and 2,800 square feet. We estimate that the rental would range from $18 to $50 per square foot. The cost of commercial land or restaurant space, whether you lease or buy, varies considerably depending upon the location, entitlement requirements, and conditions affecting the local market for commercial property. The cost of land (if purchased) varies depending upon the location and condition of the property and therefore these estimates do not include the cost of purchasing land or a building for your Restaurant. The cost of converting land to use as a Firehouse Subs Restaurant may vary widely depending upon the location, previous use and condition of the property.

6. The Restaurant's location site typically will be located in a strip mall that is close to retail or other commercial areas. The range includes estimates for cost of improvements to the property outside of the leasehold improvements. These additional improvements may include amounts spent relating to exterior work on the premises including parking lot, landscaping, certain signage and drive-through structures. Some Restaurants may also have to pay government imposed impact and permit fees depending on the site. They vary considerably due to numerous factors and we are unable to estimate them. The high estimate also includes the cost of a drive-through Restaurant.

7. Build-out or renovation of your site to conform to our standards includes paint, tile work, lighting, salt walls, drywall partitions, counters and the like. The cost of these improvements will be significantly more if you select a site with no pre-existing improvements. If you lease your site, you may

be able to negotiate an allowance to cover all or a portion of these build-out and leasehold improvements. Costs of leasehold improvements, which include floor covering, wall treatment, counters, ceilings, painting, window coverings, plumbing, electrical, carpentry and related work and contractor's fees, will vary significantly depending on the condition, location and size of the site, the demand for the site among prospective lessees and any construction or other allowances granted by the landlord after negotiations. These costs also include architectural drawings.

8. The amount of the rent and security deposit will depend on the size, condition and location of the site and the demand for the site among prospective lessees.

9. The cost of signage varies depending on the size and type of signs, the size and location of the Restaurant, and any local and development requirements. If local law permits, you must display a curb or marquee sign that complies with our specifications and standards.

10. This item may include tables and booths, sinks, refrigerators, ovens, steamers, ventilation systems, display cases, stools, chairs, utensils, computers, POS System and BOH System, a phone system and facsimile machine that meets our specifications and standards, a desk, filing cabinets and related office supplies for a Restaurant. See Items 8 and 11 for hardware and software requirements.

11. You must purchase a beginning inventory pursuant to our Inventory Stock Plan as described in the Operations Manual.

12. You must obtain business and health licenses for the operation of your Restaurant. Other considerations are, but not limited to, zoning, electrical, plumbing, fire inspection, fictitious name, occupations, and various other licenses or permits. You should consult the appropriate governmental authority concerning such licenses and/or permits and the associated expenses for your Restaurant before you sign a Franchise Agreement.

13. Insurance must be obtained to meet the minimum requirements established by the System Standards. The insurance policy must be in force and effect when the lease for your store is signed. If there is no lease (for example, you own the property), then the insurance policy must be in force and effect when you begin construction.

14. This item estimates your initial startup expenses during the first 3 months after opening. These expenses include payroll costs.

15. The annual MIS System Fee is $1,200 and is prorated for the first year. These estimates assume you pay the full MIS System Fee before opening. The MIS System Fee is due annually even if the Restaurant has not yet opened. You must pay us a proportionate share of the MIS System Fee before opening your Restaurant upon request from us to cover the period from our invoice date through December 31 of that year and commence the annual MIS System Fee on January 1 of the next year.

16. If you obtain legal and accounting services to help with business formation, review of contracts, financing documents and leases, setting up of books and records and other services. This amount varies greatly depending on the services performed and rates prevailing in your market.

17. You will need capital to support ongoing expenses, such as uniforms, supplies and miscellaneous expenses. We estimate that this amount will be sufficient to cover ongoing expenses for 3 months. This is only an estimate, however, and there is no assurance that additional working capital will not be necessary whether during this initial phase or later.

18. We relied on our experience and that of our affiliates and franchisees to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. We do not offer financing for any portion of your initial investment.

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ITEM 8.
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You may be required to purchase equipment directly from us, FRG or our affiliates, but not currently. You may from time to time be required to purchase some miscellaneous and sundry supplies from us, FRG or our affiliates. During 2022, no equipment or miscellaneous and sundry supplies were purchased from us, FRG or our affiliates.

You must purchase the mural for your Restaurant either from us or the artist we commission to paint it. You must use the MIS System and pay us an annual fee for such use.

In order to maintain the superior quality of the goods and services sold by FIREHOUSE SUBS® Restaurants and the reputation of the FIREHOUSE SUBS® Restaurants franchise network, you are obligated to purchase or lease fixtures, equipment and supplies, furnishings, beverages, food products and related items that meet our standards and specifications. You must purchase some of these products from suppliers that we approve. We may change approved suppliers from time to time. A complete listing of suppliers is available in our electronic Supplier and Product Enterprise Quality system (SPEQ). If we negotiate group or volume purchasing arrangements with approved suppliers, you must participate in such arrangements. We have an unaffiliated sole supplier for quality assurance inspection services.

There are no approved suppliers in which any of our officers own an interest, except that 2 of our officers own small amounts of publicly traded stock of the following suppliers: Coca-Cola and Kraft Heinz Foods. We do not provide material benefits to any franchisee based on a franchisee's use of designated or approved sources of their purchase of products or services other than access to volume pricing discounts and reduced or eliminated equipment costs for franchisees.

You must operate the Restaurant according to our System Standards. System Standards may regulate, among other things, the types, models and brands of required fixtures, furnishings, equipment, signs, software, materials, beverages and food products, and supplies to be used in operating the Restaurant, required or authorized products and product categories and designated or approved suppliers of such items (which may be limited to or include us or our affiliates). We do not make any express or implied warranties with respect to any products or goods we recommend for your use. Our standards and specifications may impose minimum requirements for quality, taste, cost, delivery, performance, design and appearance, delivery capabilities, financing terms, and ability to service our franchise system as a whole. We will notify you in our Manual or other communications of our standards and specifications and/or names of approved suppliers. Required purchases according to our specifications and standards represent approximately 75% of your total purchases in connection with the establishment of your Restaurant and approximately 36% of your overall purchases in operating the Restaurant.

If you want to use any item that does not comply with System Standards or is to be purchased from a supplier that has not yet been approved, you must first submit an approval request form in SPEQ, and provide sufficient information, specifications and samples for our determination whether the item complies with System Standards or the supplier meets approved supplier criteria. We will, initiate an approval process, and within 90 days, notify you of our decision. If you do not hear back from us within 90 days, your request is deemed denied. If you request approval to purchase ingredients, supplies or goods or other items or services from suppliers that we have not approved, you or the supplier must reimburse us for the actual cost and expenses we incur for inspecting the supplier's facility and testing the ingredients, supplies and goods or other items or services. We will, from time to time, establish procedures which will be communicated to you in our Manual or other communications, for submitting requests for approval of items and suppliers and may impose limits on the number of approved items and suppliers. Approval of a supplier

may be conditioned on requirements relating to product quality, frequency of delivery, standards of service and concentration of purchases with one or more suppliers in order to obtain better prices and service and may be temporary, pending our further evaluation of the supplier. We will notify you in our Manual or other communications of our standards and specifications and/or names of approved suppliers.

We and FRG negotiate with suppliers and manufacturers to receive rebates on certain items you must purchase. The rebate programs vary depending on the supplier or manufacturer, and the nature of the product or service, and are based on the volume or amount of products ordered. Some suppliers pay us or our affiliates a flat amount based upon franchisee purchases for product. In our fiscal year ended December 31, 2022 the flat amounts ranged from $.01 to $28.00 per unit.

In our fiscal year ended December 31, 2022 we had total revenues of $66,838,460.00 of which $1,472,468 or 2.2% of our total revenues was from required purchases and leases of products and services by our franchisees. This information is taken from our internal financial statements. Our affiliate, FRG had $16,952,900 in rebate revenue from required purchases and leases by our franchisees. Our affiliate FSSF had $58,600 in rebate revenue from advertisers. This information is taken from our affiliates' internal financial statements.

We require Restaurants to be constructed or remodeled in accordance with our specifications. The Franchise Agreement requires that you purchase or lease and use only such equipment and supplies as we may specify or approve. We also will furnish you with mandatory and suggested specifications and layouts, including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs, furnishings and color scheme.

We require you to purchase computer hardware and software as well as a wired, high-speed internet connection that meets our specifications and standards. Among other things, the software enables you to use our required MIS system. Currently, you are required to purchase a back office computer with the specific hardware and software we require. The hardware and software may change from time to time. You must have an anti-virus program licensed for business use with an active definition subscription installed on all Windows-based computer systems and must be configured to automatically update. We estimate that these items are 1.9% to 2.0% of your total costs to open your FIREHOUSE SUBS® Restaurant and 1.1% to 1.3% of the total cost to operate it.

We must approve the Site for your Restaurant. The Site must meet our criteria for demographic characteristics, traffic patterns, parking, character of neighborhood, competition from and proximity to other businesses and other Restaurants, the nature of other businesses in proximity to the Site and other commercial characteristics and the size, appearance and other physical characteristics of the proposed Site and any other factors or characteristics we consider appropriate. Our criteria and our evaluation of them may vary periodically and from location to location.

If you lease the Site from a third party, or purchase the Site, we first must approve the lease, financing and/or purchase documents that you will sign. We may require that they contain certain provisions that are designed to protect our rights. You and your lessor and, if applicable, any lender for the Site also must sign our form of Addendum to Lease Agreement (the "**Lease Addendum**") which is attached to this Disclosure Document as Exhibit "F." The Lease Addendum generally protects our rights under the Franchise Agreement, our ability to possess the Site if you violate any of your obligations to us, and your right to occupy the Site, and operate the Restaurant without interference by lenders and mortgage holders. Any person who is related to or affiliated with you or one of your owners, directors, officers or other principals, and who plans to lease the Site to you or own or obtain financing for the Site, must agree to be bound by these provisions.

In addition to the purchases or leases described above, you must obtain and maintain, at your own expense, the insurance coverage that we require from time to time and meet the other insurance-related obligations in the Franchise Agreement. The cost of this coverage will vary depending on the insurance carrier's charges, terms of payment and your history. All insurance policies, except Workers Compensation, must name us as an additional insured party on a primary and non-contributory basis. We currently require you to carry Worker's Compensation insurance and Comprehensive General Liability insurance, including products liability coverage in the minimum amount of $1,000,000 and contents coverage in the minimum amount of $125,000. You must also carry Commercial Automobile Liability insurance for all owned, hired and non-owned vehicles with minimum coverage limits of $1,000,000. Limits outlined in this section are our minimums and not guidelines, nor recommendations as to how to adequately insure your operation. The minimum contents coverage may not fully cover the replacement cost represented in Tenant Improvements and Equipment. You are responsible for consulting with insurance professionals to evaluate your own risk and exposure related to your restaurant and business needs including appropriate limits, policies, carriers, etc.

Except as described above, neither we nor our affiliates currently derive revenue or other material consideration as a result of required purchases or leases. There currently are no purchasing or distribution cooperatives. We do negotiate purchase arrangements with suppliers for the benefit of franchisees and we do derive revenue or other material consideration as a result of required purchases or leases.

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ITEM 9.
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement or Other Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	FA: Art. I ADA: Art. I and IV TRA: Art. I and IV	Items 1, 7, 11 and 12
(b) Pre-opening purchases/leases	FA: Art. I, IV, and X ADA: Art. IV and V TRA: Art. IV	Items 5 to 8, 11 and 16
(c) Site development and other pre-opening requirements	FA: Art. I, IV, and X ADA: Art. I to V TRA: Art. I, II, and IV	Items 5 to 8 and 11
(d) Initial and ongoing training	FA: Art. VIII and IX ADA: Not applicable TRA: Not applicable	Items 7 and 11
(e) Opening	FA: Art. I ADA: Art. I, III, and IV TRA: Art. I, II, and IV	Items 7, 8, and 11
(f) Fees	FA: Art. III, V, VIII, X, and XIV ADA: Art. V, VI, and IX TRA: Art. IV, V, and 9.8	Items 5 to 7 and 11
(g) Compliance with standards and policies/Operating Manual	FA: Art. I, III to VIII, X, XII, XIII, and XVII ADA: Art. III to VII TRA: Art. II, IV, and V	Items 8, 11, and 13 to 16
(h) Trademarks and proprietary information	FA: Art. V and XII ADA: Art. VII TRA: Not applicable	Items 13 and 14
(i) Restrictions on products/services offered	FA: Art. X ADA: Not applicable TRA: Not applicable	Item 16
(j) Warranty and customer service requirements	FA: Art. X ADA: Not applicable TRA: Not applicable	Item 16
(k) Territorial development and sales quotas	FA: Not applicable ADA: Art. I to V TRA: Art. I, II, IV, and V	Items 1 and 12
(l) On-going product/service purchases	FA: Art. X and XI ADA: Not applicable TRA: Not applicable	Items 6, 8, 11, and 16
(m) Maintenance, appearance and remodeling requirements	FA: Art. II, X, and XIV ADA: Art. IV TRA: Art. IV	Items 11 and 17

Obligation	Section in Franchise Agreement or Other Agreement	Disclosure Document Item
(n) Insurance	FA: Art. X and XI ADA: Art. X TRA: Art. VI	Items 7 and 8
(o) Advertising	FA: Art. III, V, and X ADA: Art. VII TRA: Not applicable	Items 6, 7 and 11
(p) Indemnification	FA: Art. XIV, XV, and XVIII ADA: Art. X TRA: Art. VI	Item 6
(q) Owner's participation/ management/staffing	FA: Art. VI, VIII, X, and XIII ADA: Not applicable TRA: Not applicable	Items 11 and 15
(r) Records and reports	FA: Art. IV, VI and X ADA: Not applicable TRA: Not applicable	Item 11
(s) Inspections and audits	FA: Art. I, IV, V, VIII, IX, X, and XV ADA: Not applicable TRA: Not applicable	Items 6 and 11
(t) Transfer	FA: Art. XIV ADA: Art. VIII TRA: Art. IX	Items 6 and 17
(u) Renewal	FA: Art. II ADA: Not applicable TRA: Not applicable	Items 6 and 17
(v) Post-termination obligations	FA: Art. XIII, XV, and XVI ADA: Art. V to VII, X, XI, and XV TRA: Art. V, VI, and IX	Item 17
(w) Non-competition covenants	FA: Art. XIII ADA: Art. VII TRA: Not applicable	Item 17
(x) Dispute resolution	FA: Art. XXIV ADA: Art. XV TRA: Art. IX	Item 17
(y) Owners/Shareholders Guaranty	FA: Art. VI and XIV ADA: Art. XI TRA: Not applicable Owner's Guaranty	Item 15

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ITEM 10.
FINANCING

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

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

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

Pre-Opening Obligations:

Before you open the Restaurant, we will provide the following assistance to you:

1. Require you to personally attend and observe the operations of a FIREHOUSE SUBS® Restaurant and disclose to you certain confidential information. (Deposit Agreement – Sections 3 and 6)

2. Approve or reject proposed sites that you identify for your Restaurant upon submission of site information that we require. (Area Development Agreement – Section 4.2)

3. Grant you a franchise, on our then-current form of Franchise Agreement, for a FIREHOUSE SUBS® Restaurant upon your satisfaction of all conditions for franchise approval and the opening of a FIREHOUSE SUBS® Restaurant under the Target Reservation Agreement or Area Development Agreement, as applicable (Target Reservation Agreement – Article IV; Area Development Agreement – Article IV)

4. Furnish you with approved plans and specifications (the "**Construction Plans**") for constructing, equipping and furnishing a FIREHOUSE SUBS® Restaurant. (Target Reservation Agreement- Section 4.4). You may not modify or deviate from these Construction Plans or your approved equipment plan (including any modifications or deviations that may be required by local or state laws, regulations or ordinances) without our prior written consent. (Franchise Agreement – Section 9.03).

5. Designate the Trade Area (see Item 12) for your Restaurant (except for nontraditional locations). (Franchise Agreement – Section 1.02)

6. As discussed in Item 8, identify the fixtures, furnishings, equipment (including point-of-sale systems, back-of-house systems, printers and computer hardware, and software), food and beverage products, ingredients, materials and supplies necessary for the Restaurant to begin operations, the minimum standards and specifications that must be satisfied and the suppliers from whom these items may be purchased or leased (including us or our affiliates). (Franchise Agreement – Sections 1.05 and 10)

7. Loan you one copy of or license you access to our Manuals, which may be provided electronically only in our discretion, consisting of such materials (which may include audiotapes, videotapes, magnetic media, computer software and written materials) that we generally furnish to franchisees for use in operating FIREHOUSE SUBS® Restaurants. The Manual contains mandatory and suggested specifications, standards, operating procedures and rules ("**System Standards**") that we prescribe from time to time for operation of a FIREHOUSE SUBS® Restaurant and information relating to your other obligations under the Franchise Agreement and related agreements. The Manual may be modified, updated and revised periodically to reflect changes in System Standards. (Franchise Agreement - Article VII). The table of contents of our Manual is specified in Exhibit "G." Instead of providing a paper version, we may provide access to the Manual solely through electronic means. If printed, the Manual consists of 170 pages as of the issuance date of this Disclosure Document.

8. Provide our initial training program to you, your Managing Owner, and one additional employee or owner without charge. If space is available at the training session, we will also provide this training for up to 3 additional employees or owners without charge. (Franchise Agreement – Section 8.01)

***Continuing Obligations*:**

During your operation of the Restaurant, we will provide the following assistance to you:

1. Provide certain continuing advisory assistance in the operation of your Restaurant, in person or by electronic or written bulletins, as we may deem appropriate. (Franchise Agreement - Section 9.01)

2. Loan you one copy of or license you access to our Manuals. (Franchise Agreement - Article VII)

3. Provide you and your Managing Owner mandatory periodic refresher training courses as we require, at our current training fee. (Franchise Agreement – Section 8.02). You may also request additional guidance and assistance from us. We, in our sole discretion, may provide requested additional guidance or assistance, but are under no obligation to do so, and may charge our current per diem fees and charges. (Franchise Agreement – Section 9.07).

4. We will continue our efforts to maintain high and uniform standards of quality, cleanliness, appearance and services at all FIREHOUSE SUBS® Restaurants. (Franchise Agreement – Section 9.05)

5. Establish, maintain and administer an advertising system fund (the "**System Fund**"). You are obligated to contribute to the System Fund such amounts that we prescribe from time to time (see Item 6). (Franchise Agreement - Sections 3.02)

We will delegate some of our obligations to our Area Representatives. See Exhibit "M" for more information regarding them.

Advertising and Promotion

<u>System Fund</u>

We have established and administer the System Fund for the creation and development of marketing, advertising and related programs and materials on a system-wide basis**.** You must pay the System Fund Contribution to the System Fund, in an amount we designate up to 5% of your Gross Sales (currently 5% of your Gross Sales). The System Fund may be used to pay the costs of preparing and producing video, audio, digital, social and written advertising and marketing materials; administering national, regional and multi-regional advertising and marketing programs, including, purchasing direct mail and other media advertising and employing advertising, promotion and marketing agencies; marketing and advertising training programs and materials; and supporting public relations, social media, market research and other advertising, promotion and marketing activities. The System Fund may periodically furnish you with samples of advertising, marketing and promotional formats and materials at no cost. Multiple copies of these materials will be furnished to you at our direct cost of producing them, plus any related shipping, handling and storage charges. We will direct all programs financed by the System Fund, with sole discretion over the creative concepts, materials and endorsements used and the geographic, market and media placement and allocation of the programs. (Franchise Agreement Section 3.02)

The System Fund is accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead, including rent and utilities, as we may incur in activities related to the administration of the System Fund and its programs, including conducting market research, preparing advertising, promotion and marketing materials, and collecting and accounting for contributions to the System Fund. None of the System Fund is used to solicit franchisees. All interest earned on monies contributed to the System Fund will be used to pay advertising and/or marketing costs before other assets of the System Fund are expended. The System Fund holds and manages third party gift card account funds. We may spend, on behalf of the System Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Restaurants to the System Fund in that year, and the System Fund may borrow from us or others to cover deficits or invest any surplus for future use. If we lend money to the System Fund, we may charge interest at an annual rate 1% greater than the rates we pay our lenders. We will prepare an annual statement of monies collected and costs incurred by the System Fund and furnish the statement to you upon written request. The System Fund is not audited. We do not intend to use any monies from the System Fund for the preparation of franchise sales solicitation materials. Through FSSF, we incorporated the System Fund and operate it through a separate non-profit corporation. FSSF has all of the rights and duties described in the Franchise Agreement. (Franchise Agreement – Section 3.02). We may change that arrangement at any time and operate the System Fund directly or through another entity.

The System Fund is intended to maximize recognition of the Marks and patronage of FIREHOUSE SUBS® Restaurants. Although we will endeavor to utilize the System Fund to develop advertising and marketing materials and programs and to implement advertising and marketing that will benefit all FIREHOUSE SUBS® Restaurants, we undertake no obligation to ensure that expenditures by the System Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the System Fund by FIREHOUSE SUBS® Restaurants operating in that geographic area or that any FIREHOUSE SUBS® Restaurants will benefit directly or in proportion to its contribution to the System Fund from the development of advertising and marketing materials or the placement of advertising. We assume no other direct or indirect liability or obligation to you with respect to maintaining, directing, administering or collecting amounts due to the System Fund. (Franchise Agreement – Section 3.02)

System Fund Contributions will generally be on a uniform basis, but we reserve the right to defer or reduce System Fund Contributions of a franchisee and, upon 30 days' prior written notice to you, to reduce or suspend System Fund Contributions to and operations of the System Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the System Fund. If the System Fund is terminated, all unspent monies, less any outstanding accounts payable and other obligations on the date of termination, will be distributed to franchisees in proportion to their respective contributions to the System Fund during the preceding 12-month accounting period. We and our affiliates will contribute to the System Fund on the same basis as franchise owners for any FIREHOUSE SUBS® Restaurants they own and operate. (Franchise Agreement - Section 3.02)

During the year ending December 31, 2022, the System Fund spent contributions to it as follows:

Item	% Spent
Ad Marketing Agencies	35.84%
Research and Analysis	4.11%
Digital	2.45%
Professional Services and G&A	19.26%
Creative Development	17.58%
Interest	0%
Legal	0.07%

Item	% Spent
Social Media	20.69%
Total	**100.00%**

We have not established an Advertising Council in relation to the System Fund, but see below regarding the Co-op.

Local Advertising

You must spend at least $5,000 on a market introduction program for your Restaurant after its opening, exclusive of the cost of food that we may specify for use in the market introduction program. The market introduction program may be conducted over a 12 month period determined as we require. You must use the marketing and public relations programs and media and advertising materials that we have developed or approved. (Franchise Agreement – Section 10).

All local advertising you conduct must be in the media, and of the type and format, that we may approve; must be conducted in a dignified manner; and must conform to such standards and requirements as we may specify. You may not use any advertising or promotional plans or materials that we have not approved. All advertising and promotional plans that you propose to use, except those that we have already previously approved, must be submitted to us for our written approval prior to any use or implementation. We will typically review your proposed advertising and promotional plans within 15 days after we receive your plans with all information and samples we require. If you do not receive our written approval within 15 days after we receive your plans with all information and samples we require, the plans are deemed disapproved. (Franchise Agreement – Section 10).

Advertising Co-op

Our affiliate, FSMF, is an association that we have established comprised of FIREHOUSE SUBS® franchisees to advise us on advertising, marketing and promotion (the "**Co-op**"). You must join and actively participate in the Co-op and sign the membership documents and agreements the Co-Op requires. A copy of the current form of Articles of Incorporation and Amended and Restated Bylaws, as amended, of the Co-Op are attached as Exhibits "J" and "K," respectively, and the current form of Membership Agreement that you must sign to become a member of the Co-op is attached as Exhibit "L". We are also Members of the Co-op. The Co-op is governed by a Board of Directors consisting of 13 members, 12 of whom are elected by franchisees, and 1 appointed by us. We have the sole right to authorize dissolution of the Co-op and to vote as a member or a director to resolve a tie as to any deadlock among members or directors. We, along with a majority of the directors of the Co-op, may alter, amend or repeal the Amended and Restated Bylaws. In addition to your System Fund Contributions to the System Fund, the Co-op may from time to time require that all members, including you, make a special contribution to the Co-op as a weekly percentage of Gross Sales (the **"Special Co-Op Contribution"**). As of the issuance date of this Disclosure Document, there is no Special Co-Op Contribution. Failure to timely pay the Special Co-Op Contribution constitutes a material breach of your Franchise Agreement. The Co-op will adopt its own rules, regulations and procedures, which you must follow. We must approve any advertising to be conducted by the Co-op. (Franchise Agreement – Section 10)

Technology Requirements

You must purchase and use in your Restaurant a manager workstation computer that meets our specifications and standards, which may change from time to time, two telephone lines that are not voice-over-IP, and a high speed broadband or cable internet connection. You must also purchase and use in your Restaurant an approved point-of-sale system (the **"POS System"**) and back-of-house system (the **"BOH**

System"); our approved centralized or technology-based method of taking, processing, routing, and delivering orders or receiving payment for orders as we require; and our approved technology for the purpose of communicating with customers of your Restaurant. (Franchise Agreement – Section 10.14). All of these items must meet our specifications and, unless we provide otherwise, be purchased from an approved supplier (which may be us or our affiliates). The manager workstation computer must contain, and you must be reasonably proficient with, the computer software programs that we designate for use from time to time, including: database, spreadsheet, financial, word processing, communications, e-mail and calendaring programs. You must: (a) supply us with any and all codes, passwords, and information necessary to access your computer network and not change them without first notifying us; and (b) not load or utilize any software that we have not specified or approved for us. We and approved third parties for support will have access to your computer network at all times, including any data and information in your POS System and BOH System. (Franchise Agreement – Section 10.14)

You can buy a manager work station from any provider but it needs to meet our current minimum standards. You must have an anti-virus program licensed for business use with an active definition subscription installed on all Windows-based computer systems and must be configured to automatically update. You are responsible for obtaining the necessary training for proficiency in these programs. We do not require you to purchase an ongoing service contract for these programs. We may provide you guidance and assistance with respect to the operation of this system in accordance with our System Standards.

You must purchase, install, and use at your Restaurant a POS System provided by a vendor we have approved. The POS System at your Restaurant must be approved in writing by us and meet our specifications. The POS System must have a minimum of 2 POS units. You must use and adhere to a standardized set of menu sales item price look-up codes (PLUs) and descriptors for every menu sales item in your POS System and BOH System, including limited time offers. The BOH System provides functionality allowing Restaurant management to track and manage inventory, food cost, labor scheduling, labor management, and other general restaurant management tasks and information. In addition, the BOH System provides reporting capabilities in the areas of inventory and labor management, cash management and accountability and menu mix, allowing the restaurant manager and above-store operators to have full visibility into all aspects of restaurant operations. We may revise our specifications for the POS System and BOH System periodically. Consequently, you must upgrade, update or add new features or components to your POS System and BOH System at such time as specifications are revised.

You must install and use our approved managed firewall between the internet service provider (ISP) equipment and the computer equipment at your Restaurant (such as POS System, BOH System, camera equipment, etc.), as required by current Payment Card Industry Data Security Standards (PCI/DSS). You are solely responsible for meeting all requirements of the PCI-DSS as outlined on the Payment Card Industry Security Standards Council website and the credit card merchant agreement. The base service is currently provided at no cost to the franchisee. To remain compliant, there may be additional hardware and software you need to purchase as well as other procedures and yearly training that must be followed.

In general, we estimate that the cost to obtain these systems is as follows:

System	Base Price without Shipping and Tax
2 POS System with Back Office PC	$15,347
3 POS System with Back Office PC	$17,923

Prices may change mid-year. In addition to the POS System, we estimate the cost to purchase the BOH System and other minimum required technology and computer hardware above to be $900 to $1,300.

You will be required to upgrade the hardware and software from time to time. The estimated cost of such upgrades is between $500 and $10,000 per year.

We are not obligated to provide or assist you in obtaining any of the above items or services.

Neither we nor any affiliate has any obligation to provide ongoing maintenance, repairs, upgrades or updates for any of the systems disclosed above nor do any third parties unless disclosed above. We can require you to upgrade or update any of the systems or other items disclosed above during the term of your Franchise Agreement and there is no limitation on the frequency or cost. We estimate that it will cost you $429.23 plus any appropriate tax for a normal 2 POS System per month for a subscription and help desk support from the POS vendor for the POS System. This cost includes the ability to accept online orders, credit card EMV and encryption, free shipping for covered hardware maintenance items as well as help desk support for the POS System. This cost does not include full support for your manager work station.

You must purchase a high speed broadband or cable internet connection which will allow us and/or our vendors to freely update menus, recipes, system configuration and independently retrieve data and information from your POS System and BOH System, including daily sales, menu mix and other data as we determine. We estimate that your monthly fee for a high speed broadband or cable internet connection to be $50 to $125.

You must use the reporting and accounting system that we require. You must deliver financial and operating reports to us including via access to our internet accounting system. We have access to this information through the computer system at all times. (Franchise Agreement – Section 4.07).

Websites

You may not operate an Internet web site for your Restaurant (**"Web Site"**) without our prior written consent. Our consent to your creating, operating and/or maintaining a Web Site is subject to those requirements as we may reasonably establish periodically, including, among others: (a) we may require you to submit to us for our prior written approval, a sample of the proposed Web Site, domain name, home page address, format and visible (including proposed screen shots and any text, video clips, photographs, images, sound bites or other materials in which any third party has any ownership interest) and non-visible (including meta-tags) content in the form and manner that we may reasonably require; (b) we may require you to establish hyperlinks to our web site and others as we may require, and obtain our prior written approval of your use of any other hyperlinks and/or other links; (c) we may require you to submit to us for our prior written approval any modifications to your Web Site. We may revoke our approval of your Web Site at any time and require you to discontinue your use of it. In addition to any other applicable requirements, you must comply with any standards and specifications we develop that are applicable to Web Sites as stated in the Manual or otherwise in writing. We may, at any time, designate the form and content of your Web Site and you must use any Web Site hosted by us or a third party whom we designate. We also may charge you a fee for developing, reviewing and approving your Web Site and/or hosting it. You may not use or permit any third party to use any of the Marks in connection with any Internet web site and/or as part of any Internet domain name or electronic mail or home page address, unless such use is expressly approved by us in writing. You may not operate or create a social media site, page or group containing our Marks using tools including, Facebook, MySpace, Twitter, YouTube, Instagram, Google+, Pinterest, Tumblr, SnapChat, Vine, or other similar tools. We may, at any time, require any such page, site or group be discontinued and deleted. (Franchise Agreement - Section 10).

Site Selection and Opening

Typically, you will sign a TRA at the same time we have approved a site for your Restaurant. Alternatively, you may sign an Area Development Agreement. The Area Development Agreement grants you a specific Territory in which to establish and operate FIREHOUSE SUBS® Restaurants at specific locations to be designated in separate Franchise Agreements.

Unless we are leasing or subleasing a site to you, we do not select the site for your Restaurant and even in those situations you are free to locate your own site. If we are leasing or subleasing a site to you we or an affiliate will generally own the site. Otherwise, you select the site subject to our acceptance of the site. Under the Area Development Agreement, you must submit a complete "Site Acceptance Request Package" in the form we require together with any other site information we require for the site of each Restaurant you propose to develop. We will evaluate each proposed site, site plan, floor plan and elevations and we will send you written notice of our acceptance or non-acceptance of the site. (Area Development Agreement – Section 4.2).

We consider the following factors, among other things, in evaluating the proposed site: demographic characteristics (such as number of households in the neighborhood, average income and family size); traffic patterns; proximity to existing restaurants, including FIREHOUSE SUBS® Restaurants; and the size and condition of the proposed premises. We may retain the services of third party real estate analysts to evaluate proposed sites for FIREHOUSE SUBS® Restaurants, including the potential sales that can be generated from particular sites. Our acceptance of a site or lease or sublease of a site to you is not a representation or promise by us that a FIREHOUSE SUBS® Restaurant at that site will achieve a certain sales volume or level of profitability. Similarly, our acceptance of one or more sites and our non-acceptance of other sites is not a representation or promise by us that a site we accept will have a higher sales volume or be more profitable than a site we do not accept. Our acceptance only indicates our willingness to be represented by you at that site. When we evaluate sites for future FIREHOUSE SUBS® Restaurants that you develop under the Area Development Agreement, we will apply our then-current policies and standards.

Within 90 days after our acceptance of a proposed site, you must provide us with satisfactory evidence (such as a deed or signed lease) that you have the right to occupy the site. (Target Reservation Agreement – Section 4.4; Area Development Agreement – Section 4.2). You must open your Restaurant within 12 months of our approval of the site and the lease for it (Target Reservation Agreement – Article II) or the date required under your development schedule (Area Development Agreement – Article III).

The typical time to open a Restaurant, measured from the date of the Franchise Agreement, ranged from less than 1 month to 35 months for an average of 12.7 months (Restaurants opened in 2 months or less were previous Firehouse Subs® Restaurants that had closed and reopened which is not typical for a new Restaurant). The typical length of time between the receiving site approval and the opening of a FIREHOUSE SUBS® Restaurant is 200 to 360 days. This interval may vary depending on the location and condition of the Site, the construction schedule for the Restaurant, the extent to which an existing location must be upgraded or remodeled, the delivery schedule for equipment and supplies, delays in securing financing arrangements, delays in completing required training and compliance with local laws and regulations. You may not open the Restaurant for business until: (1) we inspect and certify that the Restaurant has been developed according to our then-current specifications and standards; (2) pre-opening training has been completed to our satisfaction; (3) you provide us with evidence that you and your management personnel have completed training at authorized facilities; (4) the initial franchise fee and all other amounts then due to us, your landlord, governmental authorities and our suppliers have been paid; (5) you have obtained all required building, utility, sign, health, sanitation, business permits, certificates and

licenses required to operate the Restaurant; (6) we have been furnished with copies of all required insurance policies, or such other evidence of insurance coverage and payment of premiums that we request; and (7) we have received signed counterparts of all required documents pertaining to your acquisition of the Site (including any required agreements between you and us).

If we cannot reach agreement on a site, or you fail to timely open your Restaurant, you will be unable to operate your Restaurant and you may be in default under the TRA or the development schedule of your Area Development Agreement, and we may terminate the TRA or Area Development Agreement, as applicable. (Target Reservation Agreement – Article V; Area Development Agreement – Article VI).

Except as disclosed above we do not locate a site for you. We do not negotiate the purchase or lease of a site for you. Under no circumstances do we conform the premises to local ordinances or building codes or obtain any required permits. This is your responsibility. If we lease or sublease a site to you in most cases we or a third party would have constructed the site assuming we are leasing or subleasing an actual building to you. Otherwise, we do not construct, remodel or decorate the premises.

Training

We will provide our initial training program (the "**Training Program**") to you, your Managing Owner, and one additional employee or owner without charge. If space is available at the training session, we will also provide this training for up to 3 additional employees or owners without charge. (Franchise Agreement – Section 8.01). The Training Program lasts for approximately 6 to 8 weeks. The initial 6-7 weeks of training will be conducted at one of our Training Restaurants or any other restaurant which we may designate from time to time. The final week of classroom training is presently conducted virtually utilizing Fire Academy and virtual meetings. The initial training is provided on an as-needed basis, depending on where each franchisee is in the process of opening the first Restaurant. Training is timed as close as possible to the opening of your first Restaurant. You must pay for all other costs and expenses that you and your trainees incur in connection with the Training Program, such as the cost of travel (including daily transportation to and from training), accommodations, meals, uniforms and employee wages and benefits (including any routine or emergency medical services). Neither you nor any other trainee of yours are an employee of ours, and therefore, you and any trainee of yours are not covered by our workman's compensation insurance. We require all trainees to sign our standard Liability Waiver and Release attached as an exhibit to our Franchise Agreement. As of the issuance date of this Disclosure Document, our Training Program consists of the following:

TRAINING PROGRAM

Subject	Hours Of Classroom Training	Hours Of On The Job Training	Location
Skills Training Modules	0	144	In a certified training Firehouse® Subs Restaurant.
Administration Training	0	96	In a certified training Firehouse® Subs Restaurant.
Management Operations and Leadership Training	0	96	In a certified training Firehouse® Subs Restaurant.
Franchisee Classroom Sessions	24	0	Presented virtually from or in person at our office in Jacksonville, Florida or select cities.

Subject	Hours Of Classroom Training	Hours Of On The Job Training	Location
Franchise Departmental Workshops	8	0	Presented virtually from or in person at our office in Jacksonville, Florida or select cities.
TOTAL	**32**	**336**	

The materials used in training include the Manuals, online training tools, as well as other presentation materials, including presentations, videos and handouts. It is the nature of the FIREHOUSE SUBS® Restaurant business that all aspects of training are integrated, that is, there are no definitive starting and stopping times. All training will be conducted by our Training Department. Our Area Representatives do not conduct training. Each instructor will have at least 2 years' experience in the subject matter being taught.

Director, Training: Tim Foster

Mr. Tim Foster is our Director of Training since May 2020 and is in charge of our initial training program. From April 2020 to October 2018, he was Senior Manager of Training. From August 2015 to October 2018, he was Manager of Training. After graduating with a degree in Business Management from Florida State University, Tim started out in our company-owned restaurants in 2011 in various roles.

Additional Training

We may provide you and your Managing Owner mandatory periodic refresher training courses as we require, at our current training fee. (Franchise Agreement – Section 8.02). You may also request additional guidance and assistance from us. We, in our sole discretion, may provide requested additional guidance or assistance, but are under no obligation to do so, and may charge our current per diem fees and charges. (Franchise Agreement – Section 9.07). In addition to the above-described fees, costs, and expenses, you must also pay for all other costs and expenses that you and your trainees incur in connection with training, such as the cost of travel (including daily transportation to and from training), accommodations, meals, program materials and fees, uniforms and employee wages and benefits (including any routine or emergency medical services).

ITEM 12.
TERRITORY

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.

Target Reservation Agreement

You may only develop your FIREHOUSE SUBS® Restaurant at a site we have approved. If you are signing a TRA that site will be identified at the time you sign the TRA. You may only develop your FIREHOUSE SUBS® Restaurant in this target area and you will not be granted any exclusivity in this target area. There are no restrictions on us in this target area. You do not have any right to prevent or restrict the development of other Restaurants at any locations in this target area, at any time. We and our affiliates also have the right to sell products including FIREHOUSE SUBS® branded products, in other channels of distribution like grocery stores, convenience stores, the Internet or other direct marketing sales under the Marks or any others anywhere in this target area. We may establish and license other FIREHOUSE SUBS® Restaurants to operate at locations in this target area, including in the vicinity of your FIREHOUSE SUBS® Restaurant. Other FIREHOUSE SUBS® Restaurants may compete with your FIREHOUSE SUBS® Restaurant or may affect customer trading patterns.

Area Development Agreement

Area Development Agreements usually contain strict development schedules for multiple sites. The terms are subject to negotiation. If you sign the Area Development Agreement, we will grant you a geographic area (the "**Development Area**") and you must develop FIREHOUSE SUBS® Restaurants within this Development Area and meet the development schedules as identified in the Area Development Agreement. Consideration to protected distances of Restaurants (typically a 1-mile radius in the Franchise Agreement) and previously granted territories or trade areas are determined when mapping out the Development Area. The Area Development Agreement does not grant you any territorial rights in the Development Area or otherwise, and there are no restrictions on us in your Development Area. For example, we may ourselves develop and operate, or grant franchises for the development and operation of, FIREHOUSE SUBS® Restaurants within or outside your Development Area, including at traditional and Nontraditional Locations. We reserve the right to own or operate FIREHOUSE SUBS® Restaurants or other means of distribution in any location. We also reserve the right to distribute, offer for sale or to acquire, convert, develop and establish other license systems for the same or similar products or services, using trademarks that are the same, similar or different to the Marks, and to grant licenses, either through FIREHOUSE SUBS® Restaurants or other channels (including delivery units, kiosks, grocery or convenience stores, express units, catering, home delivery, food trucks and other mobile means of product or service delivery, mail order, television, catalogue sales, internet websites or other means of electronic advertising and sales). If you do not meet the development schedule, we may terminate the Area Development Agreement and retain all prepaid franchise fees that you paid under the Area Development Agreement.

Except as provided above, we do not grant options, rights of first refusal, or similar rights to acquire additional franchises, as each franchise is awarded on a franchise-by-franchise basis. Accordingly, you may only acquire additional franchised FIREHOUSE SUBS® Restaurants from us if you meet our qualifications at the time you apply. And we may limit the number of Restaurants owned by any franchisee or its affiliates.

Franchise Agreement

When you sign a Franchise Agreement for a FIREHOUSE SUBS® Restaurant, you will be granted a franchise for a specific location that must first be approved by us (the "**Site**"). We will not approve a Site within the Trade Area of any other FIREHOUSE SUBS® Restaurants. Under the Franchise Agreement, you will also be granted a protected area (the "**Trade Area**") generally consisting of the Site and the geographic area within a 1-mile radius around the Site, although we may vary its size under special circumstances. However, you will not receive a Trade Area for any FIREHOUSE SUBS® Restaurant located at "**Nontraditional Locations**," which are locations for which the majority of the persons entering the premises typically do so for the purposes other than patronizing the FIREHOUSE SUBS® Restaurant, including shopping malls, food courts, airports, military installations, hotels, railway stations and their direct surroundings, bus stations, service plazas established by governmental or quasi-governmental entities on motorways and highways, gas stations, convenience stores, universities and schools, amusement parks, cruise ships, hospitals and residences, stadiums, sports centers and clubs, and similar locations for distribution.

As long as you and your affiliates are in compliance with the Franchise Agreement and any other agreement with us and our affiliates, we will not grant franchises for, nor ourselves operate, FIREHOUSE SUBS® Restaurants that are physically located within your Trade Area. Other than your right to operate the Restaurant in its Trade Area, we do not grant you any territorial rights whatsoever. For example, we may establish, or franchise another to establish, FIREHOUSE SUBS® Restaurants within the Trade Area at Nontraditional Locations, within and outside of your Trade Area. We can operate, or permit others to operate, in the Trade Area previously granted or opened FIREHOUSE SUBS® Restaurants. We can also sell products and provide services authorized for sale by FIREHOUSE SUBS® Restaurants under the Marks or other trade names, trademarks, service marks and commercial symbols through similar or dissimilar channels (like telephone, mail order, kiosk, co-branded sites and sites located within other retail businesses, Intranet, Internet, web sites, wireless, email or other forms of e-commerce) for distribution within and outside of your Trade Area.

We do not restrict the areas in which you and other franchisees may accept orders, deliver products or provide catering services, but we reserve the right to do so in the future. You may only relocate your Restaurant with our approval, both for the relocation and for the new site. We apply the same considerations for evaluating relocations of a Restaurant and the leasing of an additional site as we do for Restaurants and sites generally, and you must reimburse us for the reasonable direct costs we incur in reviewing and approving your relocation request.

Burger King, Tim Hortons, and Popeyes Restaurants

As explained in Item 1, our affiliates BKC, BK Europe, BK APac, and BK Canada each franchise the operation of and/or operate Burger King® restaurants; our affiliates, THUSA, TDL, TH APAC, and TH International each franchise the operation of and/or operate Tim Hortons® restaurants; and our affiliates PLK, PLK APAC and PLK Europe franchise the operation of and/or operate Popeyes® restaurants. The principal business address of BKC, THUSA and PLK is 5707 Blue Lagoon Drive, Miami, Florida 33126. The principal business address of BK Europe, TH International and PLK Europe is Dammstrasse 23, 6300 Zug, Switzerland. The principal business address of BK APac, TH APAC and PLK APAC is 8 Cross Street, Manulife Tower, #28-01, Singapore 048424. The principal business address of BK Canada and TDL is 130 King Street West, Suite 300, Toronto, Ontario M5X 1E1, Canada.

FIREHOUSE SUBS® Restaurants, Burger King® restaurants, Tim Hortons® restaurants and Popeyes® restaurants currently offer significantly different menus but they do also offer similar goods and they may offer similar goods or services in the future. For example, all four currently offer sandwiches,

french fried potatoes, and/or chips, dessert items and beverages. There may be Tim Hortons® restaurants, Burger King® restaurants and/or Popeyes® restaurants located, operating, marketing and making sales to customers in the same market as your FIREHOUSE SUBS® Restaurants now or in the future. Those restaurants could be company-owned, franchised or both. If there is a conflict between us and a franchisee of the other affiliated brands, our management team will attempt to resolve the conflict after taking into account the specific facts of each situation and what is in the best interests of the affected system or systems. However, we are not responsible for resolving conflicts between or among FIREHOUSE SUBS® Restaurant franchisees or between or among franchisees of the various affiliated brands.

As a member of a multi-brand restaurant chain, it is possible that other restaurant chains may be acquired that sell products or provide services similar to those offered by FIREHOUSE SUBS® Restaurants. These acquired restaurants might be converted into FIREHOUSE SUBS® Restaurants, maintained as a separate concept under the same or similar Marks or maintained as separate concepts.

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ITEM 13.
TRADEMARKS

We grant you the right to use certain trademarks, service marks and other commercial symbols in operating your FIREHOUSE SUBS® Restaurant. The primary trademarks and service marks we use are as follows:

FIREHOUSE SUBS

Trademark and Service Mark Registrations.

The status of the registrations of our primary Marks and certain others on the Principal Register of the United States Patent and Trademark Office (the "**PTO**") is as follows:

TRADEMARK	REG. NO.	REG. DATE
firehouse	1903135*	July 4, 1995
FIREHOUSE EST 1994 SUBS	1983934*	July 2, 1996
FIREHOUSE SUBS FOUNDED BY FIREMEN	3316544*	October 23, 2007
	3482187*	August 5, 2008
	3482188*	August 5, 2008
FIREHOUSE SUBS	3323158*	October 30, 2007
	3246353*	May 29, 2007
	3253052*	June 19, 2007
	3833616*	August 17, 2010

TRADEMARK	REG. NO.	REG. DATE
FIREHOUSE SUBS	2795059*	December 16, 2003
	2866824*	July 27, 2004
	3012834*	November 8, 2005
	3012835*	November 8, 2005
	3027226*	December 13, 2005
	3031378*	December 20, 2005
	3063737*	February 28, 2006
	3070844*	March 21, 2006
	3070838*	March 21, 2006
	3082197*	April 18, 2006
	3306295*	October 9, 2007
	3323157*	October 30, 2007
	3173205*	November 21, 2006
	3357598*	December 18, 2007
CAPTAIN SORENSEN'S	3161773*	October 24, 2006
ENGINEER	3355508*	December 18, 2007
FIREHOUSE	3000715*	September 27, 2005
FIREHOUSE HERO	3323735*	October 30, 2007
FIREHOUSE STEAK & CHEESE	3323736*	October 30, 2007
FIREHOUSE SUBS PUBLIC SAFETY FOUNDATION	3618997*	May 5, 2009
RAPID RESCUE TO GO	5510032	July 3, 2018
RAPID RESCUE TO GO	5510033	July 3, 2018
RAPID RESCUE	5651363	January 8, 2019

TRADEMARK	REG. NO.	REG. DATE
FIREHOUSE SUBS	2606263*	August 13, 2002
	2795060*	December 16, 2003
	3014796*	November 15, 2005
	3027225*	December 13, 2005
	3031377*	December 20, 2005
	3063736*	February 28, 2006
	3065955*	March 7, 2006
	3070837*	March 21, 2006
	3082196*	April 18, 2006
	3261752*	July 10, 2007
	3323156*	October 30, 2007
	3615605*	May 5, 2009
	3827073*	August 3, 2010
FOUNDED BY FIREMEN †	3413742	April 15, 2008
FOUNDED BY FIREMEN †	3413743	April 15, 2008
FOUNDED BY FIREMEN	5301445	October 3, 2017
FOUNDED BY FIREMEN	5385397	January 23, 2018
FULLY INVOLVED	2784438*	November 18, 2003
HOOK & LADDER	3323733*	October 30, 2007
NEW YORK STEAMER	3323734*	October 30, 2007
	3791438*	May 18, 2010
FIREHOUSE MEATBALL	3751737*	February 23, 2010
THE ROOKIE	3847091*	September 14, 2010
	4618210*	October 7, 2014
FIREHOUSE SALAD	4639978*	November 18, 2014
FIREHOUSE FUNDS	4738798*	May 19, 2015
THE LIEUTENANT	5155234*	March 7, 2017

TRADEMARK	REG. NO.	REG. DATE
WELCOME TO THE FIREHOUSE	5675356	February 12, 2019
WELCOME TO THE FIREHOUSE	5730047	April 16, 2019
H20 FOR HEROES	5702658	March 19, 2019
RAPID RESCUE TO GO	5728855	April 16, 2019
ENJOY MORE SUBS. SAVE MORE LIVES.	6216252	December 8, 2020
OUR SUBS SAVE LIVES	6216749	December 8, 2020
	6376660	June 8, 2021

*These registrations have achieved incontestable status at the PTO in accordance with 15 U.S.C. §§ 1065 and 1115(b).

†These registrations are registered on the Supplemental Register of the PTO and not on the Principal Register.

This list represents all of our primary Marks and certain others. It is not an exclusive list of Marks you will be authorized to use.

FRG has granted us a worldwide, non-exclusive, license to use and to license our franchisees the right to use the Marks in connection with the ownership and operation of the Restaurants pursuant to the terms and conditions of a written Trademark, Technology and Know-How License Agreement dated December 27, 2004. The term of this agreement is perpetual. Except for the Trademark, Technology and Know-How License Agreement, there are no agreements currently in effect which significantly limit our rights to use or license the use of our Marks in a manner material to the franchise. There are no currently effective material determinations of the PTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, and, except as summarized below, there are no pending infringements, opposition or cancellation proceedings, or material litigation involving the principal trademarks. All registrations required to be renewed have been or will be renewed on a timely basis, and all required affidavits have been or will be filed for these principal trademarks.

Use of the Marks.

You must follow our rules when you use the Marks. You cannot use any Mark as part of your corporate or legal business name or with modifying words, designs or symbols (except for those we license to you). You cannot use any Mark in connection with the performance or sale of any unauthorized services or products or in any other manner we have not expressly authorized in writing.

Changes to the Mark.

If it becomes advisable at any time in our sole discretion for us and/or you to modify or discontinue the use of any Mark and/or use one or more additional or substitute trade or service marks, you must comply with our directions within a reasonable time after receiving notice. We will not be obligated to reimburse you for any loss of revenue attributable to any modified or discontinued Mark or for any expenditures you make to promote a modified or substitute trademark or service mark.

Infringements and Indemnification.

You must promptly notify us of any suspected infringement of, or challenge to, the validity of the ownership of, or our right to use, the Marks. We have the right to control any administrative proceeding or litigation involving the Marks. If we undertake the defense or prosecution of any litigation relating to the Marks, you must execute any documents and take any actions as we may, in the opinion of our legal counsel, deem necessary to carry out the defense or prosecution. Except to the extent that any litigation is the result of your improper, unauthorized, or inconsistent use of the Marks under the Franchise Agreement, we will reimburse you for your out-of-pocket costs in taking these actions we require, except that you are responsible for the salaries and wages of your employees.

Other Uses and Proceedings.

We are aware of other restaurants and/or bars using the term Firehouse in their names, including in Dayton, Ohio; Geneva-on-the-Lake, Ohio; Tampa, Florida; Johnson City, Tennessee; Parkville, Maryland; Rapid City, South Dakota; Houston, Texas; Somersville, Connecticut; Stafford Springs, Connecticut; and Wichita, Kansas. We are not familiar with their operations, or when they started using the names. But, they may have certain rights to continue business under their trade names. From time to time we learn of other restaurants, bars and businesses that use the term Firehouse in their names. Some of these businesses may have certain rights to continue business under their trade names using the term Firehouse. We address these matters on a case-by-case basis and take action depending upon the circumstances. Additionally, a restaurant and bar located in Myrtle Beach, South Carolina has the right to continue operating under the name Calli Baker's Firehouse Bar and Grill; a restaurant and bar located in Cincinnati, Ohio has the right to continue operating under the name The Firehouse Grill; a restaurant located in Alexandria, Virginia has the right to continue operating under the name Columbia Firehouse; and a winery that also provides an on-site restaurant located in Geneva-on-the-Lake, Ohio has the right to continue to operate under the name Old Firehouse Winery and offer those services within neighboring counties. Except for the foregoing, we do not actually know of either superior prior rights or infringing uses that could materially affect your use of our principal trademarks in any state.

William H. Rogers, Jr. vs FRG, LLC (Cancellation No. 92079396), U.S. Trademark Trial and Appeal Board ("TTAB") filed on March 31, 2022. William H. Rogers filed a cancellation proceeding before the TTAB to cancel three FRG federal trademark registrations for marks containing the wording "FIREHOUSE SUBS" – Reg. Nos. 3246353, 2606263, and 1983934. The alleged grounds for cancellation are fraud. The case is pending the TTAB's ruling.

On October 25, 2006, FRG filed an opposition proceeding seeking to oppose pending

service mark application serial number 78477034 for the mark "The Firehouse Brewing Company." On February 23, 2007, FRG filed an opposition proceeding seeking to oppose pending service mark application serial number 78477023 for the mark "The Firehouse American Pale Ale." The respondent answered both petitions denying the allegations and raising defenses. The parties entered into a settlement agreement and the proceedings were dismissed. Pursuant to the resolution, the parties entered into a co-existence and consent agreement under which The Firehouse Brewing Company may use its "The Firehouse Brewing Company," "The Firehouse American Pale Ale" and related marks in connection with the custom manufacture of beer and may obtain trademark registrations therefor, but restricting all other uses thereof. Opposition proceeding numbers 91173555 and 91175836, *Firehouse Restaurant Group, Inc. v. The Firehouse Brewing Company*, United States Patent and Trademark Office, Trademark Trial and Appeal Board.

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ITEM 14.
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents or pending patents that are material to the franchise.

We claim copyrights in the Manual and the menus, and advertising materials and related items used in operating the franchise. These copyrights have not been registered with the United States Registrar of Copyrights.

The Manual, which is described in Item 11, and other materials we possess contain our confidential information. This information includes site selection criteria; recipes; methods, formats, specifications, standards, systems, procedures and sales and marketing techniques used, and knowledge of and experience, in developing and operating Restaurants; marketing and advertising programs for Restaurants; knowledge of specifications for and suppliers of certain fixtures, furnishings, equipment, products, materials and supplies; and knowledge of the operating results and financial performance of Restaurants other than your Restaurant.

All ideas, concepts, techniques or materials relating to Restaurants (including any specific to your Restaurant), whether or not constituting protectable intellectual property, and whether created by or on behalf of you or your owners, must be promptly disclosed to us, will be considered our property and part of our franchise system and will be considered to be works made-for-hire for us. You and your owners must sign whatever documents we request to evidence our ownership or to assist us in securing intellectual property rights in such ideas, concepts, techniques or materials.

Every FIREHOUSE SUBS® Restaurant contains a mural on a wall with artwork we commission. We own the artwork and all copyrights in it.

You may not use our confidential information in an unauthorized manner and must take reasonable steps to prevent its disclosure to others. See Items 5 and 7.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. Nor are there any agreements currently in effect which significantly limit our right to use or authorize franchisees to use the copyrighted materials. Furthermore, there are no infringing uses actually known to us which could materially affect a franchisee's use of the copyrighted materials in any state. We are not required by any agreement to protect or defend copyrights or confidential information, although we intend to do so when this action is in the best interests of the FIREHOUSE SUBS® System.

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

You must designate a Managing Owner who must have the authority to bind you in your dealings with us and our affiliates and who can direct any action necessary for your compliance with the Franchise Agreement or any other agreements relating to your Restaurant. The Managing Owner must be approved by us and must have at least a 10% legal or beneficial ownership interest in the franchise or the right to receive 10% or more of the operating profits of the Restaurant. The Managing Owner must complete the initial training program that we require. The Managing Owner must maintain a primary residence within a reasonable driving distance of your Restaurant.

The Managing Owner must, at all times, have the authority to direct full control over the day-to-day activities, including operations, of your Restaurant and any other FIREHOUSE SUBS® Restaurants operated by you in the same geographic area as your Restaurant, including, control over the standards of operation and financial performance and authority to ensure compliance with the Manual, the Franchise Agreement, and the terms of any lease or other agreements related to your Restaurant. The Managing Owner must devote full-time and best efforts to supervising the operation of your Restaurant and any other FIREHOUSE SUBS® Restaurants operated by you in the same geographic area as your Restaurant, and must not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility.

Your officers, directors and all holders of your legal or beneficial interests of 10% or more must jointly and severally guarantee your payment and performance obligations under the Franchise Agreement and the Area Development Agreement and also shall bind themselves to the terms of the Franchise Agreement and the Area Development Agreement. The form of "**Owner's Guaranty**" is attached as Exhibit "H." We require you to complete a "**Principal Owner's Statement**" in the form attached as Exhibit "I." The Principal Owner's Statement describes all of your owners and their interests in you. A Principal Owner is an owner of any ownership interest in a business entity. If your spouse or other family members are also owners of your business entity, they must sign the Owner's Guaranty.

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ITEM 16.
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must use the Restaurant solely for the operation of a FIREHOUSE SUBS® Restaurant and must keep the Restaurant open and in normal operation for the hours and days as we specify in our System Standards. You must operate the Restaurant in strict conformity with our System Standards.

You must offer for sale all products, and perform all services, that we require from time to time for Restaurants. You may not offer for sale any products or perform any services that we have not authorized. (See Items 8 and 9) Our System Standards may regulate required or authorized products, product categories and supplies. We do not impose restrictions or conditions that limit your access to customers. .

You may offer products and menu items for sale at whatever price you want except with respect to certain products on the menu designated by us from time to time, which are subject to a maximum price set by us. You are not bound by any sales price that we may recommend or suggest.

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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.

FRANCHISE AGREEMENT
(Exhibit C)

PROVISION	SECTION IN FA	SUMMARY
(a) Length of the franchise term	§ 2.01	Typically 10 years beginning on the date of the FA. Membership Agreement expires if the cooperative advertising entity ceases to exist or the FA expires or terminates.
(b) Renewal or extension of the term	§ 2.02	1 renewal term of 10 years, subject to meeting renewal conditions.
(c) Requirements for Franchisee to renew or extend	§ 2.02	Requirements for renewal include: notice; satisfaction of monetary obligations; compliance with FA, including our approval of your reimaging plan; execution of general release of all claims against us; refurbishment, renovation and modernization of the Restaurant unless we otherwise agree; payment of renewal fee, compliance with all operational requirements for all FIREHOUSE SUBS® Restaurants; no pending or threatened litigation between you and us; and you meeting our then-current financial ratios we use to evaluate new franchisees for financial approval. You must sign our then-current form of franchise agreement, which may contain terms and conditions materially different from your original FA, including different ownership requirements, higher royalty fees and/or system fund contributions.
(d) Termination by Franchisee	Not applicable	Not applicable (subject to state law)
(e) Termination by Franchisor without cause	Not applicable	Not applicable
(f) Termination by Franchisor with cause	Art. XV	We can terminate only if you default under the FA and for other specified grounds.
(g) "Cause" defined – curable defaults	Art. XV	You will have 30 days after notice to cure certain defaults susceptible of cure, except 5 days after notice to cure failures to obtain and maintain insurance, to comply with applicable laws, or to sell the minimum menu items we require, and 10

PROVISION	SECTION IN FA	SUMMARY
		days after notice to cure failures to pay us fees or to make timely reports.
(h) "Cause" defined – non-curable defaults	Art. XV	Non-curable defaults include: general financial incapacity (e.g., insolvency, receivership, bankruptcy); failure to open; failure to stay open; criminal convictions; threats to health and safety; failure to meet transfer requirements; failure to comply with covenants against competition; release of confidential information; keeping false books or records; making false reports to us; default under certain other agreements (including defaults of the ADA other than defaults of the development schedule); repetition of earlier defaults; failure to permit access to conduct periodic inspections; unauthorized use of our marks; failure to comply with PCI/DSS compliance requirements; and sale of unapproved product and menu items; you or an owner or your Managing Owner engage in conduct that reflects unfavorably on you, us or the System by exhibiting a reckless disregard for the physical and mental well-being of employees, customers, or representatives or the public; and failure to complete any training.
(i) Franchisee's obligations on termination/nonrenewal	Art. XVI	Obligations include: complete and permanent de-identification; return of manuals, records and files; payment of amounts due; assignment/transfer of lease and premises to us; transfer phone numbers to us; compliance with covenants not to compete against us; return of all confidential and proprietary information; reimburse us for expenses incurred by us to remove any art at the Restaurant.
(j) Assignment of contract by Franchisor	§ 14.01	No restriction on our right to assign or delegate.
(k) "Transfer" by Franchisee – defined	§ 14.02	Includes the transfer of any interest in you (including your owners) or in the FA, the grant of a security interest, or the sale of stock.
(l) Franchisor's approval of transfer by Franchisee	Art. 14	No transfers by you are permitted without our prior written approval.

PROVISION	SECTION IN FA	SUMMARY
(m) Conditions for Franchisor's approval of transfer	Art. 14	Conditions include: payment of money owed; compliance with covenants not to compete; execution of a release; a qualified transferee; a written assignment or transfer agreement; execution by transferee of a new franchise agreement and guaranty (which may contain materially different terms than your FA); remodeling of the Restaurant; training of the transferee's personnel; compliance with corporate/partnership document requirements; and payment of transfer fee.
(n) Franchisor's right of first refusal to acquire Franchisee's business	§ 14.06	We can match any offer.
(o) Franchisor's option to purchase Franchisee's business	§§ 16.02 and 16.03	This option applies only to certain items at fair market value and must be exercised within 60 days of expiration or termination of the FA. We also have the option to lease your premises.
(p) Death or disability of Franchisee	§ 14.05	Your interest must be assigned to an approved transferee within 6 months of your death or disability, subject to meeting our transfer requirements.
(q) Non-competition covenants during the term of the franchise	Art. XIII	Includes a ban on owning or operating any restaurant or food service facility that offers any type of sandwich (excluding hot dogs, hamburgers, or fried chicken sandwiches). Certain owners of you must also agree to abide by these terms.
(r) Non-competition covenants after the franchise is terminated or expires	Art. XIII	Same as above, lasting for 2 years (on business activities within certain geographic areas) following termination.
(s) Modification of the agreement	Art. XXII	All amendments must be mutually agreed upon and in writing; however, we can modify the manual.
(t) Integration/merger clause	Art. XXII	The FA is our full and complete agreement with you regarding its subject matter (subject to state law). Any representations or promises outside of the disclosure document and the FA may not be enforceable. Nothing in the agreement or in any related agreement is intended to disclaim the representations made in the disclosure document.
(u) Dispute resolution by arbitration or mediation	None	Not applicable
(v) Choice of forum	Art. XXIV	Litigation must be brought in any state or federal court in the state and judicial district in which we have our principal place of business (currently, Duval County, Florida) (subject to state law).
(w) Choice of law	Art. XXIV	Florida law generally applies (subject to state law)

AREA DEVELOPMENT AGREEMENT
(Exhibit D1)

PROVISION	SECTION IN ADA	SUMMARY
(a) Length of the development term	Art. II	Beginning on the date of the ADA and ending on the earlier of an agreed-to date, the last day of the development schedule, or the opening of the last Restaurant under the development schedule.
(b) Renewal or extension of the term	None	Not Applicable
(c) Requirements for you to renew or extend	None	Not Applicable
(d) Termination by you	None	Not Applicable
(e) Termination by us without cause	None	Not Applicable
(f) Termination by us with cause	Art. VI	We can terminate only if you default under the agreement and for other specified grounds.
(g) "Cause" defined – curable defaults	Art. VI	10 days to cure or other cure period under applicable franchise agreement: Failure to pay amounts due to us. 30 days to cure: bankruptcy which is not dismissed;[1] or failure to comply with any other terms of the ADA or any applicable franchise agreement. One time 60-day cure: failure to meet the "Cumulative Opening Target" following end of a development year.

PROVISION	SECTION IN ADA	SUMMARY
(h) "Cause" defined – non-curable defaults	Art. VI	Transfer of the ADA; failure to cure within 60 days of end of development year a failure to meet the "Cumulative Opening Target" by end of a development year or subsequent failure to meet Cumulative Opening Target in development year; failure to meet requirements for franchise approval; duplication of the Firehouse System; breach of confidentiality; breach of any restrictive covenant of any applicable franchise agreement; inability to pay debts or appointment of receiver; opening a Restaurant without franchise approval or site approval and/or without having delivered to us a franchise agreement for the Restaurant and applicable franchise fee; challenging the validity of any of our proprietary marks; providing any materially false or misleading information to us; breach various financial covenants that we negotiate with you; having Restaurant operations that fail to score in the top 50% of their peer category (peer category includes developer restaurants owned and operated by your affiliates, managing owners, operating partners, or key operators); receipt of grade of "D" or "F" in any metric used to measure operational performance; or the commission of any materially adverse action by a board member or senior officer; breach of any other agreement with our affiliates.
(i) Your obligations on termination/non-renewal	§ 5.8; Art. VI	All rights granted under the ADA and all franchise approvals for FIREHOUSE SUBS® Restaurants not yet opened terminate, and if we terminate the ADA before expiration of its term, we will retain all Prepaid Franchise Fees previously paid to us, and you must pay liquidated damages to us in an amount equal to the next installment, if any, of Prepaid Franchise Fees that would have come due following the termination.
(j) Assignment of contract by us	§ 8.2	We may assign at any time.
(k) "Transfer" by you - defined	§ 8.1	Restrictions apply to assignment, transfer, sale, conveyance, charge, encumbrance, mortgage, pledge, hypothecation, leasing, licensing, sublicensing, or other disposition of the ADA or any rights granted under the ADA, or the subcontracting or transfer of any assets necessary for you to fulfill your obligations under the ADA.
(l) Our approval of transfer by you	§ 8.1	No transfers are permitted without our prior written consent.
(m) Conditions for our approval of transfer	§ 8.1	Any transfer requires our prior written consent, which consent may be withheld in our sole discretion.

PROVISION	SECTION IN ADA	SUMMARY
(n) Our right of first refusal to acquire your business	None	Not Applicable
(o) Our option to purchase your business	None	Not Applicable
(p) Your death or disability	None	Not Applicable
(q) Noncompetition covenants during the term of the franchise	Art. VII	Includes a ban on owning or operating any restaurant or food service facility that offers any type of sandwich (excluding hot dogs, hamburgers, or fried chicken sandwiches). Your officers, directors, and certain others must also agree to abide by these terms.
(r) Noncompetition covenants after the franchise is terminated or expires	Art. VII	Same as above, lasting for 2 years (on business activities within certain geographic areas) following termination.
(s) Modification of the agreement	§ 15.8	The ADA may only be modified or amended in writing.
(t) Integration/merger clause	Art. XIII	The ADA constitutes the entire agreement (subject to state law). Any representations or promises outside of the disclosure document and the ADA may not be enforceable. Nothing in the agreement or in any related agreement is intended to disclaim the representations made in the disclosure document.
(u) Dispute resolution by arbitration or mediation	None	Not Applicable
(v) Choice of forum	§ 15.4	Litigation must be brought in any state or federal court in the state and judicial district in which we have our principal place of business (currently, Duval County, Florida) (subject to state law).
(w) Choice of law	§ 15.4	Florida law generally applies (subject to state law)

AREA DEVELOPMENT AGREEMENT FOOTNOTES:

1. Caveat for Termination upon Bankruptcy
A provision in the Area Development Agreement that terminates the franchise upon the bankruptcy of the developer may not be enforceable under Title 11, United States Code Section 101.

TARGET RESERVATION AGREEMENT
(Exhibit D2)

PROVISION	SECTION IN TRA	SUMMARY
(a) Length of the term of the TRA	Art. III	Typically 1 year.

PROVISION	SECTION IN TRA	SUMMARY
(b) Renewal or extension of the term	None	No provision for renewal or extension but we may consider an extension if the one-time cure becomes applicable under Art. 5.2 of the TRA.
(c) Requirements for you to renew or extend	None	Not Applicable
(d) Termination by you	None	Not Applicable
(e) Termination by us without cause	None	Not Applicable
(f) Termination by us with cause	Art. V	We may terminate only if you default.
(g) "Cause" defined -- curable defaults	§ 5.1	Failure to open FIREHOUSE SUBS® Restaurant(s) by scheduled date. May be cured 1 time only. Additional non-refundable fee required.
(h) "Cause" defined -- defaults which cannot be cured	§ 5.1	Failure to provide proof of property control, obtain franchise or construction approval by deadline, open FIREHOUSE SUBS® Restaurant by deadline; unauthorized transfer; failure to comply with all our agreements; and knowing and intentional submission of false or misleading information.
(i) Your obligations on termination/non-renewal	§ 5.3	All rights canceled. Deposit forfeited if termination due to your default.
(j) Assignment of contract by us	§ 9.2	We may assign or delegate at any time.
(k) "Transfer" by you – defined	§ 9.2	Assignment, transfer or encumbrance of rights.
(l) Our approval of transfer by you	§ 9.2	Assignment prohibited.
(m) Conditions for our approval of transfer	None	Not Applicable
(n) Our right of first refusal to acquire your business	None	Not Applicable
(o) Our option to purchase your business	None	Not Applicable
(p) Your death or disability	None	Not Applicable
(q) Non-competition covenants during the term of the franchise	None	See Franchise Agreement
(r) Non-competition covenants after the TRA is terminated or expires	None	See Franchise Agreement
(s) Modification of the agreement	Art. VIII	Any modifications must be in writing and signed by the parties.

PROVISION	SECTION IN TRA	SUMMARY
(t) Integration / merger clause	Art. VIII	The TRA constitutes the entire agreement regarding its subject matter (subject to state law). Any representations or promises outside of the disclosure document and the TRA, as applicable, may not be enforceable. Nothing in the agreement or in any related agreement is intended to disclaim the representations made in the disclosure document.
(u) Dispute resolution by arbitration or mediation	None	Not Applicable
(v) Choice of forum	§ 9.5	Litigation must be brought in any state or federal court in the state and judicial district in which we have our principal place of business (currently, Duval County, Florida) (subject to state law).
(w) Choice of law	§ 9.5	Florida law generally applies (subject to state law)

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ITEM 18.
PUBLIC FIGURES

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

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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 tables present historical sales information about the annual sales of certain types of franchised Firehouse Subs Restaurants in the United States (excluding U.S. territories) that were open throughout our entire 2022 fiscal year ended December 25, 2022. The tables do not include the performance of 13 Firehouse Subs Restaurants that are located in Puerto Rico.

The charts below provide information for three types of franchised Restaurants; Traditional Development Restaurants, Free Standing Restaurants with a Drive Thru and End Cap Strip Center Restaurants with a Drive Thru. Traditional Development Restaurants in the Firehouse of America System include free-standing Restaurants, in-line and end-cap Restaurants located in a strip center, and non-traditional Restaurants. It excludes any Restaurants that have a drive thru. Free Standing Restaurants with a Drive Thru are considered to be stand-alone Restaurants with a drive thru. End Cap Strip Center Restaurants with a Drive Thru are considered to be Restaurants with a drive thru located at the end of a strip center.

Traditional Development Franchised Restaurants

1,014 franchised Traditional Development Firehouse Subs Restaurants were continuously operated for our 2022 fiscal year ended December 25, 2022 and the 2022 sales information in the chart immediately below was taken from these Restaurants. 48 other franchised Restaurants were excluded from the 2022 sales information because they had not been in continuous operation during our entire 2022 fiscal year. We have also excluded 21 Restaurants that permanently closed during this period. None of the Restaurants that permanently closed were open for less than 12 months before closing.

2022 Weekly AUV / Traditional Development Franchised Restaurants					
	$17,000+	**$14,000 - $17,000**	**$11,000 - $14,000**	**$8,000 - $11,000**	**$0 - $8,000**
# of Restaurants	491	259	169	78	17
Total # of Restaurants	1014	1014	1014	1014	1014
% of Restaurants	48.4%	25.5%	16.7%	7.7%	1.7%
Average Unit Weekly Sales Volume	$21,375	$15,579	$12,721	$9,906	$6,929
Number and percentage met/exceeded average	195 / 40%	137 / 53%	97 / 57%	42 / 54%	10 / 59%
Median	$20,475	$15,695	$12,869	$10,074	$7,200
High	$42,616	$16,989	$13,997	$10,992	$7,999
Low	$17,007	$14,042	$11,044	$8,311	$3,188

Free Standing Franchised Restaurants with Drive Thru

24 franchised Free Standing with Drive Thru Firehouse Subs Restaurants were continuously operated for our 2022 fiscal year ended December 25, 2022 and the 2022 sales information in the chart immediately below was taken from these Restaurants. 7 other franchised Restaurants were excluded from the 2022 sales information because they had not been in continuous operation during our entire 2022 fiscal year. None of these Restaurants had permanently closed during this time period.

2022 Weekly AUV / Free-Standing w/Drive Thru Franchised Restaurant					
	$17,000+	**$14,000 - $17,000**	**$11,000 - $14,000**	**$8,000 - $11,000**	**$0 - $8,000**
# of Restaurants	18	1	4	1	0
Total # of Restaurants	24	24	24	24	24
% of Restaurants	75.0%	4.2%	16.7%	4.2%	0.0%
Average Unit Weekly Sales Volume	$22,676	$15,803	$12,571	$8,717	
Number and percentage met/exceeded average	8 / 44%		2 / 50%		
Median	$21,639	$15,803	$12,505	$8,717	
High	$31,168	$15,803	$13,241	$8,717	
Low	$18,025	$15,803	$12,030	$8,717	

End Cap Strip Center Franchised Restaurant with Drive Thru

58 franchised End Cap Restaurants with a Drive Thru located in a strip center were continuously operated for our 2022 fiscal year ended December 25, 2022 and the 2022 sales information in the chart immediately below was taken from these Restaurants. 5 other franchised Restaurants were excluded from the 2022 sales information because they had not been in continuous operation during our entire 2022 fiscal year. None of these Restaurants had permanently closed during this time period.

2022 Weekly AUV / End-Cap Strip Center w/Drive Thru Franchised Restaurants					
	$17,000+	**$14,000 - $17,000**	**$11,000 - $14,000**	**$8,000 - $11,000**	**$0 - $8,000**
# of Restaurants	40	9	4	5	0
Total # of Restaurants	58	58	58	58	58
% of Restaurants	69.0%	15.5%	6.9%	8.6%	0.0%
Average Unit Weekly Sales Volume	$24,072	$15,187	$11,894	$9,845	
Number and percentage met/exceed average	17 / 43%	5 / 56%	2 / 50%	4 / 80%	
Median	$22,027	$15,225	$11,832	$9,937	
High	$38,038	$16,499	$12,849	$10,716	
Low	$17,230	$14,150	$11,064	$8,385	

NOTES TO THIS ITEM 19

1. Sales shown in this Item 19 include all revenues generated by the Firehouse Subs Restaurant in our 2022 fiscal year and reported to us, including catering or delivery revenues, but excluding refunds and sales taxes. This is consistent with the definition of Gross Sales in our Franchise Agreement. Sales volumes vary considerably due to a variety of factors, such as demographics of the restaurant trade area, competition from other restaurants in the trade area, traffic flow, accessibility and visibility, economic conditions in the restaurant trade area, advertising and promotional activities, and the business abilities and efforts of the management of the restaurant.

2. The sales information disclosed in this Item 19 for franchised Firehouse Subs Restaurants, is taken from reports provided to us by these franchisees or from information we were able to obtain via the franchisees' point of sale systems. The reports are provided to us on a cash accounting basis and are used to form the basis of royalty payments to us. We have not audited the royalty reports submitted by franchisees.

3. These figures only represent gross sales. These gross sales figures do not reflect the cost of sales, operating expenses or other costs or expenses that must be deducted from the gross sales figures to calculate net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Firehouse Subs Restaurant. Franchisees or former franchisees, listed in this Disclosure Document, may be one source of this information.

Some Firehouse Subs Restaurants have sold these amounts. Your individual results may differ. There is no assurance that you'll sell as much.

Written substantiation for the information appearing in this financial performance representation will be made available to you upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting George Altmann, Vice President, Finance at (904) 606-5258, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20.
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System wide Outlet Summary
For Years Ending December 27, 2020, December 26, 2021 and December 31, 2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	1,117	1,115	-2
	2021	1,115	1,126	+11
	2022	1,126	1,149	+23
Company-Owned	2020	38	38	0
	2021	38	39	+1
	2022	39	38	-1
Total Outlets	**2020**	**1,155**	**1,153**	**-2**
	2021	**1,153**	**1,164**	**+12**
	2022	**1,164**	**1,187**	**+22**

Table 2
Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor)
For Years Ending December 27, 2020, December 26, 2021, and December 31, 2022

State	Year	Number of Transfers
Alabama	2020	1
	2021	0
	2022	0
Alaska	2020	0
	2021	0
	2022	0
Arizona	2020	0
	2021	0
	2022	9
Arkansas	2020	3
	2021	0
	2022	0
California	2020	1
	2021	2
	2022	2
Colorado	2020	5
	2021	3
	2022	3
Connecticut	2020	0
	2021	0
	2022	0

State	Year	Number of Transfers
Delaware	2020	0
	2021	0
	2022	0
District of Columbia	2020	0
	2021	0
	2022	0
Florida	2020	4
	2021	10
	2022	17
Georgia	2020	5
	2021	5
	2022	18
Hawaii	2020	0
	2021	0
	2022	0
Idaho	2020	1
	2021	0
	2022	0
Illinois	2020	2
	2021	0
	2022	1
Indiana	2020	0
	2021	4
	2022	0
Iowa	2020	0
	2021	0
	2022	0
Kansas	2020	2
	2021	0
	2022	0
Kentucky	2020	2
	2021	1
	2022	0
Louisiana	2020	2
	2021	1
	2022	2
Maine	2020	0
	2021	1
	2022	0
Maryland	2020	0
	2021	0
	2022	3
Massachusetts	2020	0
	2021	0
	2022	0
Michigan	2020	0
	2021	0
	2022	0

State	Year	Number of Transfers
Minnesota	2020	0
	2021	1
	2022	0
Mississippi	2020	0
	2021	0
	2022	0
Missouri	2020	5
	2021	4
	2022	2
Montana	2020	0
	2021	0
	2022	0
Nebraska	2020	0
	2021	0
	2022	0
Nevada	2020	0
	2021	1
	2022	2
New Hampshire	2020	0
	2021	0
	2022	0
New Jersey	2020	0
	2021	0
	2022	0
New Mexico	2020	0
	2021	0
	2022	0
New York	2020	0
	2021	0
	2022	0
North Carolina	2020	4
	2021	4
	2022	6
North Dakota	2020	0
	2021	0
	2022	0
Ohio	2020	0
	2021	1
	2022	5
Oklahoma	2020	0
	2021	2
	2022	2
Oregon	2020	0
	2021	0
	2022	0
Pennsylvania	2020	0
	2021	2
	2022	3

State	Year	Number of Transfers
Rhode Island	2020	0
	2021	0
	2022	0
South Carolina	2020	0
	2021	3
	2022	1
South Dakota	2020	0
	2021	0
	2022	0
Tennessee	2020	2
	2021	4
	2022	2
Texas	2020	3
	2021	4
	2022	7
Utah	2020	1
	2021	4
	2022	1
Vermont	2020	0
	2021	0
	2022	0
Virginia	2020	0
	2021	6
	2022	7
Washington	2020	0
	2021	1
	2022	1
West Virginia	2020	0
	2021	1
	2022	0
Wisconsin	2020	1
	2021	2
	2022	2
Wyoming	2020	0
	2021	0
	2022	0
Total	**2020**	**44**
	2021	**67**
	2022	**96**

Table 3
Status of Franchised Outlets
For Years Ending December 27, 2020, December 26, 2021, and December 31, 2022

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year[i]
Alabama	2020	36	2	0	0	0	0	38
	2021	38	3	0	2	0	0	39
	2022	39	2	0	0	0	0	41
Alaska	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Arizona	2020	40	0	1	0	0	0	39
	2021	39	1	0	0	0	0	40
	2022	40	2	0	0	0	0	42
Arkansas	2020	18	0	1	0	0	0	17
	2021	17	1	0	0	0	0	18
	2022	18	0	0	0	0	0	18
California	2020	44	7	5	0	0	0	46
	2021	46	1	1	0	0	0	46
	2022	46	2	0	0	0	1	47
Colorado	2020	27	1	0	0	0	0	28
	2021	28	0	0	0	0	0	28
	2022	28	0	0	0	0	3	25
Connecticut	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	1	0
Delaware	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
District of Columbia	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Florida	2020	141	2	3	0	0	0	140
	2021	140	3	2	1	0	0	140
	2022	140	4	0	0	0	1	143

Georgia	2020	95	2	2	1	0	0	94
	2021	94	0	1	0	0	0	93
	2022	93	2	0	0	0	0	95
Hawaii	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Idaho	2020	5	2	0	0	0	0	7
	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
Illinois	2020	21	0	6	1	0	0	14
	2021	14	0	0	0	0	0	14
	2022	14	2	0	1	0	0	15
Indiana	2020	18	0	3	0	0	0	15
	2021	15	1	0	0	0	0	16
	2022	16	0	0	0	0	0	16
Iowa	2020	6	0	0	0	0	0	6
	2021	6	1	1	0	0	0	6
	2022	6	0	0	0	0	1	5
Kansas	2020	11	0	0	0	0	0	11
	2021	11	0	1	0	0	0	10
	2022	10	0	0	0	0	0	10
Kentucky	2020	16	0	2	0	0	0	14
	2021	14	0	1	0	0	0	13
	2022	13	1	0	0	0	0	14
Louisiana	2020	16	3	0	0	0	0	19
	2021	19	2	0	0	0	0	21
	2022	21	0	0	0	0	1	20
Maine	2020	4	1	0	0	0	0	5
	2021	5	1	0	0	0	0	6
	2022	6	0	0	0	0	0	6
Maryland	2020	19	0	0	0	0	0	19
	2021	19	0	0	0	0	0	19
	2022	19	0	0	0	0	0	19
Massachusetts	2020	2	0	0	0	0	0	2
	2021	2	0	1	0	0	0	1
	2022	1	0	0	1	0	0	0
Michigan	2020	21	5	1	0	0	0	25
	2021	25	0	0	0	0	0	25
	2022	25	2	0	0	0	3	24

Minnesota	2020	11	0	0	0	0	0	11
	2021	11	0	0	0	0	0	11
	2022	11	2	0	0	0	1	12
Mississippi	2020	10	2	0	0	0	0	12
	2021	12	0	0	0	0	0	12
	2022	12	1	0	0	0	0	13
Missouri	2020	28	0	1	0	0	0	27
	2021	27	2	0	0	0	0	29
	2022	29	2	0	0	0	0	31
Montana	2020	2	0	0	0	0	0	2
	2021	2	2	0	0	0	0	4
	2022	4	0	0	0	0	0	4
Nebraska	2020	9	0	2	0	0	0	7
	2021	7	0	0	0	0	0	7
	2022	7	1	0	0	0	0	8
Nevada	2020	15	1	0	0	0	0	16
	2021	16	0	0	0	0	0	16
	2022	16	1	0	0	0	0	17
New Hampshire	2020	3	0	1	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
New Jersey	2020	9	0	1	0	0	0	8
	2021	8	0	2	0	0	0	6
	2022	6	0	0	0	0	1	5
New Mexico	2020	7	0	0	0	0	0	7
	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
New York	2020	5	0	0	0	0	0	5
	2021	5	1	0	0	0	0	6
	2022	6	0	0	0	0	0	6
North Carolina	2020	70	2	1	3	0	0	68
	2021	68	2	1	0	0	0	69
	2022	69	1	0	0	0	0	70
North Dakota	2020	2	0	0	0	0	0	2
	2021	2	1	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Ohio	2020	34	0	0	0	0	0	34
	2021	34	1	0	0	0	0	35
	2022	35	1	0	1	0	0	35

Oklahoma	2020	14	0	0	0	0	0	14
	2021	14	1	1	0	0	0	14
	2022	14	0	0	0	0	1	13
Oregon	2020	9	0	0	0	0	0	9
	2021	9	0	0	0	0	0	9
	2022	9	0	0	0	0	0	9
Pennsylvania	2020	14	0	0	0	0	0	14
	2021	14	1	1	0	0	0	14
	2022	14	1	0	0	0	1	14
Puerto Rico	2020	13	0	0	0	0	0	13
	2021	13	1	0	0	0	0	14
	2022	14	0	0	0	0	0	14
Rhode Island	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
South Carolina	2020	54	1	0	1	0	0	54
	2021	54	0	0	3	0	0	51
	2022	51	5	0	0	0	0	56
South Dakota	2020	4	0	1	0	0	0	3
	2021	3	1	0	0	0	0	4
	2022	4	0	0	0	0	0	4
Tennessee	2020	48	2	0	1	0	0	49
	2021	49	2	0	0	0	0	51
	2022	51	0	0	0	0	0	51
Texas	2020	110	1	0	0	0	0	111
	2021	111	4	0	1	0	0	114
	2022	114	6	0	0	0	2	118
Utah	2020	14	0	0	0	0	0	14
	2021	14	1	2	0	0	0	13
	2022	13	1	0	0	0	0	14
Vermont	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Virginia	2020	53	1	1	0	0	0	53
	2021	53	0	1	0	0	0	52
	2022	52	0	0	0	0	1	51
Washington	2020	10	2	0	0	0	0	12
	2021	12	1	0	0	0	0	13
	2022	13	1	0	0	0	0	14

West Virginia	2020	7	0	0	0	0	0	7
	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
Wisconsin	2020	20	4	6	0	0	0	18
	2021	18	0	1	0	0	0	17
	2022	17	3	0	0	0	0	20
Wyoming	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Total	**2020**	**1,117**	**43**	**38**	**7**	**0**	**0**	**1,115**
	2021	**1,115**	**35**	**17**	**7**	**0**	**0**	**1,126**
	2022	**1,126**	**44**	**0**	**3**	**0**	**18**	**1,149**

i. Some totals may not reconcile with other figures shown elsewhere in Item 20 because computer date postings, transfers, acquisitions, temporary closings for remodeling and then re-opening may overlap fiscal years.

Table 4
Status of Company-Owned Outlets
For Years Ending December 27, 2020, December 26, 2021, and December 31, 2022

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Florida	2020	33	1	0	0	0	34
	2021	34	1	0	0	0	35
	2022	35	0	0	1	0	34
Iowa	2020	5	0	0	1	0	4
	2021	4	0	0	0	0	4
	2022	4	0	0	0	0	4
Total	**2020**	**38**	**1**	**0**	**1**	**0**	**38**
	2021	**38**	**1**	**0**	**0**	**0**	**39**
	2022	**39**	**0**	**0**	**1**	**0**	**38**

Table 5
Projected Openings as of December 31, 2022

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	3	3	0
Alaska	1	1	0
Arizona	3	3	0
Arkansas	0	0	0

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	8	8	0
Colorado	4	4	0
Connecticut	0	0	0
Delaware	0	0	0
District of Columbia	0	0	0
Florida	6	6	2
Georgia	7	7	0
Hawaii	0	0	0
Idaho	1	1	0
Illinois	1	1	0
Indiana	3	3	0
Iowa	0	0	0
Kansas	1	1	0
Kentucky	2	2	0
Louisiana	6	6	0
Maine	0	0	0
Maryland	4	4	0
Massachusetts	0	0	0
Michigan	2	2	0
Minnesota	1	1	0
Mississippi	3	3	0
Missouri	1	1	0
Montana	2	2	0
Nebraska	0	0	0
Nevada	0	0	0
New Hampshire	0	0	0
New Jersey	0	0	0
New Mexico	2	2	0
New York	0	0	0
North Carolina	3	3	0
North Dakota	0	0	0
Ohio	4	4	0
Oklahoma	0	0	0
Oregon	2	2	0
Pennsylvania	1	1	0
Puerto Rico	1	1	0
Rhode Island	0	0	0
South Carolina	3	3	0
South Dakota	0	0	0
Tennessee	9	9	0
Texas	13	13	0
Utah	0	0	0
Vermont	0	0	0
Virginia	1	1	0
Washington	1	1	0

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
West Virginia	0	0	0
Wisconsin	3	3	0
Wyoming	0	0	0
Total	**102**	**102**	**2**

The name, business address, and business telephone number of each Franchisee on December 31, 2022 are listed on Exhibit "N."

The name, city and state, and current business telephone number (or, if unknown, the last known home telephone number) of the 117 Franchisees who have had a FIREHOUSE SUBS® Restaurant or Development Business terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement or Development Agreement and who have left the system during the most recently completed fiscal year, or have not communicated with us within 10 weeks of March 24, 2023 are listed on Exhibit "O."

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

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

We created and support the following Franchisee Association:

Firehouse Subs Market Fund, Inc.
12735 Gran Bay Parkway, Suite 150
Jacksonville, Florida 32258
904-886-8300 or 1-800-388-FIRE
marketingBOD@firehousesubs.com
http://www.firehousesubsmarketfundbod.com

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ITEM 21.
FINANCIAL STATEMENTS

Attached to this disclosure document at Exhibit "A" are the audited consolidated balance sheets as of December 31, 2022 and 2021 and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2022 and the related notes to the consolidated financial statements of RBI, and its subsidiaries. Exhibit "A" also contains the audited consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of operations, comprehensive income (loss), equity and cash flows for each of the years in the three-year period ended December 31, 2022, and the related notes to the consolidated financial statements of RBILP, and its subsidiaries.

If you are a resident of, or your franchise will be located in, California, Illinois, Maryland, North Dakota, Rhode Island, Virginia or Washington RBILP will be the guarantor of all of our duties and obligations under the Franchise Agreement with you. Otherwise, RBI will be the guarantor of all of our duties and obligations under the Franchise Agreement with you. The RBI Guaranty of Performance and the RBILP Guaranty of Performance are also included at Exhibit "A."

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ITEM 22.
CONTRACTS

The following agreements are attached as exhibits to this Disclosure Document:

EXHIBITS

B. Application and Deposit Agreement

C. Franchise Agreement and Addendum
- C.1 Franchise Agreement
- C.2 Deferred Renovation Addendum to Franchise Agreement

D. Development Agreements
- D.1 Target Reservation Agreement
- D.2 Area Development Agreement

E. Conditional Assignment of Telephone Numbers and Listings

F. Addendum to Lease Agreement

H. Owner's Guaranty

I. Principal Owner's Statement

L. The Firehouse Subs Market Fund Membership Agreement

Q. Addenda and Amendments Required by Certain States

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ITEM 23.
RECEIPTS

The last two pages of this disclosure document are detachable receipt pages. Please sign and date each of them and return one copy to us.

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EXHIBIT A TO THE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

OF RBI

Exhibit A
03/2023

Item 8. ***Financial Statements and Supplementary Data***

RESTAURANT BRANDS INTERNATIONAL INC. AND SUBSIDIARIES

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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Consolidated Statements of Comprehensive Income (Loss)	8
Consolidated Statements of Shareholders' Equity	9
Consolidated Statements of Cash Flows	10
Notes to Consolidated Financial Statements	11

Management's Report on Internal Control Over Financial Reporting

Management is responsible for the preparation, integrity and fair presentation of the consolidated financial statements, related notes and other information included in this annual report. The consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America and include certain amounts based on management's estimates and assumptions. Other financial information presented in the annual report is derived from the consolidated financial statements.

Management is also responsible for establishing and maintaining adequate internal control over financial reporting, and for performing an assessment of the effectiveness of internal control over financial reporting as of December 31, 2022. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our system of internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Management performed an assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2022 based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our assessment and those criteria, management determined that the Company's internal control over financial reporting was effective as of December 31, 2022.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2022 has been audited by KPMG LLP, the Company's independent registered public accounting firm, as stated in its report which is included herein.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Restaurant Brands International Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Restaurant Brands International Inc. and subsidiaries (the Company) as of December 31, 2022 and 2021, the related consolidated statements of operations, comprehensive income (loss), shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2022, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2022, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 22, 2023 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Gross unrecognized tax benefits

As discussed in Notes 2 and 11 to the consolidated financial statements, the Company records a liability for unrecognized tax benefits associated with uncertain tax positions. The Company recognizes tax benefits from tax positions only if there is more than a 50% likelihood that the tax positions will be sustained upon examination by the taxing authorities, based on the technical merits of the positions. As of December 31, 2022, the Company has recorded gross unrecognized tax benefits, excluding associated interest and penalties, of $139 million.

We identified the assessment of gross unrecognized tax benefits resulting from certain tax planning strategies implemented during the year as a critical audit matter. Identifying and determining uncertain tax positions arising from implementing tax planning strategies involved a number of judgments and assumptions, which included complex considerations of tax law. As a result, subjective and complex auditor judgment, including the involvement of tax professionals with specialized skills and knowledge, was required to evaluate the Company's interpretation of tax law and its determination of which tax positions have more than a 50% likelihood of being sustained upon examination.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's gross unrecognized tax benefits process, including controls related to 1) interpreting tax law, 2) identifying significant uncertain tax positions arising from tax planning strategies that were implemented during the year, 3) evaluating the tax consequences of the related strategies, and 4) evaluating which of the Company's tax positions may not be sustained upon examination. In addition, we involved tax professionals with specialized skills and knowledge, who assisted in:

- obtaining an understanding of the Company's tax planning strategies
- evaluating the Company's interpretation of the relevant tax laws by developing an independent assessment
- evaluating the Company's identification of uncertain tax positions to assess the tax consequences of these related tax positions
- performing an independent assessment of the Company's tax positions and comparing our assessment to the Company's assessment.

(signed) KPMG LLP

We have served as the Company's auditor since 1989.

Miami, Florida
February 22, 2023

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Restaurant Brands International Inc.:

Opinion on Internal Control Over Financial Reporting

We have audited Restaurant Brands International Inc. and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2022 and 2021, the related consolidated statements of operations, comprehensive income (loss), shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2022, and the related notes (collectively, the consolidated financial statements), and our report dated February 22, 2023 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

(signed) KPMG LLP

Miami, Florida
February 22, 2023

RESTAURANT BRANDS INTERNATIONAL INC. AND SUBSIDIARIES
Consolidated Balance Sheets
(In millions of U.S. dollars, except share data)

	As of December 31,	
	2022	2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,178	$ 1,087
Accounts and notes receivable, net of allowance of $36 and $18, respectively	614	547
Inventories, net	133	96
Prepaids and other current assets	123	86
Total current assets	2,048	1,816
Property and equipment, net of accumulated depreciation and amortization of $1,061 and $979, respectively	1,950	2,035
Operating lease assets, net	1,082	1,130
Intangible assets, net	10,991	11,417
Goodwill	5,688	6,006
Net investment in property leased to franchisees	82	80
Other assets, net	905	762
Total assets	$ 22,746	$ 23,246
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts and drafts payable	$ 758	$ 614
Other accrued liabilities	1,001	947
Gift card liability	230	221
Current portion of long-term debt and finance leases	127	96
Total current liabilities	2,116	1,878
Long-term debt, net of current portion	12,839	12,916
Finance leases, net of current portion	311	333
Operating lease liabilities, net of current portion	1,027	1,070
Other liabilities, net	872	1,822
Deferred income taxes, net	1,313	1,374
Total liabilities	18,478	19,393
Commitments and contingencies (Note 17)		
Shareholders' equity:		
Common shares, no par value; Unlimited shares authorized at December 31, 2022 and December 31, 2021; 307,142,436 shares issued and outstanding at December 31, 2022; 309,025,068 shares issued and outstanding at December 31, 2021	2,057	2,156
Retained earnings	1,121	791
Accumulated other comprehensive income (loss)	(679)	(710)
Total Restaurant Brands International Inc. shareholders' equity	2,499	2,237
Noncontrolling interests	1,769	1,616
Total shareholders' equity	4,268	3,853
Total liabilities and shareholders' equity	$ 22,746	$ 23,246

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board of Directors:

By: /s/ J. Patrick Doyle
J. Patrick Doyle, Executive Chairman

By: /s/ Ali Hedayat
Ali Hedayat, Director

RESTAURANT BRANDS INTERNATIONAL INC. AND SUBSIDIARIES
Consolidated Statements of Operations
(In millions of U.S. dollars, except per share data)

	2022	2021	2020
Revenues:			
Sales	$ 2,819	$ 2,378	$ 2,013
Franchise and property revenues	2,661	2,443	2,121
Advertising revenues and other services	1,025	918	834
Total revenues	6,505	5,739	4,968
Operating costs and expenses:			
Cost of sales	2,312	1,890	1,610
Franchise and property expenses	518	489	515
Advertising expenses and other services	1,077	986	870
General and administrative expenses	631	484	407
(Income) loss from equity method investments	44	4	39
Other operating expenses (income), net	25	7	105
Total operating costs and expenses	4,607	3,860	3,546
Income from operations	1,898	1,879	1,422
Interest expense, net	533	505	508
Loss on early extinguishment of debt	—	11	98
Income before income taxes	1,365	1,363	816
Income tax (benefit) expense	(117)	110	66
Net income	1,482	1,253	750
Net income attributable to noncontrolling interests (Note 13)	474	415	264
Net income attributable to common shareholders	$ 1,008	$ 838	$ 486
Earnings per common share:			
Basic	$ 3.28	$ 2.71	$ 1.61
Diluted	$ 3.25	$ 2.69	$ 1.60
Weighted average shares outstanding (in millions):			
Basic	307	310	302
Diluted	455	464	468

See accompanying notes to consolidated financial statements.

RESTAURANT BRANDS INTERNATIONAL INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income (Loss)
(In millions of U.S. dollars)

	2022	2021	2020
Net income	$ 1,482	$ 1,253	$ 750
Foreign currency translation adjustment	(703)	(67)	332
Net change in fair value of net investment hedges, net of tax of $(77), $15, and $60	332	111	(242)
Net change in fair value of cash flow hedges, net of tax of $(141), $(36), and $91	382	96	(244)
Amounts reclassified to earnings of cash flow hedges, net of tax of $(12), $(36), and $(27)	34	96	73
Gain (loss) recognized on defined benefit pension plans and other items, net of tax of $(2), $(3), and $3	6	15	(16)
Other comprehensive income (loss)	51	251	(97)
Comprehensive income (loss)	1,533	1,504	653
Comprehensive income (loss) attributable to noncontrolling interests	490	499	224
Comprehensive income (loss) attributable to common shareholders	$ 1,043	$ 1,005	$ 429

See accompanying notes to consolidated financial statements.

RESTAURANT BRANDS INTERNATIONAL INC. AND SUBSIDIARIES

Consolidated Statements of Shareholders' Equity

(In millions of U.S. dollars, except shares)

	Issued Common Shares		Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total
	Shares	Amount				
Balances at December 31, 2019	298,281,081	$ 2,478	$ 775	$ (763)	$ 1,769	$ 4,259
Stock option exercises	2,447,627	82	—	—	—	82
Share-based compensation	—	74	—	—	—	74
Issuance of shares	469,145	6	—	—	—	6
Dividends declared on common shares ($2.08 per share)	—	—	(631)	—	—	(631)
Dividend equivalents declared on restricted stock units	—	8	(8)	—	—	—
Distributions declared by Partnership on partnership exchangeable units ($2.08 per unit)	—	—	—	—	(336)	(336)
Repurchase of Partnership exchangeable units	—	(293)	—	(22)	(65)	(380)
Exchange of Partnership exchangeable units for RBI common shares	3,636,169	48	—	(12)	(36)	—
Other	(115,273)	(4)	—	—	—	(4)
Restaurant VIE contributions (distributions)	—	—	—	—	(2)	(2)
Net income	—	—	486	—	264	750
Other comprehensive income (loss)	—	—	—	(57)	(40)	(97)
Balances at December 31, 2020	304,718,749	$ 2,399	$ 622	$ (854)	$ 1,554	$ 3,721
Stock option exercises	1,594,146	60	—	—	—	60
Share-based compensation	—	88	—	—	—	88
Issuance of shares	1,839,941	12	—	—	—	12
Dividends declared on common shares ($2.12 per share)	—	—	(658)	—	—	(658)
Dividend equivalents declared on restricted stock units	—	11	(11)	—	—	—
Distributions declared by Partnership on partnership exchangeable units ($2.12 per units)	—	—	—	—	(318)	(318)
Repurchase of RBI common shares	(9,247,648)	(551)	—	—	—	(551)
Exchange of Partnership exchangeable units for RBI common shares	10,119,880	137	—	(23)	(114)	—
Restaurant VIE contributions (distributions)	—	—	—	—	(5)	(5)
Net income	—	—	838	—	415	1,253
Other comprehensive income (loss)	—	—	—	167	84	251
Balances at December 31, 2021	309,025,068	$ 2,156	$ 791	$ (710)	$ 1,616	$ 3,853
Stock option exercises	483,980	21	—	—	—	21
Share-based compensation	—	121	—	—	—	121
Issuance of shares	1,737,934	43	—	—	—	43
Dividends declared on common shares ($2.16 per share)	—	—	(664)	—	—	(664)
Dividend equivalents declared on restricted stock units	—	14	(14)	—	—	—
Distributions declared by Partnership on partnership exchangeable units ($2.16 per unit)	—	—	—	—	(309)	(309)
Repurchase of RBI common shares	(6,101,364)	(326)	—	—	—	(326)
Exchange of Partnership exchangeable units for RBI common shares	1,996,818	28	—	(4)	(24)	—
Restaurant VIE contributions (distributions)	—	—	—	—	(4)	(4)
Net income	—	—	1,008	—	474	1,482
Other comprehensive income (loss)	—	—	—	35	16	51
Balances at December 31, 2022	307,142,436	$ 2,057	$ 1,121	$ (679)	$ 1,769	$ 4,268

See accompanying notes to consolidated financial statements.

RESTAURANT BRANDS INTERNATIONAL INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(In millions of U.S. dollars)

	2022	2021	2020
Cash flows from operating activities:			
Net income	$ 1,482	$ 1,253	$ 750
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	190	201	189
Premiums paid and non-cash loss on early extinguishment of debt	—	11	97
Amortization of deferred financing costs and debt issuance discount	28	27	26
(Income) loss from equity method investments	44	4	39
Loss (gain) on remeasurement of foreign denominated transactions	(4)	(76)	100
Net (gains) losses on derivatives	(9)	87	32
Share-based compensation and non-cash incentive compensation expense	136	102	84
Deferred income taxes	(60)	(5)	(208)
Other	19	(16)	28
Changes in current assets and liabilities, excluding acquisitions and dispositions:			
Accounts and notes receivable	(110)	8	(30)
Inventories and prepaids and other current assets	(61)	12	(10)
Accounts and drafts payable	169	149	(183)
Other accrued liabilities and gift card liability	37	67	6
Tenant inducements paid to franchisees	(26)	(20)	(22)
Other long-term assets and liabilities	(345)	(78)	23
Net cash provided by operating activities	1,490	1,726	921
Cash flows from investing activities:			
Payments for property and equipment	(100)	(106)	(117)
Net proceeds from disposal of assets, restaurant closures and refranchisings	12	16	12
Net payment for purchase of Firehouse Subs, net of cash acquired	(12)	(1,004)	—
Settlement/sale of derivatives, net	71	5	33
Other investing activities, net	(35)	(14)	(7)
Net cash used for investing activities	(64)	(1,103)	(79)
Cash flows from financing activities:			
Proceeds from revolving line of credit and long-term debt	2	1,335	5,235
Repayments of revolving line of credit, long-term debt and finance leases	(94)	(889)	(4,708)
Payment of financing costs	—	(19)	(43)
Payment of dividends on common shares and distributions on Partnership exchangeable units	(971)	(974)	(959)
Repurchase of Partnership exchangeable units	—	—	(380)
Repurchase of common shares	(326)	(551)	—
Proceeds from stock option exercises	21	60	82
Proceeds from issuance of common shares	30	—	—
(Payments) proceeds from derivatives	34	(51)	(46)
Other financing activities, net	(3)	(4)	(2)
Net cash used for financing activities	(1,307)	(1,093)	(821)
Effect of exchange rates on cash and cash equivalents	(28)	(3)	6
Increase (decrease) in cash and cash equivalents	91	(473)	27
Cash and cash equivalents at beginning of period	1,087	1,560	1,533
Cash and cash equivalents at end of period	$ 1,178	$ 1,087	$ 1,560
Supplemental cash flow disclosures:			
Interest paid	$ 487	$ 404	$ 463
Income taxes paid, net	$ 275	$ 256	$ 267

See accompanying notes to consolidated financial statements.

RESTAURANT BRANDS INTERNATIONAL INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 1. Description of Business and Organization

Description of Business

Restaurant Brands International Inc. (the "Company," "RBI," "we," "us" or "our") is a Canadian corporation that serves as the sole general partner of Restaurant Brands International Limited Partnership (the "Partnership"). On December 15, 2021 we acquired FRG, LLC ("Firehouse Subs"). We franchise and operate quick service restaurants serving premium coffee and other beverage and food products under the *Tim Hortons*® brand ("Tim Hortons" or "TH"), fast food hamburgers principally under the *Burger King*® brand ("Burger King" or "BK"), chicken under the *Popeyes*® brand ("Popeyes" or "PLK") and sandwiches under the *Firehouse Subs*® brand ("Firehouse" or "FHS"). We are one of the world's largest quick service restaurant, or QSR, companies as measured by total number of restaurants. As of December 31, 2022, we franchised or owned 5,600 Tim Hortons restaurants, 19,789 Burger King restaurants, 4,091 Popeyes restaurants, and 1,242 Firehouse restaurants, for a total of 30,722 restaurants, and operate in more than 100 countries. Approximately 100% of current system-wide restaurants are franchised.

All references to "$" or "dollars" are to the currency of the United States unless otherwise indicated. All references to "Canadian dollars" or "C$" are to the currency of Canada unless otherwise indicated.

Note 2. Significant Accounting Policies

Fiscal Year

We operate on a monthly calendar, with a fiscal year that ends on December 31.

Basis of Presentation

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") and related rules and regulations of the U.S. Securities and Exchange Commission requires our management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

Principles of Consolidation

The consolidated financial statements (the "Financial Statements") include our accounts and the accounts of entities in which we have a controlling financial interest, the usual condition of which is ownership of a majority voting interest. We also consolidate marketing funds we control. All material intercompany balances and transactions have been eliminated in consolidation. Investments in other affiliates that are owned 50% or less where we have significant influence are accounted for by the equity method.

We are the sole general partner of Partnership and, as such we have the exclusive right, power and authority to manage, control, administer and operate the business and affairs and to make decisions regarding the undertaking and business of Partnership, subject to the terms of the partnership agreement of Partnership ("partnership agreement") and applicable laws. As a result, we consolidate the results of Partnership and record a noncontrolling interest in our consolidated balance sheets and statements of operations with respect to the remaining economic interest in Partnership we do not hold.

We also consider for consolidation entities in which we have certain interests, where the controlling financial interest may be achieved through arrangements that do not involve voting interests. Such an entity, known as a variable interest entity ("VIE"), is required to be consolidated by its primary beneficiary. The primary beneficiary is the entity that possesses the power to direct the activities of the VIE that most significantly impact its economic performance and has the obligation to absorb losses or the right to receive benefits from the VIE that are significant to it. Our maximum exposure to loss resulting from involvement with VIEs is attributable to accounts and notes receivable balances, investment balances, outstanding loan guarantees and future lease payments, where applicable.

As our franchise and master franchise arrangements provide the franchise and master franchise entities the power to direct the activities that most significantly impact their economic performance, we do not consider ourselves the primary beneficiary of any such entity that might be a VIE.

Tim Hortons has historically entered into certain arrangements in which an operator acquires the right to operate a restaurant, but Tim Hortons owns the restaurant's assets. In these arrangements, Tim Hortons has the ability to determine which operators manage the restaurants and for what duration. We perform an analysis to determine if the legal entity in which operations are

conducted is a VIE and consolidate a VIE entity if we also determine Tim Hortons is the entity's primary beneficiary ("Restaurant VIEs"). As of December 31, 2022 and 2021, we determined that we are the primary beneficiary of 41 and 46 Restaurant VIEs, respectively, and accordingly, have consolidated the results of operations, assets and liabilities, and cash flows of these Restaurant VIEs in our Financial Statements.

Assets and liabilities related to consolidated VIEs are not significant to our total consolidated assets and liabilities. Liabilities recognized as a result of consolidating these VIEs do not necessarily represent additional claims on our general assets; rather, they represent claims against the specific assets of the consolidated VIEs. Conversely, assets recognized as a result of consolidating these VIEs do not represent additional assets that could be used to satisfy claims by our creditors as they are not legally included within our general assets.

Reclassifications

Certain prior year amounts in the accompanying consolidated financial statements and notes to the consolidated financial statements have been reclassified in order to be comparable with the current year classifications. These consist of the 2021 reclassification of $9 million of technology fee revenues from Franchise and property revenues to Advertising revenues and other services and $24 million of technology expenses from General and administrative expenses to Advertising expenses and other services. These reclassifications did not arise as a result of any changes to accounting policies and relate entirely to presentation with no effect on previously reported net income.

Foreign Currency Translation and Transaction Gains and Losses

Our functional currency is the U.S. dollar, since our term loans and senior secured notes are denominated in U.S. dollars, and the principal market for our common shares is the U.S. The functional currency of each of our operating subsidiaries is generally the currency of the economic environment in which the subsidiary primarily does business. Our foreign subsidiaries' financial statements are translated into U.S. dollars using the foreign exchange rates applicable to the dates of the financial statements. Assets and liabilities are translated using the end-of-period spot foreign exchange rates. Income, expenses and cash flows are translated at the average foreign exchange rates for each period. Equity accounts are translated at historical foreign exchange rates. The effects of these translation adjustments are reported as a component of accumulated other comprehensive income (loss) ("AOCI") in the consolidated statements of shareholders' equity.

For any transaction that is denominated in a currency different from the entity's functional currency, we record a gain or loss based on the difference between the foreign exchange rate at the transaction date and the foreign exchange rate at the transaction settlement date (or rate at period end, if unsettled) which is included within other operating expenses (income), net in the consolidated statements of operations.

Cash and Cash Equivalents

All highly liquid investments with original maturities of three months or less and credit card receivables are considered cash equivalents.

Accounts and Notes Receivable, net

Our credit loss exposure is mainly concentrated in our accounts and notes receivable portfolio, which consists primarily of amounts due from franchisees, including royalties, rents, franchise fees, contributions due to advertising funds we manage and, in the case of our TH segment, amounts due for supply chain sales. Accounts and notes receivable are reported net of an allowance for expected credit losses over the estimated life of the receivable. Credit losses are estimated based on aging, historical collection experience, financial position of the franchisee and other factors, including those related to current economic conditions and reasonable and supportable forecasts of future conditions.

Bad debt expense recognized for expected credit losses is classified in our consolidated statement of operations as Cost of sales, Franchise and property expenses or Advertising expenses and other services, based on the nature of the underlying receivable. Net bad debt expense (recoveries) totaled $19 million in 2022, $(9) million in 2021 and $33 million in 2020.

Inventories

Inventories are carried at the lower of cost or net realizable value and consist primarily of raw materials such as green coffee beans and finished goods such as new equipment, parts, paper supplies and restaurant food items. The moving average method is used to determine the cost of raw materials and finished goods inventories held for sale to Tim Hortons franchisees.

Property and Equipment, net

We record property and equipment at historical cost less accumulated depreciation and amortization, which is recognized using the straight-line method over the following estimated useful lives: (i) buildings and improvements – up to 40 years; (ii) restaurant equipment – up to 17 years; (iii) furniture, fixtures and other – up to 10 years; and (iv) manufacturing equipment – up to 25 years. Leasehold improvements to properties where we are the lessee are amortized over the lesser of the remaining term of the lease or the estimated useful life of the improvement.

Major improvements are capitalized, while maintenance and repairs are expensed when incurred.

Capitalized Software and Cloud Computing Costs

We record capitalized software at historical cost less accumulated amortization, which is recognized using the straight-line method. Amortization expense is based on the estimated useful life of the software, which is primarily up to five years, once the asset is available for its intended use.

Implementation costs incurred in connection with Cloud Computing Arrangements ("CCA") are capitalized consistently with costs capitalized for internal-use software. Capitalized CCA implementation costs are included in "Other assets" in the consolidated balance sheets and are amortized over the term of the related hosting agreement, including renewal periods that are reasonably certain to be exercised. Amortization expense of CCA implementation costs is classified as "General and administrative expenses" in the consolidated statements of operations.

Leases

In all leases, whether we are the lessor or lessee, we define lease term as the noncancellable term of the lease plus any renewals covered by renewal options that are reasonably certain of exercise based on our assessment of the economic factors relevant to the lessee. The noncancellable term of the lease commences on the date the lessor makes the underlying property in the lease available to the lessee, irrespective of when lease payments begin under the contract.

Lessor Accounting

We recognize lease payments for operating leases as property revenue on a straight-line basis over the lease term, and property revenue is presented net of any related sales tax. Lease incentive payments we make to lessees are amortized as a reduction in property revenue over the lease term. We account for reimbursements of maintenance and property tax costs paid to us by lessees as property revenue.

We also have net investments in properties leased to franchisees, which meet the criteria of sales-type leases or met the criteria of direct financing leases under the previous accounting guidance. Investments in sales-type leases and direct financing leases are recorded on a net basis. Profit on sales-type leases is recognized at lease commencement and recorded in other operating expenses (income), net. Unearned income on direct financing leases is deferred, included in the net investment in the lease, and recognized over the lease term yielding a constant periodic rate of return on the net investment in the lease.

We recognize variable lease payment income in the period when changes in facts and circumstances on which the variable lease payments are based occur.

Lessee Accounting

In leases where we are the lessee, we recognize a right-of-use ("ROU") asset and lease liability at lease commencement, which are measured by discounting lease payments using our incremental borrowing rate as the discount rate. We determine the incremental borrowing rate applicable to each lease by reference to our outstanding secured borrowings and implied spreads over the risk-free discount rates that correspond to the term of each lease, as adjusted for the currency of the lease. Subsequent amortization of the ROU asset and accretion of the lease liability for an operating lease is recognized as a single lease cost, on a straight-line basis, over the lease term. Reductions of the ROU asset and the change in the lease liability are included in changes in Other long-term assets and liabilities in the Consolidated Statement of Cash Flows.

A finance lease ROU asset is depreciated on a straight-line basis over the lesser of the useful life of the leased asset or lease term. Interest on each finance lease liability is determined as the amount that results in a constant periodic discount rate on the remaining balance of the liability. Operating lease and finance lease ROU assets are assessed for impairment in accordance with our long-lived asset impairment policy.

We reassess lease classification and remeasure ROU assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate contract or upon certain other events that require reassessment. Maintenance and property tax expenses are accounted for on an accrual basis as variable lease cost.

We recognize variable lease cost in the period when changes in facts and circumstances on which the variable lease payments are based occur.

Goodwill and Intangible Assets Not Subject to Amortization

Goodwill represents the excess of the purchase price over the fair value of assets acquired and liabilities assumed in connection with the acquisition of Firehouse Subs in 2021, the acquisition of Popeyes in 2017, the acquisition of Tim Hortons in 2014 and the acquisition of Burger King Holdings, Inc. by 3G Capital Partners Ltd. in 2010. Our indefinite-lived intangible assets consist of the *Tim Hortons* brand, the *Burger King* brand, the *Popeyes* brand and the *Firehouse Subs* brand (each a "Brand" and together, the "Brands"). Goodwill and the Brands are tested for impairment at least annually as of October 1 of each year and more often if an event occurs or circumstances change which indicate impairment might exist. Our annual impairment tests of goodwill and the Brands may be completed through qualitative assessments. We may elect to bypass the qualitative assessment and proceed directly to a quantitative impairment test for any reporting unit or Brand in any period. We can resume the qualitative assessment for any reporting unit or Brand in any subsequent period.

Under a qualitative approach, our impairment review for goodwill consists of an assessment of whether it is more-likely-than-not that a reporting unit's fair value is less than its carrying amount. If we elect to bypass the qualitative assessment for any reporting unit, or if a qualitative assessment indicates it is more-likely-than-not that the estimated carrying value of a reporting unit exceeds its fair value, we perform a quantitative goodwill impairment test that requires us to estimate the fair value of the reporting unit. If the fair value of the reporting unit is less than its carrying amount, we will measure any goodwill impairment loss as the amount by which the carrying amount of a reporting unit exceeds its fair value, not to exceed the total amount of goodwill allocated to that reporting unit.

Under a qualitative approach, our impairment review for the Brands consists of an assessment of whether it is more-likely-than-not that a Brand's fair value is less than its carrying amount. If we elect to bypass the qualitative assessment for a Brand, or if a qualitative assessment indicates it is more-likely-than-not that the estimated carrying value of a Brand exceeds its fair value, we estimate the fair value of the Brand and compare it to its carrying amount. If the carrying amount exceeds fair value, an impairment loss is recognized in an amount equal to that excess.

We completed our impairment tests for goodwill and the Brands as of October 1, 2022, 2021 and 2020 and no impairment resulted.

Long-Lived Assets

Long-lived assets, such as property and equipment, intangible assets subject to amortization and lease right-of-use assets, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset or asset group may not be recoverable. Some of the events or changes in circumstances that would trigger an impairment review include, but are not limited to, bankruptcy proceedings or other significant financial distress of a lessee; significant negative industry or economic trends; knowledge of transactions involving the sale of similar property at amounts below the carrying value; or our expectation to dispose of long-lived assets before the end of their estimated useful lives. The impairment test for long-lived assets requires us to assess the recoverability of long-lived assets by comparing their net carrying value to the sum of undiscounted estimated future cash flows directly associated with and arising from use and eventual disposition of the assets or asset group. Long-lived assets are grouped for recognition and measurement of impairment at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets. If the net carrying value of a group of long-lived assets exceeds the sum of related undiscounted estimated future cash flows, we record an impairment charge equal to the excess, if any, of the net carrying value over fair value.

Other Comprehensive Income (Loss)

Other comprehensive income (loss) ("OCI") refers to revenues, expenses, gains and losses that are included in comprehensive income (loss), but are excluded from net income (loss) as these amounts are recorded directly as an adjustment to shareholders' equity, net of tax. Our other comprehensive income (loss) is primarily comprised of unrealized gains and losses on foreign currency translation adjustments and unrealized gains and losses on hedging activity, net of tax.

Derivative Financial Instruments

We recognize and measure all derivative instruments as either assets or liabilities at fair value in the consolidated balance sheets. Derivative instruments accounted for as net investments hedges are classified as long term assets and liabilities in the consolidated balance sheets. We may enter into derivatives that are not designated as hedging instruments for accounting purposes, but which largely offset the economic impact of certain transactions.

Gains or losses resulting from changes in the fair value of derivatives are recognized in earnings or recorded in other comprehensive income (loss) and recognized in the consolidated statements of operations when the hedged item affects earnings, depending on the purpose of the derivatives and whether they qualify for, and we have applied, hedge accounting treatment.

When applying hedge accounting, we designate at a derivative's inception, the specific assets, liabilities or future commitments being hedged, and assess the hedge's effectiveness at inception and on an ongoing basis. We discontinue hedge accounting when: (i) we determine that the cash flow derivative is no longer effective in offsetting changes in the cash flows of a hedged item; (ii) the derivative expires or is sold, terminated or exercised; (iii) it is no longer probable that the forecasted transaction will occur; or (iv) management determines that designation of the derivatives as a hedge instrument is no longer appropriate. We do not enter into or hold derivatives for speculative purposes.

Disclosures about Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market, or if none exists, the most advantageous market, for the specific asset or liability at the measurement date (the exit price). The fair value is based on assumptions that market participants would use when pricing the asset or liability. The fair values are assigned a level within the fair value hierarchy, depending on the source of the inputs into the calculation, as follows:

Level 1 Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3 Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability.

The carrying amounts for cash and cash equivalents, accounts and notes receivable and accounts and drafts payable approximate fair value based on the short-term nature of these amounts.

We carry all of our derivatives at fair value and value them using various pricing models or discounted cash flow analysis that incorporate observable market parameters, such as interest rate yield curves and currency rates, which are Level 2 inputs. Derivative valuations incorporate credit risk adjustments that are necessary to reflect the probability of default by the counterparty or us. For disclosures about the fair value measurements of our derivative instruments, see Note 12, *Derivative Instruments*.

The following table presents the fair value of our variable rate term debt and senior notes, estimated using inputs based on bid and offer prices that are Level 2 inputs, and principal carrying amount (in millions):

	As of December 31,	
	2022	2021
Fair value of our variable term debt and senior notes	$ 11,885	$ 12,851
Principal carrying amount of our variable term debt and senior notes	12,890	12,943

The determinations of fair values of certain tangible and intangible assets for purposes of the application of the acquisition method of accounting to the acquisition of Firehouse Subs were based on Level 3 inputs. The determination of fair values of our reporting units and the determination of the fair value of the Brands for impairment testing using a quantitative approach during 2022 and 2020 were based upon Level 3 inputs.

Revenue Recognition

Sales

Sales consist primarily of supply chain sales, which represent sales of products, supplies and restaurant equipment to franchisees, as well as sales to retailers and are presented net of any related sales tax. Orders placed by customers specify the goods to be delivered and transaction prices for supply chain sales. Revenue is recognized upon transfer of control over ordered items, generally upon delivery to the customer, which is when the customer obtains physical possession of the goods, legal title is transferred, the customer has all risks and rewards of ownership and an obligation to pay for the goods is created. Shipping and handling costs associated with outbound freight for supply chain sales are accounted for as fulfillment costs and classified as cost of sales.

To a much lesser extent, sales also include Company restaurant sales (including Restaurant VIEs), which consist of sales to restaurant guests. Revenue from Company restaurant sales is recognized at the point of sale. Taxes assessed by a governmental authority that we collect are excluded from revenue.

Franchise and property revenues

Franchise revenues consist primarily of royalties, initial and renewal franchise fees and upfront fees from development agreements and master franchise and development agreements ("MFDAs"). Under franchise agreements, we provide franchisees with (i) a franchise license, which includes a license to use our intellectual property, (ii) pre-opening services, such as training and inspections, and (iii) ongoing services, such as development of training materials and menu items and restaurant monitoring and inspections. These services are highly interrelated and dependent upon the franchise license and we concluded these services do not represent individually distinct performance obligations. Consequently, we bundle the franchise license performance obligation and promises to provide these services into a single performance obligation (the "Franchise PO"), which we satisfy by providing a right to use our intellectual property over the term of each franchise agreement.

Royalties are calculated as a percentage of franchise restaurant sales over the term of the franchise agreement. Initial and renewal franchise fees are payable by the franchisee upon a new restaurant opening or renewal of an existing franchise agreement. Our franchise agreement royalties represent sales-based royalties that are related entirely to the Franchise PO and are recognized as franchise sales occur. Initial and renewal franchise fees are recognized as revenue on a straight-line basis over the term of the respective agreement. Our performance obligation under development agreements other than MFDAs generally consists of an obligation to grant exclusive development rights over a stated term. These development rights are not distinct from franchise agreements, so upfront fees paid by franchisees for exclusive development rights are deferred and apportioned to each franchise restaurant opened by the franchisee. The pro rata amount apportioned to each restaurant is accounted for as an initial franchise fee.

We have a distinct performance obligation under our MFDAs to grant subfranchising rights over a stated term. Under the terms of MFDAs, we typically either receive an upfront fee paid in cash and/or receive noncash consideration in the form of an equity interest in the master franchisee or an affiliate of the master franchisee. We account for noncash consideration as investments in the applicable equity method investee and recognize revenue in an amount equal to the fair value of the equity interest received. Upfront fees from master franchisees, including the fair value of noncash consideration, are deferred and amortized over the MFDA term on a straight-line basis. We may recognize unamortized upfront fees when a contract with a franchisee or master franchisee is modified and is accounted for as a termination of the existing contract.

The portion of gift cards sold to customers which are never redeemed is commonly referred to as gift card breakage. We recognize gift card breakage income proportionately as each gift card is redeemed using an estimated breakage rate based on our historical experience.

Property revenues consists of rental income from properties we lease or sublease to franchisees. Property revenues are accounted for in accordance with applicable accounting guidance for leases and are excluded from the scope of revenue recognition guidance.

In certain instances, we provide incentives to franchisees in connection with restaurant renovations or other initiatives. These incentives may consist of cash consideration or non-cash consideration such as restaurant equipment. In general, these incentives are designed to support system-wide sales growth to increase our future revenues. The costs of these incentives are capitalized and amortized as a reduction in franchise and property revenue over the term of the contract to which the incentive relates.

Advertising revenues and other services

Advertising revenues consist primarily of franchisee contributions to advertising funds in those markets where our subsidiaries manage an advertising fund and are calculated as a percentage of franchise restaurant sales over the term of the franchise agreement. Under our franchise agreements, advertising contributions received from franchisees must be spent on advertising, product development, marketing, and related activities. We determined our advertising and promotion management services do not represent individually distinct performance obligations and are included in the Franchise PO.

Other services revenues consist primarily of fees from digital sales that partially offset expenses related to technology initiatives. These services are distinct from the Franchise PO because they are not dependent upon the franchise license or highly interrelated with the franchise license.

Cost of Sales

Cost of sales consists primarily of costs associated with the management of our TH supply chain, including cost of goods, direct labor, depreciation and bad debt expense (recoveries) from supply chain sales. Cost of sales also includes food, paper and labor costs of Company restaurants.

Franchise and Property Expenses

Franchise and property expenses consist primarily of depreciation of properties leased to franchisees, rental expense associated with properties subleased to franchisees, amortization of franchise agreements, and bad debt expense (recoveries) from franchise and property revenues.

Advertising Expenses and Other Services

Advertising expenses and other services consist primarily of expenses relating to marketing, advertising and promotion, including market research, production, advertising costs, sales promotions, social media campaigns, technology initiatives, bad debt expense (recoveries) from franchisee contributions to advertising funds we manage, depreciation and amortization and other related support functions for the respective brands. Additionally, we may incur discretionary expenses to fund advertising programs in connection with periodic initiatives.

Company restaurants and franchise restaurants contribute to advertising funds that our subsidiaries manage in the United States and Canada and certain other international markets. The advertising funds expense the production costs of advertising when the advertisements are first aired or displayed. All other advertising and promotional costs are expensed in the period incurred. Under our franchise agreements, advertising contributions received from franchisees must be spent on advertising, product development, marketing and related activities. The advertising contributions by Company restaurants (including Restaurant VIEs) are eliminated in consolidation. Consolidated advertising expense totaled $1,032 million, $962 million and $870 million in 2022, 2021 and 2020, respectively.

Deferred Financing Costs

Deferred financing costs are amortized over the term of the related debt agreement into interest expense using the effective interest method.

Income Taxes

Amounts in the Financial Statements related to income taxes are calculated using the principles of ASC Topic 740, *Income Taxes*. Under these principles, deferred tax assets and liabilities reflect the impact of temporary differences between the amounts of assets and liabilities recognized for financial reporting purposes and the amounts recognized for tax purposes, as well as tax credit carry-forwards and loss carry-forwards. These deferred taxes are measured by applying currently enacted tax rates. A deferred tax asset is recognized when it is considered more-likely-than-not to be realized. The effects of changes in tax rates on deferred tax assets and liabilities are recognized in income in the year in which the law is enacted. A valuation allowance reduces deferred tax assets when it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized.

We recognize positions taken or expected to be taken in a tax return in the Financial Statements when it is more-likely-than-not (i.e., a likelihood of more than 50%) that the position would be sustained upon examination by tax authorities. A recognized tax position is then measured at the largest amount of benefit with greater than 50% likelihood of being realized upon ultimate settlement.

Translation gains and losses resulting from the remeasurement of foreign deferred tax assets or liabilities denominated in a currency other than the functional currency are classified as other operating expenses (income), net in the consolidated statements of operations.

Share-based Compensation

Compensation expense related to the issuance of share-based awards to our employees is measured at fair value on the grant date. We use the Black-Scholes option pricing model to value stock options. The fair value of restricted stock units (“RSUs”) is generally based on the closing price of RBI's common shares on the trading day preceding the date of grant. Our total shareholder return and if applicable our total shareholder return relative to our peer group is incorporated into the underlying assumptions using a Monte Carlo simulation valuation model to calculate grant date fair value for performance based awards with a market condition. The compensation expense for awards that vest over a future service period is recognized over the requisite service period on a straight-line basis, adjusted for estimated forfeitures of awards that are not expected to vest. We use historical data to estimate forfeitures for share-based awards. Upon the end of the service period, compensation expense is adjusted to account for the actual forfeiture rate. The compensation expense for awards that contain performance conditions is recognized when it is probable that the performance conditions will be achieved.

New Accounting Pronouncements

Accounting Relief for the Transition Away from LIBOR and Certain other Reference Rates – In March 2020 and as clarified in January 2021 and December 2022, the Financial Accounting Standards Board ("FASB") issued guidance which provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. This amendment is effective as of March 12, 2020 through December 31, 2024. The expedients and exceptions provided by this new guidance do not apply to contract modifications made and hedging relationships entered into or evaluated after December 31, 2024, except for hedging relationships existing as of December 31, 2024, that an entity has elected certain optional expedients for and that are retained through the end of the hedging relationships. During the third quarter of 2021, we adopted certain of the expedients as it relates to hedge accounting as certain of our debt agreements and hedging relationships bear interest at variable rates, primarily U.S. dollar LIBOR. The adoption of and future elections under this new guidance did not and are not expected to have a material impact on our Financial Statements. We will continue to monitor the discontinuance of LIBOR on our debt agreements and hedging relationships.

Lessors—Certain Leases with Variable Lease Payments – In July 2021, the FASB issued guidance that requires lessors to classify and account for a lease with variable lease payments that do not depend on a reference index or a rate as an operating lease if (a) the lease would have been classified as a sales-type lease or a direct financing lease in accordance with lease classification criteria and (b) the lessor would have otherwise recognized a day-one loss. This amendment is effective in 2022 with early adoption permitted. This guidance may be applied either retrospectively to leases that commenced or were modified on or after the adoption of lease guidance we adopted in 2019 or prospectively to leases that commence or are modified on or after the date that this new guidance is applied. The adoption of this new guidance during the first quarter of 2022 did not have a material impact on our Financial Statements.

Liabilities—Supplier Finance Programs – In September 2022, the FASB issued guidance that requires buyers in a supplier finance program to disclose sufficient information about the program to allow investors to understand the program's nature, activity during the period, changes from period to period, and potential magnitude. These disclosures would include the key terms of the program, as well as the obligation amount that the buyer has confirmed as valid to the third party that is outstanding at the end of the reporting period, a rollforward of that amount, and a description of where that amount is presented in the balance sheet. This amendment is effective in 2023, except for the amendment on rollforward information which is effective in 2024, with early adoption permitted. This guidance should be applied retrospectively to each period in which a balance sheet is presented, except for the amendment on rollforward information, which should be applied prospectively. We are currently evaluating the impact that the adoption of this new guidance will have on our Financial Statements and will add necessary disclosures upon adoption.

Note 3. Firehouse Acquisition

We acquired Firehouse Subs on December 15, 2021 (the "Firehouse Acquisition") which complements RBI's existing portfolio. Like RBI's other brands, the *Firehouse Subs* brand is managed independently, while benefiting from the global scale and resources of RBI. The Firehouse Acquisition was accounted for as a business combination using the acquisition method of accounting.

Total consideration in connection with the Firehouse Acquisition was $1,016 million. The consideration was funded through cash on hand and $533 million of incremental borrowings under our Term Loan Facility - See Note 9, *Long-Term Debt*.

Fees and expenses related to the Firehouse Acquisition and related financings totaled $1 million during 2022 and $18 million during 2021, consisting primarily of professional fees and compensation related expenses which are classified as general and administrative expenses in the accompanying consolidated statements of operations.

During 2022, we adjusted our preliminary estimate of the fair value of net assets acquired. The final allocation of consideration to the net tangible and intangible assets acquired is presented in the table below (in millions):

	December 15, 2021
Total current assets	$ 21
Property and equipment	4
Firehouse Subs brand	816
Franchise agreements	19
Operating lease assets	9
Total liabilities	(48)
Total identifiable net assets	821
Goodwill	195
Total consideration	$ 1,016

The adjustments to the preliminary estimate of net assets acquired and a decrease in total consideration resulted in a corresponding decrease in estimated goodwill due to the following changes to preliminary estimates of fair values and allocation of purchase price (in millions):

	Increase (Decrease) in Goodwill
Change in:	
Operating lease assets	$ (9)
Firehouse Subs brand	(48)
Franchise agreements	(19)
Total liabilities	35
Total consideration	(17)
Total decrease in goodwill	$ (58)

The *Firehouse Subs* brand has been assigned an indefinite life and, therefore, will not be amortized, but rather tested annually for impairment. Franchise agreements have a weighted average amortization period of 18 years. Goodwill attributable to the Firehouse Acquisition will be deductible and amortized for tax purposes. Goodwill is considered to represent the value associated with the workforce and synergies anticipated to be realized as a combined company. We have allocated goodwill related to the Firehouse Acquisition to our FHS operating segment and to one reporting unit for goodwill impairment testing purposes. In the event that actual results vary from the estimates or assumptions used in the valuation or allocation process, we may be required to record an impairment charge or an increase in depreciation or amortization in future periods, or both. We completed our impairment reviews for goodwill and the Firehouse Subs brand as of October 1, 2022 and no impairment resulted.

The results of operations of Firehouse Subs have been included in our consolidated financial statements from the acquisition date of December 15, 2021. The Firehouse Acquisition is not material to our consolidated financial statements, and therefore, supplemental pro forma financial information related to the acquisition is not included herein.

Note 4. Earnings per Share

An economic interest in Partnership common equity is held by the holders of Class B exchangeable limited partnership units (the "Partnership exchangeable units"), which is reflected as a noncontrolling interest in our equity. See Note 13, *Shareholders' Equity*.

Basic and diluted earnings per share is computed using the weighted average number of shares outstanding for the period. We apply the treasury stock method to determine the dilutive weighted average common shares represented by outstanding equity awards, unless the effect of their inclusion is anti-dilutive. The diluted earnings per share calculation assumes conversion of 100% of the Partnership exchangeable units under the "if converted" method. Accordingly, the numerator is also adjusted to include the earnings allocated to the holders of noncontrolling interests.

The following table summarizes the basic and diluted earnings per share calculations (in millions, except per share amounts):

	2022	2021	2020
Numerator:			
Net income attributable to common shareholders - basic	$ 1,008	$ 838	$ 486
Add: Net income attributable to noncontrolling interests	471	411	262
Net income available to common shareholders and noncontrolling interests - diluted	$ 1,479	$ 1,249	$ 748
Denominator:			
Weighted average common shares - basic	307	310	302
Exchange of noncontrolling interests for common shares (Note 12)	144	151	162
Effect of other dilutive securities	4	3	4
Weighted average common shares - diluted	455	464	468
Basic earnings per share (a)	$ 3.28	$ 2.71	$ 1.61
Diluted earnings per share (a)	$ 3.25	$ 2.69	$ 1.60
Anti-dilutive securities outstanding	6	3	6

(a) Earnings per share may not recalculate exactly as it is calculated based on unrounded numbers.

Note 5. Property and Equipment, net

Property and equipment, net, consist of the following (in millions):

	As of December 31,	
	2022	2021
Land	$ 985	$ 1,011
Buildings and improvements	1,165	1,200
Restaurant equipment	192	193
Furniture, fixtures, and other	300	257
Finance leases	317	323
Construction in progress	52	30
	3,011	3,014
Accumulated depreciation and amortization	(1,061)	(979)
Property and equipment, net	$ 1,950	$ 2,035

Depreciation and amortization expense on property and equipment totaled $135 million for 2022, $148 million for 2021 and $140 million for 2020.

Included in our property and equipment, net at December 31, 2022 and 2021 are $227 million and $246 million, respectively, of assets leased under finance leases (mostly buildings and improvements), net of accumulated depreciation and amortization of $90 million and $77 million, respectively.

Note 6. Intangible Assets, net and Goodwill

Intangible assets, net and goodwill consist of the following (in millions):

	As of December 31,					
	2022			2021		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Identifiable assets subject to amortization:						
Franchise agreements	$ 720	$ (313)	$ 407	$ 722	$ (290)	$ 432
Favorable leases	90	(57)	33	104	(63)	41
Subtotal	810	(370)	440	826	(353)	473
Indefinite-lived intangible assets:						
Tim Hortons brand	$ 6,293	$ —	$ 6,293	$ 6,695	$ —	$ 6,695
Burger King brand	2,088	—	2,088	2,126	—	2,126
Popeyes brand	1,355	—	1,355	1,355	—	1,355
Firehouse Subs brand	815	—	815	768	—	768
Subtotal	10,551	—	10,551	10,944	—	10,944
Intangible assets, net			$ 10,991			$ 11,417
Goodwill						
Tim Hortons segment	$ 4,059			$ 4,306		
Burger King segment	590			601		
Popeyes segment	846			846		
Firehouse segment	193			253		
Total	$ 5,688			$ 6,006		

Amortization expense on intangible assets totaled $39 million for 2022, $41 million for 2021, and $43 million for 2020. The change in the franchise agreements, brands and goodwill balances during 2022 was due to the impact of foreign currency translation and the impact of final adjustments to the preliminary allocation of consideration to the net tangible and intangible assets acquired in the Firehouse Acquisition.

As of December 31, 2022, the estimated future amortization expense on identifiable assets subject to amortization is as follows (in millions):

Twelve-months ended December 31,	Amount
2023	$ 37
2024	36
2025	34
2026	34
2027	34
Thereafter	265
Total	$ 440

Note 7. Equity Method Investments

The aggregate carrying amount of our equity method investments was $167 million and $194 million as of December 31, 2022 and 2021, respectively, and is included as a component of Other assets, net in our consolidated balance sheets.

Except for the following equity method investments, no quoted market prices are available for our other equity method investments. The aggregate market value of our 15.2% equity interest in Carrols Restaurant Group, Inc. ("Carrols") based on the quoted market price on December 31, 2022 is approximately $13 million. The aggregate market value of our 9.4% equity interest in BK Brasil Operação e Assessoria a Restaurantes S.A. based on the quoted market price on December 31, 2022 is approximately $27 million. The aggregate market value of our 3.8% equity interest in TH International Limited based on the quoted market price on December 31, 2022 was approximately $16 million. We have evaluated recent declines in the market value of these equity method investments and recognized an impairment of $15 million as a result of a sustained decline in Carrols' share price and market capitalization during 2022.

We have equity interests in entities that own or franchise Tim Hortons, Burger King and Popeyes restaurants. Franchise and property revenue recognized from franchisees that are owned or franchised by entities in which we have an equity interest consist of the following (in millions):

	2022	2021	2020
Revenues from affiliates:			
Royalties	$ 353	$ 350	$ 239
Advertising revenues	71	67	50
Property revenues	31	32	32
Franchise fees and other revenue	18	21	14
Sales	18	10	3
Total	$ 491	$ 480	$ 338

At December 31, 2022 and 2021, we had $42 million and $48 million, respectively, of accounts receivable, net from our equity method investments which were recorded in accounts and notes receivable, net in our consolidated balance sheets.

With respect to our TH business, the most significant equity method investment is our 50.0% joint venture interest with The Wendy's Company (the "TIMWEN Partnership"), which jointly holds real estate underlying Canadian combination restaurants. Distributions received from this joint venture were $13 million, $16 million and $8 million during 2022, 2021 and 2020, respectively.

We recognized rent expense associated with the TIMWEN Partnership of $19 million, $18 million, and $15 million during 2022, 2021 and 2020, respectively.

(Income) loss from equity method investments reflects our share of investee net income or loss, non-cash dilution gains or losses from changes in our ownership interests in equity investees and impairment charges.

Note 8. Other Accrued Liabilities and Other Liabilities

Other accrued liabilities (current) and other liabilities, net (non-current) consist of the following (in millions):

	As of December 31,	
	2022	2021
Current:		
Dividend payable	$ 243	$ 241
Interest payable	89	63
Accrued compensation and benefits	124	99
Taxes payable	190	106
Deferred income	43	48
Accrued advertising expenses	37	43
Restructuring and other provisions	29	90
Current portion of operating lease liabilities	137	140
Other	109	117
Other accrued liabilities	$ 1,001	$ 947
Non-current:		
Taxes payable	$ 139	$ 533
Contract liabilities (see Note 15)	540	531
Derivatives liabilities	34	575
Unfavorable leases	50	65
Accrued pension	40	47
Deferred income	44	37
Other	25	34
Other liabilities, net	$ 872	$ 1,822

Note 9. Long-Term Debt

Long-term debt consists of the following (in millions):

	As of December 31,	
	2022	2021
Term Loan B	$ 5,190	$ 5,243
Term Loan A	1,250	1,250
3.875% First Lien Senior Notes due 2028	1,550	1,550
3.50% First Lien Senior Notes due 2029	750	750
5.75% First Lien Senior Notes due 2025	500	500
4.375% Second Lien Senior Notes due 2028	750	750
4.00% Second Lien Senior Notes due 2030	2,900	2,900
TH Facility and other	155	173
Less: unamortized deferred financing costs and deferred issuance discount	(111)	(138)
Total debt, net	12,934	12,978
Less: current maturities of debt	(95)	(62)
Total long-term debt	$ 12,839	$ 12,916

Credit Facilities

On December 13, 2021, two of our subsidiaries (the "Borrowers") entered into a fifth incremental facility amendment and a sixth amendment (the "2021 Amendment") to the credit agreement governing our senior secured term loan A facility (the "Term Loan A"), our senior secured term loan B facility (the "Term Loan B" and together with the Term Loan A the "Term Loan Facilities") and our $1,000 million senior secured revolving credit facility (including revolving loans, swingline loans and letters of credit) (the "Revolving Credit Facility" and together with the Term Loan Facilities, the "Credit Facilities"). The 2021 Amendment increased the existing Term Loan A to $1,250 million and extended the maturity date of the Term Loan A and Revolving Credit Facility to December 13, 2026 (subject to earlier maturity in specified circumstances). The security and guarantees under the Revolving Credit Facility and Term Loan A are the same as those under the existing facilities. The proceeds from the increase in the Term Loan A were used with cash on hand to complete the Firehouse Acquisition. In connection with the 2021 Amendment, we capitalized approximately $12 million in debt issuance costs.

The 2021 Amendment also amended the interest rate applicable to the Revolving Credit Facility and the Term Loan A to incorporate SOFR. The interest rate applicable to the Term Loan A and Revolving Credit Facility is, at our option, either (a) a base rate, subject to a floor of 1.00%, plus an applicable margin varying from 0.00% to 0.50%, or (b) Adjusted Term SOFR (Adjusted Term SOFR is calculated as Term SOFR plus a 0.10% adjustment), subject to a floor of 0.00%, plus an applicable margin varying between 0.75% and 1.50%, in each case, determined by reference to a net first lien leverage-based pricing grid. The commitment fee on the unused portion of the Revolving Credit Facility is 0.15%. At December 31, 2022, the interest rate on the Term Loan A was 5.44%. The principal amount of the Term Loan A amortizes in quarterly installments equal to $8 million beginning March 31, 2023 until September 30, 2024 and thereafter in quarterly installments equal to $16 million until maturity, with the balance payable at maturity. The 2021 Amendment includes amendments to certain negative covenants to provide increased flexibility. The 2021 Amendment made no other material changes to the terms of the Credit Agreement.

The maturity date of our Term Loan B is November 19, 2026 and the interest rate applicable to our Term Loan B is, at our option, either (a) a base rate, subject to a floor of 1.00%, plus an applicable margin of 0.75%, or (b) a Eurocurrency rate, subject to a floor of 0.00%, plus an applicable margin of 1.75%. At December 31, 2022, the interest rate on the Term Loan B was 6.13%. The principal amount of the Term Loan B amortizes in quarterly installments equal to $13 million until maturity, with the balance payable at maturity.

Revolving Credit Facility

As of December 31, 2022, we had no amounts outstanding under our Revolving Credit Facility. Funds available under the Revolving Credit Facility may be used to repay other debt, finance debt or share repurchases, to fund acquisitions or capital expenditures and for other general corporate purposes. We have a $125 million letter of credit sublimit as part of the Revolving Credit Facility, which reduces our borrowing availability thereunder by the cumulative amount of outstanding letters of credit. The interest rate applicable to amounts drawn under each letter of credit is 0.75% to 1.50%, depending on our net first lien leverage ratio. As of December 31, 2022, we had $2 million of letters of credit issued against the Revolving Credit Facility, and our borrowing availability was $998 million.

Obligations under the Credit Facilities are guaranteed on a senior secured basis, jointly and severally, by the direct parent company of one of the Borrowers and substantially all of its Canadian and U.S. subsidiaries, including The TDL Group Corp., Burger King Company LLC, Popeyes Louisiana Kitchen, Inc., FRG, LLC and substantially all of their respective Canadian and U.S. subsidiaries (the "Credit Guarantors"). Amounts borrowed under the Credit Facilities are secured on a first priority basis by a perfected security interest in substantially all of the present and future property (subject to certain exceptions) of each Borrower and Credit Guarantor.

3.875% First Lien Senior Notes due 2028

On September 24, 2019, the Borrowers entered into an indenture (the "3.875% First Lien Senior Notes Indenture") in connection with the issuance of $750 million of 3.875% first lien senior notes due January 15, 2028 (the "2019 3.875% Senior Notes"). On July 6, 2021, the Borrowers issued an additional $800 million under the 3.875% First Lien Senior Notes Indenture (the "Additional Notes" and together with the 2019 3.875% Senior Notes, the "3.875% First Lien Senior Notes due 2028"). No principal payments are due until maturity and interest is paid semi-annually. The Additional Notes were priced at 100.250% of their face value. The net proceeds from the offering of the Additional Notes were used to redeem the remaining $775 million principal amount outstanding of 4.25% first lien senior notes, plus any accrued and unpaid interest thereon, and pay related redemption premiums, fees and expenses. In connection with the issuance of the Additional Notes, we capitalized approximately $7 million in debt issuance costs. In connection with the redemption of the remaining $775 million principal amount outstanding of the 4.25% first lien senior notes, we recorded a loss on early extinguishment of debt of $11 million that primarily reflects the payment of redemption premiums and the write-off of unamortized debt issuance costs.

Obligations under the 3.875% First Lien Senior Notes due 2028 are guaranteed on a senior secured basis, jointly and severally, by the Borrowers and substantially all of the Borrower's Canadian and U.S. subsidiaries, including The TDL Group Corp., Burger King Company LLC, Popeyes Louisiana Kitchen, Inc., FRG, LLC and substantially all of their respective Canadian and U.S. subsidiaries (the "Note Guarantors"). The 3.875% First Lien Senior Notes due 2028 are first lien senior secured obligations and rank equal in right of payment with all of the existing and future first lien senior debt of the Borrowers and Note Guarantors, including borrowings and guarantees under our Credit Facilities.

The 3.875% First Lien Senior Notes due 2028 may be redeemed in whole or in part at any time at the redemption prices set forth in the 3.875% First Lien Senior Notes Indenture, plus accrued and unpaid interest, if any, at the date of redemption. The 3.875% First Lien Senior Notes Indenture also contains optional redemption provisions related to tender offers, change of control and equity offerings, among others.

5.75% First Lien Senior Notes due 2025

On April 7, 2020, the Borrowers entered into an indenture (the "5.75% First Lien Senior Notes Indenture") in connection with the issuance of $500 million of 5.75% first lien notes due April 15, 2025 (the "5.75% First Lien Senior Notes due 2025"). No principal payments are due until maturity and interest is paid semi-annually. The net proceeds from the offering of the 5.75% First Lien Senior Notes due 2025 were used for general corporate purposes. In connection with the issuance of the 5.75% First Lien Senior Notes due 2025, we capitalized approximately $10 million in debt issuance costs.

Obligations under the 5.75% First Lien Senior Notes due 2025 are guaranteed on a senior secured basis, jointly and severally, by the Note Guarantors. The 5.75% First Lien Senior Notes due 2025 are first lien senior secured obligations and rank equal in right of payment with all of the existing and future first lien senior debt of the Borrowers and Note Guarantors, including borrowings and guarantees of the Credit Facilities.

Our 5.75% First Lien Senior Notes due 2025 may be redeemed in whole or in part at any time at the redemption prices set forth in the 5.75% First Lien Senior Notes Indenture, plus accrued and unpaid interest, if any, at the date of redemption. The 5.75% First Lien Senior Notes Indenture also contains optional redemption provisions related to tender offers, change of control and equity offerings, among others.

3.50% First Lien Senior Notes due 2029

On November 9, 2020, the Borrowers entered into an indenture (the "3.50% First Lien Senior Notes Indenture") in connection with the issuance of $750 million of 3.50% first lien notes due February 15, 2029 (the "3.50% First Lien Senior Notes due 2029"). No principal payments are due until maturity and interest is paid semi-annually. The proceeds from the offering of the 3.50% First Lien Senior Notes due 2029, together with cash on hand, were used to redeem $725 million of 4.25% first lien senior notes and pay related redemption premiums, fees and expenses. In connection with the issuance of the 3.50% First Lien Senior Notes due 2029, we capitalized approximately $7 million in debt issuance costs. In connection with the redemption of the 4.25% first lien senior notes, we recorded a loss on early extinguishment of debt of $19 million that primarily reflects the payment of premiums to redeem the notes and the write-off of unamortized debt issuance costs.

Obligations under the 3.50% First Lien Senior Notes due 2029 are guaranteed on a senior secured basis, jointly and severally, by the Note Guarantors. The 3.50% First Lien Senior Notes due 2029 are first lien senior secured obligations and rank equal in right of payment with all of the existing and future first lien senior debt of the Borrowers and Note Guarantors, including borrowings and guarantees of the Credit Facilities.

Our 3.50% First Lien Senior Notes due 2029 may be redeemed in whole or in part, on or after February 15, 2024 at the redemption prices set forth in the 3.50% First Lien Senior Notes Indenture, plus accrued and unpaid interest, if any, at the date of redemption. The 3.50% First Lien Senior Notes Indenture also contains optional redemption provisions related to tender offers, change of control and equity offerings, among others.

4.375% Second Lien Senior Notes due 2028

On November 19, 2019, the Borrowers entered into an indenture (the "4.375% Second Lien Senior Notes Indenture") in connection with the issuance of $750 million of 4.375% second lien senior notes due January 15, 2028 (the "4.375% Second Lien Senior Notes due 2028"). No principal payments are due until maturity and interest is paid semi-annually.

Obligations under the 4.375% Second Lien Senior Notes due 2028 are guaranteed on a second priority senior secured basis, jointly and severally, by the Note Guarantors. The 4.375% Second Lien Senior Notes due 2028 are second lien senior secured obligations and rank equal in right of payment with all of the existing and future senior debt of the Borrowers and Note Guarantors, including borrowings and guarantees of the Credit Facilities, and effectively subordinated to all of the existing and future first lien senior debt of the Borrowers and Note Guarantors.

Our 4.375% Second Lien Senior Notes due 2028 may be redeemed in whole or in part at any time at the redemption prices set forth in the 4.375% Second Lien Senior Notes Indenture, plus accrued and unpaid interest, if any, at the date of redemption. The 4.375% Second Lien Senior Notes Indenture also contains redemption provisions related to tender offers, change of control and equity offerings, among others.

4.00% Second Lien Senior Notes due 2030

During 2020, the Borrowers entered into an indenture (the "4.00% Second Lien Senior Notes Indenture") in connection with the issuance of $2,900 million of 4.00% second lien notes due October 15, 2030 (the "4.00% Second Lien Senior Notes due 2030"). No principal payments are due until maturity and interest is paid semi-annually. The proceeds from the offering of the 4.00% Second Lien Senior Notes due 2030 were used to redeem the entire outstanding principal balance of $2,800 million of 5.00% second lien senior notes due October 15, 2025 (the "5.00% Second Lien Senior Notes due 2025"), pay related redemption premiums, fees and expenses. In connection with the issuance of the 4.00% Second Lien Senior Notes due 2030, we capitalized approximately $26 million in debt issuance costs. In connection with the full redemption of the 5.00% Second Lien Senior Notes due 2025, we recorded a loss on early extinguishment of debt of $79 million that primarily reflects the payment of premiums to redeem the notes and the write-off of unamortized debt issuance costs.

Obligations under the 4.00% Second Lien Senior Notes due 2030 are guaranteed on a second priority senior secured basis, jointly and severally, by the Note Guarantors. The 4.00% Second Lien Senior Notes due 2030 are second lien senior secured obligations and rank equal in right of payment will all of the existing and future senior debt of the Borrowers and Note Guarantors and effectively subordinated to all of the existing and future first lien senior debt of the Borrowers and Note Guarantors.

Our 4.00% Second Lien Senior Notes due 2030 may be redeemed in whole or in part, on or after October 15, 2025 at the redemption prices set forth in the 4.00% Second Lien Senior Notes Indenture, plus accrued and unpaid interest, if any, at the date of redemption. The 4.00% Second Lien Senior Notes Indenture also contains optional redemption provisions related to tender offers, change of control and equity offerings, among others.

Restrictions and Covenants

Our Credit Facilities, as well as the 3.875% First Lien Senior Notes Indenture, 5.75% First Lien Senior Notes Indenture, 3.50% First Lien Senior Notes Indenture, 4.375% Second Lien Senior Notes Indenture and 4.00% Second Lien Senior Notes Indenture (all together the "Senior Notes Indentures") contain a number of customary affirmative and negative covenants that, among other things, limit or restrict our ability and the ability of certain of our subsidiaries to: incur additional indebtedness; incur liens; engage in mergers, consolidations, liquidations and dissolutions; sell assets; pay dividends and make other payments in respect of capital stock; make investments, loans and advances; pay or modify the terms of certain indebtedness; and engage in certain transactions with affiliates. In addition, under the Credit Facilities, the Borrowers are not permitted to exceed a first lien senior secured leverage ratio of 6.50 to 1.00 when, as of the end of any fiscal quarter beginning with the first fiscal quarter of 2020, (1) any amounts are outstanding under the Term Loan A and/or (2) the sum of (i) the amount of letters of credit outstanding exceeding $50 million (other than those that are cash collateralized); (ii) outstanding amounts under the Revolving Credit Facility and (iii) outstanding amounts of swing line loans, exceeds 30.0% of the commitments under the Revolving Credit Facility.

The restrictions under the Credit Facilities and the Senior Notes Indentures have resulted in substantially all of our consolidated assets being restricted.

As of December 31, 2022, we were in compliance with applicable financial debt covenants under the Credit Facilities and the Senior Notes Indentures and there were no limitations on our ability to draw on the remaining availability under our Revolving Credit Facility.

TH Facility

One of our subsidiaries entered into a non-revolving delayed drawdown term credit facility in a total aggregate principal amount of C$225 million with a maturity date of October 4, 2025 (the "TH Facility"). The interest rate applicable to the TH Facility is the Canadian Bankers' Acceptance rate plus an applicable margin equal to 1.40% or the Prime Rate plus an applicable margin equal to 0.40%, at our option. Obligations under the TH Facility are guaranteed by four of our subsidiaries, and amounts borrowed under the TH Facility are secured by certain parcels of real estate. As of December 31, 2022, we had approximately C$203 million outstanding under the TH Facility with a weighted average interest rate of 6.07%.

RE Facility

One of our subsidiaries entered into a non-revolving delayed drawdown term credit facility in a total aggregate principal amount of $50 million with a maturity date of October 12, 2028 (the "RE Facility"). The interest rate applicable to the RE Facility is, at our option, either (i) a base rate, subject to a floor of 0.50%, plus an applicable margin of 0.50% or (ii) Adjusted Term SOFR (Adjusted Term SOFR is calculated as Term SOFR plus a margin based on duration), subject to a floor of 0.00%, plus an applicable margin of 1.50%. Obligations under the RE Facility are guaranteed by four of our subsidiaries, and amounts borrowed under the RE Facility are secured by certain parcels of real estate. As of December 31, 2022, we had approximately $2 million outstanding under the RE Facility with a weighted average interest rate of 5.97%.

Debt Issuance Costs

During 2021 and 2020, we incurred aggregate deferred financing costs of $19 million and $43 million, respectively. We did not incur any significant deferred financing costs during 2022.

Loss on Early Extinguishment of Debt

During 2021, we recorded an $11 million loss on early extinguishment of debt that primarily reflects the payment of redemption premiums and the write-off of unamortized debt issuance costs in connection with the redemption of the remaining $775 million principal amount outstanding of the 4.25% first lien senior notes. During 2020, we recorded a $98 million loss on early extinguishment of debt that primarily reflects the payment of premiums and the write-off of unamortized debt issuance costs in connection with the full redemption of the 5.00% Second Lien Senior Notes due 2025 and the partial redemption of the 4.25% first lien senior notes.

Maturities

The aggregate maturities of our long-term debt as of December 31, 2022 are as follows (in millions):

Year Ended December 31,	Principal Amount
2023	$ 97
2024	107
2025	741
2026	6,148
2027	—
Thereafter	5,952
Total	$ 13,045

Interest Expense, net

Interest expense, net consists of the following (in millions):

	2022	2021	2020
Debt (a)	$ 493	$ 461	$ 471
Finance lease obligations	19	20	20
Amortization of deferred financing costs and debt issuance discount	28	27	26
Interest income	(7)	(3)	(9)
Interest expense, net	$ 533	$ 505	$ 508

(a) Amount includes $56 million, $45 million and $69 million benefit during 2022, 2021 and 2020, respectively, related to the quarterly net settlements of our cross-currency rate swaps and amortization of the Excluded Component as defined in Note 12, *Derivative Instruments*.

Note 10. Leases

As of December 31, 2022, we leased or subleased 4,978 restaurant properties to franchisees and 147 non-restaurant properties to third parties under operating leases, direct financing leases and sales-type leases where we are the lessor. Initial lease terms generally range from 10 to 20 years. Most leases to franchisees provide for fixed monthly payments and many provide for future rent escalations and renewal options. Certain leases also include provisions for variable rent, determined as a percentage of sales, generally when annual sales exceed specific levels. Lessees typically bear the cost of maintenance, insurance and property taxes.

We lease land, buildings, equipment, office space and warehouse space from third parties. Land and building leases generally have an initial term of 10 to 20 years, while land-only lease terms can extend longer, and most leases provide for fixed monthly payments. Many of these leases provide for future rent escalations and renewal options. Certain leases also include provisions for variable rent payments, determined as a percentage of sales, generally when annual sales exceed specified levels. Most leases also obligate us to pay, as lessee, variable lease cost related to maintenance, insurance and property taxes.

Company as Lessor

Assets leased to franchisees and others under operating leases where we are the lessor and which are included within our property and equipment, net are as follows (in millions):

	As of December 31,	
	2022	2021
Land	$ 880	$ 899
Buildings and improvements	1,129	1,180
Restaurant equipment	16	18
	2,025	2,097
Accumulated depreciation and amortization	(625)	(587)
Property and equipment leased, net	$ 1,400	$ 1,510

Our net investment in direct financing and sales-type leases is as follows (in millions):

	As of December 31,	
	2022	2021
Future rents to be received:		
Future minimum lease receipts	$ 112	$ 113
Contingent rents (a)	5	7
Estimated unguaranteed residual value	6	5
Unearned income	(36)	(40)
	87	85
Current portion included within accounts receivable	(5)	(5)
Net investment in property leased to franchisees	$ 82	$ 80

(a) Amounts represent estimated contingent rents recorded in connection with the acquisition method of accounting.

Property revenues are comprised primarily of rental income from operating leases and earned income on direct financing leases with franchisees as follows (in millions):

	2022	2021	2020
Rental income:			
Minimum lease payments	$ 410	$ 455	$ 445
Variable lease payments	395	329	262
Amortization of favorable and unfavorable income lease contracts, net	1	3	6
Subtotal - lease income from operating leases	806	787	713
Earned income on direct financing and sales-type leases	7	6	5
Total property revenues	$ 813	$ 793	$ 718

Company as Lessee

Lease cost and other information associated with these lease commitments is as follows (in millions):

Lease Cost (Income)

	2022	2021	2020
Operating lease cost	$ 202	$ 202	$ 199
Operating lease variable lease cost	196	193	177
Finance lease cost:			
Amortization of right-of-use assets	27	31	29
Interest on lease liabilities	19	20	20
Sublease income	(603)	(587)	(534)
Total lease cost (income)	$ (159)	$ (141)	$ (109)

Lease Term and Discount Rate as of December 31, 2022 and 2021

	As of December 31,	
	2022	2021
Weighted-average remaining lease term (in years):		
Operating leases	9.8 years	10.1 years
Finance leases	11.5 years	11.4 years
Weighted-average discount rate:		
Operating leases	5.5 %	5.5 %
Finance leases	5.8 %	6.0 %

Other Information for 2022, 2021 and 2020

	2022	2021	2020
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ 198	$ 200	$ 200
Operating cash flows from finance leases	$ 19	$ 20	$ 20
Financing cash flows from finance leases	$ 31	$ 31	$ 29
Supplemental noncash information on lease liabilities arising from obtaining right-of-use assets:			
Right-of-use assets obtained in exchange for new finance lease obligations	$ 22	$ 52	$ 59
Right-of-use assets obtained in exchange for new operating lease obligations	$ 133	$ 133	$ 118

As of December 31, 2022, future minimum lease receipts and commitments are as follows (in millions):

	Lease Receipts		Lease Commitments (a)	
	Direct Financing and Sales-Type Leases	Operating Leases	Finance Leases	Operating Leases
2023	$ 8	$ 355	$ 49	$ 195
2024	8	332	48	184
2025	8	306	44	170
2026	7	276	41	153
2027	7	246	38	139
Thereafter	74	1,217	244	697
Total minimum receipts / payments	$ 112	$ 2,732	464	1,538
Less amount representing interest			(121)	(374)
Present value of minimum lease payments			343	1,164
Current portion of lease obligations			(32)	(137)
Long-term portion of lease obligations			$ 311	$ 1,027

(a) Minimum lease payments have not been reduced by minimum sublease rentals of $1,663 million due in the future under non-cancelable subleases.

Note 11. Income Taxes

Income before income taxes, classified by source of income, is as follows (in millions):

	2022	2021	2020
Canadian	$ 444	$ 457	$ 200
Foreign	921	906	616
Income before income taxes	$ 1,365	$ 1,363	$ 816

Income tax (benefit) expense attributable to income from continuing operations consists of the following (in millions):

	2022	2021	2020
Current:			
Canadian	$ (284)	$ 16	$ 45
U.S. Federal	105	(10)	125
U.S. state, net of federal income tax benefit	26	25	26
Other Foreign	96	84	78
	$ (57)	$ 115	$ 274
Deferred:			
Canadian	$ 20	$ 32	$ (67)
U.S. Federal	(79)	(37)	(82)
U.S. state, net of federal income tax benefit	(9)	(7)	(27)
Other Foreign	8	7	(32)
	$ (60)	$ (5)	$ (208)
Income tax expense (benefit)	$ (117)	$ 110	$ 66

The statutory rate reconciles to the effective income tax rate as follows:

	2022	2021	2020
Statutory rate	26.5 %	26.5 %	26.5 %
Costs and taxes related to foreign operations	3.8	3.5	9.6
Foreign exchange gain (loss)	—	—	0.5
Foreign tax rate differential	(13.7)	(13.9)	(15.6)
Change in valuation allowance	(0.7)	1.1	1.2
Change in accrual for tax uncertainties	(26.7)	(7.4)	3.9
Intercompany financing	1.2	(3.5)	(6.1)
Impact of Tax Act	—	—	(7.8)
Swiss Tax Reform	—	—	(5.1)
Benefit from stock option exercises	(0.1)	(0.8)	(0.3)
Litigation settlements and reserves	—	1.4	—
Other	1.1	1.2	1.2
Effective income tax rate	(8.6)%	8.1 %	8.0 %

In December 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act") that significantly revised the U.S. tax code. During 2020, various guidance was issued by the U.S. tax authorities relating to the Tax Act and, after review of such guidance, we recorded a favorable adjustment to our deferred tax assets of $64 million related to a tax attribute carryforward, which decreased our 2020 effective tax rate by 7.8%.

In a referendum held on May 19, 2019, Swiss voters adopted the Federal Act on Tax Reform and AVS Financing ("TRAF"), under which certain long-standing preferential cantonal tax regimes were abolished effective January 1, 2020, which the canton of Zug formally adopted in November 2019. Company subsidiaries in the canton of Zug were subjected to TRAF and therefore the TRAF impacted our consolidated results of operations during 2020. In 2020, a deferred tax asset was recorded due to an election made under TRAF by one of our Swiss subsidiaries. The amounts impacting income tax expense for the effects of the changes from the TRAF was approximately $41 million in 2020, which decreased our 2020 effective tax rate by approximately 5.1%.

Companies subject to the Global Intangible Low-Taxed Income provision (GILTI) have the option to account for the GILTI tax as a period cost if and when incurred, or to recognize deferred taxes for outside basis temporary differences expected to reverse as GILTI. We have elected to account for GILTI as a period cost.

Income tax (benefit) expense allocated to continuing operations and amounts separately allocated to other items was (in millions):

	2022	2021	2020
Income tax (benefit) expense from continuing operations	$ (117)	$ 110	$ 66
Cash flow hedge in accumulated other comprehensive income (loss)	153	72	(64)
Net investment hedge in accumulated other comprehensive income (loss)	77	(15)	(60)
Foreign Currency Translation in accumulated other comprehensive income (loss)	—	(4)	12
Pension liability in accumulated other comprehensive income (loss)	2	3	(3)
Total	$ 115	$ 166	$ (49)

The significant components of deferred income tax (benefit) expense attributable to income from continuing operations are as follows (in millions):

	2022	2021	2020
Deferred income tax expense (benefit)	$ 79	$ (22)	$ (230)
Change in valuation allowance	(143)	14	22
Change in effective U.S. state income tax rate	3	3	1
Change in effective foreign income tax rate	1	—	(1)
Total	$ (60)	$ (5)	$ (208)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are presented below (in millions):

	As of December 31,	
	2022	2021
Deferred tax assets:		
Accounts and notes receivable	$ 8	$ 4
Accrued employee benefits	56	48
Leases	105	115
Operating lease liabilities	304	317
Liabilities not currently deductible for tax	403	346
Tax loss and credit carryforwards	316	517
Derivatives	—	164
Other	9	(1)
Total gross deferred tax assets	1,201	1,510
Valuation allowance	(194)	(356)
Net deferred tax assets	1,007	1,154
Less deferred tax liabilities:		
Property and equipment, principally due to differences in depreciation	15	15
Intangible assets	1,707	1,751
Leases	125	129
Operating lease assets	281	295
Statutory impairment	27	29
Derivatives	65	—
Outside basis difference	13	38
Total gross deferred tax liabilities	2,233	2,257
Net deferred tax liability	$ 1,226	$ 1,103

The valuation allowance had a net decrease of $162 million during 2022 primarily due to the change in estimates related to derivatives and the utilization of foreign tax credits and capital losses.

Changes in the valuation allowance are as follows (in millions):

	2022	2021	2020
Beginning balance	$ 356	$ 364	$ 329
Change in estimates recorded to deferred income tax expense	(9)	14	19
Changes in losses and credits	(134)	—	3
(Reductions) additions related to other comprehensive income	(19)	(22)	13
Ending balance	$ 194	$ 356	$ 364

The gross amount and expiration dates of operating loss and tax credit carry-forwards as of December 31, 2022 are as follows (in millions):

	Amount	Expiration Date
Canadian net operating loss carryforwards	$ 521	2036-2042
Canadian capital loss carryforwards	153	Indefinite
Canadian tax credits	4	2023-2041
U.S. state net operating loss carryforwards	546	2023-2042
U.S. federal net operating loss carryforwards	19	Indefinite
U.S. capital loss carryforwards	16	2040
U.S. foreign tax credits	69	2023-2031
Other foreign net operating loss carryforwards	249	Indefinite
Other foreign net operating loss carryforwards	41	2023-2038
Other foreign capital loss carryforward	27	Indefinite
Total	$ 1,645	

We are generally permanently reinvested on any potential outside basis differences except for unremitted earnings and profits and thus do not record a deferred tax liability for such outside basis differences. To the extent of unremitted earning and profits, we generally review various factors including, but not limited to, forecasts and budgets of financial needs of cash for working capital, liquidity and expected cash requirements to fund our various obligations and record deferred taxes to the extent we expect to distribute.

We had $139 million and $437 million of unrecognized tax benefits at December 31, 2022 and December 31, 2021, respectively, which if recognized, would favorably affect the effective income tax rate. A reconciliation of the beginning and ending amounts of unrecognized tax benefits is as follows (in millions):

	2022	2021	2020
Beginning balance	$ 437	$ 497	$ 506
Additions for tax positions related to the current year	(5)	9	9
Additions for tax positions of prior years	3	23	7
Reductions for tax positions of prior years	(15)	(5)	(25)
Additions for settlement	—	7	—
Reductions due to statute expiration	(281)	(94)	—
Ending balance	$ 139	$ 437	$ 497

Although the timing of the resolution, settlement, and closure of any audits is highly uncertain, it is reasonably possible that the balance of gross unrecognized tax benefits could significantly change in the next 12 months. During the twelve months beginning January 1, 2023, it is reasonably possible we will reduce unrecognized tax benefits by up to approximately $48 million due to the expiration of statutes of limitations, anticipated closure of various tax matters currently under examination, and settlements with tax authorities all being possibly impacted in multiple jurisdictions.

We recognize interest and penalties related to unrecognized tax benefits in income tax expense. The total amount of accrued interest and penalties was $27 million and $121 million at December 31, 2022 and 2021, respectively. Potential interest and penalties associated with uncertain tax positions in various jurisdictions recognized was $3 million during 2022, $2 million during 2021 and $31 million during 2020. To the extent interest and penalties are not assessed with respect to uncertain tax positions, amounts accrued will be reduced and reflected as a reduction of the overall income tax provision.

We file income tax returns with Canada and its provinces and territories. Generally, we are subject to routine examinations by the Canada Revenue Agency ("CRA"). The CRA is conducting examinations of the 2016 through 2018 taxation years. Additionally, income tax returns filed with various provincial jurisdictions are generally open to examination for periods up to six years subsequent to the filing and assessment of the respective return.

We also file income tax returns, including returns for our subsidiaries, with U.S. federal, U.S. state, and other foreign jurisdictions. We are subject to routine examination by taxing authorities in the U.S. jurisdictions, as well as other foreign tax jurisdictions. Taxable years of such U.S. companies are closed through 2018 for U.S. federal income tax purposes. We have various U.S. state and other foreign income tax returns in the process of examination. From time to time, these audits result in proposed assessments where the ultimate resolution may result in owing additional taxes. We believe that our tax positions comply with applicable tax law and that we have adequately provided for these matters.

Note 12. Derivative Instruments

Disclosures about Derivative Instruments and Hedging Activities

We enter into derivative instruments for risk management purposes, including derivatives designated as cash flow hedges and derivatives designated as net investment hedges. We use derivatives to manage our exposure to fluctuations in interest rates and currency exchange rates.

Interest Rate Swaps

At December 31, 2022, we had outstanding receive-variable, pay-fixed interest rate swaps with a total notional value of $3,500 million to hedge the variability in the interest payments on a portion of our Term Loan Facilities, including any subsequent refinancing or replacement of the Term Loan Facilities, beginning August 31, 2021 through the termination date of October 31, 2028. Additionally, at December 31, 2022, we also had outstanding receive-variable, pay-fixed interest rate swaps with a total notional value of $500 million to hedge the variability in the interest payments on a portion of our Term Loan Facilities effective September 30, 2019 through the termination date of September 30, 2026. At inception, all of these interest rate swaps were designated as cash flow hedges for hedge accounting. The unrealized changes in market value are recorded in AOCI, net of tax, and reclassified into interest expense during the period in which the hedged forecasted transaction affects earnings. The net amount of pre-tax gains in connection with these net unrealized gains in AOCI as of December 31, 2022 that we expect to be reclassified into interest expense within the next 12 months is $86 million.

Cross-Currency Rate Swaps

To protect the value of our investments in our foreign operations against adverse changes in foreign currency exchange rates, we hedge a portion of our net investment in one or more of our foreign subsidiaries by using cross-currency rate swaps. At December 31, 2022, we had outstanding cross-currency rate swap contracts between the Canadian dollar and U.S. dollar and the Euro and U.S. dollar that have been designated as net investment hedges of a portion of our equity in foreign operations in those currencies. The component of the gains and losses on our net investment in these designated foreign operations driven by changes in foreign exchange rates are economically partly offset by movements in the fair value of our cross-currency swap contracts. The fair value of the swaps is calculated each period with changes in fair value reported in AOCI, net of tax. Such amounts will remain in AOCI until the complete or substantially complete liquidation of our investment in the underlying foreign operations.

At December 31, 2022, we had outstanding cross-currency rate swaps that we entered into during 2022 to partially hedge the net investment in our Canadian subsidiaries. At inception, these cross-currency rate swaps were designated as a hedge and are accounted for as net investment hedges. These swaps are contracts in which we receive quarterly fixed-rate interest payments on the U.S. dollar notional amount of $5,000 million through the maturity date of September 30, 2028.

During 2022, we de-designated existing cross-currency rate swap hedges between the Canadian dollar and U.S. dollar with a total notional amount of $5,000 million for hedge accounting. As a result of these de-designations, changes in fair value of these un-designated hedges were recognized in earnings. Concurrently with these de-designations and to offset the changes in fair value recognized in earnings, we entered into off-setting cross-currency rate swaps, with a total notional amount of $5,000 million, that were not designated as a hedge for hedge accounting and as such changes in fair value were recognized in earnings. The balances in AOCI associated with the de-designated cross-currency rate swaps will remain in AOCI and will only be reclassified into earnings if and when the net investment in our Canadian subsidiaries is sold or substantially sold. The entire notional amount of the de-designated cross-currency rate swaps and the off-setting cross-currency rate swaps were cash settled during 2022 for approximately $35 million in net proceeds and included within operating activities in the consolidated statements of cash flows.

At December 31, 2022, we had outstanding cross-currency rate swaps in which we pay quarterly fixed-rate interest payments on the Euro notional amount of €1,108 million and receive quarterly fixed-rate interest payments on the U.S. dollar notional amount of $1,200 million. At inception, these cross-currency rate swaps were designated as a hedge and are accounted for as a net investment hedge. During 2018, we extended the term of the swaps from March 31, 2021 to the maturity date of February 17, 2024. The extension of the term resulted in a re-designation of the hedge and the swaps continue to be accounted for as a net investment hedge. Additionally, at December 31, 2022, we also had outstanding cross-currency rate swaps in which we receive quarterly fixed-rate interest payments on the U.S. dollar notional value of $400 million, entered during 2018, and $500 million, entered during 2019, through the maturity date of February 17, 2024 and $150 million, entered during 2021, through the maturity date of October 31, 2028. At inception, these cross-currency rate swaps were designated as a hedge and are accounted for as a net investment hedge.

The fixed to fixed cross-currency rate swaps hedging Canadian dollar and Euro net investments utilized the forward method of effectiveness assessment prior to March 15, 2018. On March 15, 2018, we de-designated and subsequently re-designated the outstanding fixed to fixed cross-currency rate swaps to prospectively use the spot method of hedge effectiveness assessment. Additionally, as a result of adopting new hedge accounting guidance during 2018, we elected to exclude the interest component (the "Excluded Component") from the accounting hedge without affecting net investment hedge accounting and elected to amortize the Excluded Component over the life of the derivative instrument. The amortization of the Excluded Component is recognized in Interest expense, net in the consolidated statement of operations. The change in fair value that is not related to the Excluded Component is recorded in AOCI and will be reclassified to earnings when the foreign subsidiaries are sold or substantially liquidated.

Foreign Currency Exchange Contracts

We use foreign exchange derivative instruments to manage the impact of foreign exchange fluctuations on U.S. dollar purchases and payments, such as coffee purchases made by our Canadian Tim Hortons operations. At December 31, 2022, we had outstanding forward currency contracts to manage this risk in which we sell Canadian dollars and buy U.S. dollars with a notional value of $197 million with maturities to February 2024. We have designated these instruments as cash flow hedges, and as such, the unrealized changes in market value of effective hedges are recorded in AOCI and are reclassified into earnings during the period in which the hedged forecasted transaction affects earnings.

Credit Risk

By entering into derivative contracts, we are exposed to counterparty credit risk. Counterparty credit risk is the failure of the counterparty to perform under the terms of the derivative contract. When the fair value of a derivative contract is in an asset position, the counterparty has a liability to us, which creates credit risk for us. We attempt to minimize this risk by selecting counterparties with investment grade credit ratings and regularly monitoring our market position with each counterparty.

Credit-Risk Related Contingent Features

Our derivative instruments do not contain any credit-risk related contingent features.

Quantitative Disclosures about Derivative Instruments and Fair Value Measurements

The following tables present the required quantitative disclosures for our derivative instruments, including their estimated fair values (all estimated using Level 2 inputs) and their location on our consolidated balance sheets (in millions):

	Gain or (Loss) Recognized in Other Comprehensive Income (Loss)		
	2022	2021	2020
Derivatives designated as cash flow hedges[1]			
Interest rate swaps	$ 509	$ 132	$ (333)
Forward-currency contracts	$ 14	$ —	$ (2)
Derivatives designated as net investment hedges			
Cross-currency rate swaps	$ 409	$ 96	$ (302)

(1) We did not exclude any components from the cash flow hedge relationships presented in this table.

	Location of Gain or (Loss) Reclassified from AOCI into Earnings	Gain or (Loss) Reclassified from AOCI into Earnings		
		2022	2021	2020
Derivatives designated as cash flow hedges				
Interest rate swaps	Interest expense, net	$ (54)	$ (125)	$ (102)
Forward-currency contracts	Cost of sales	$ 8	$ (7)	$ 2

	Location of Gain or (Loss) Recognized in Earnings	Gain or (Loss) Recognized in Earnings (Amount Excluded from Effectiveness Testing)		
		2022	2021	2020
Derivatives designated as net investment hedges				
Cross-currency rate swaps	Interest expense, net	$ 56	$ 45	$ 69

	Fair Value as of December 31,		
	2022	2021	Balance Sheet Location
Assets:			
Derivatives designated as cash flow hedges			
Interest rate	$ 280	$ —	Other assets, net
Foreign currency	7	2	Prepaids and other current assets
Derivatives designated as net investment hedges			
Foreign currency	78	23	Other assets, net
Total assets at fair value	$ 365	$ 25	
Liabilities:			
Derivatives designated as cash flow hedges			
Interest rate	$ —	$ 220	Other liabilities, net
Derivatives designated as net investment hedges			
Foreign currency	34	355	Other liabilities, net
Total liabilities at fair value	$ 34	$ 575	

Note 13. Shareholders' Equity

Special Voting Share

The holders of the Partnership exchangeable units are indirectly entitled to vote in respect of matters on which holders of the common shares of the Company are entitled to vote, including in respect of the election of RBI directors, through a special voting share of the Company (the "Special Voting Share"). The Special Voting Share is held by a trustee, entitling the trustee to that number of votes on matters on which holders of common shares of the Company are entitled to vote equal to the number of Partnership exchangeable units outstanding. The trustee is required to cast such votes in accordance with voting instructions provided by holders of Partnership exchangeable units. At any shareholder meeting of the Company, holders of our common shares vote together as a single class with the Special Voting Share except as otherwise provided by law.

Noncontrolling Interests

We reflect a noncontrolling interest which primarily represents the interests of the holders of Partnership exchangeable units in Partnership that are not held by RBI. The holders of Partnership exchangeable units held an economic interest of approximately 31.8% and 31.9% in Partnership common equity through the ownership of 142,996,640 and 144,993,458 Partnership exchangeable units as of December 31, 2022 and 2021, respectively.

Pursuant to the terms of the partnership agreement, each holder of a Partnership exchangeable unit is entitled to distributions from Partnership in an amount equal to any dividends or distributions that we declare and pay with respect to our common shares. Additionally, each holder of a Partnership exchangeable unit is entitled to vote in respect of matters on which holders of RBI common shares are entitled to vote through our special voting share. A holder of a Partnership exchangeable unit may require Partnership to exchange all or any portion of such holder's Partnership exchangeable units for our common shares at a ratio of one common share for each Partnership exchangeable unit, subject to our right as the general partner of Partnership, in our sole discretion, to deliver a cash payment in lieu of our common shares. If we elect to make a cash payment in lieu of issuing common shares, the amount of the payment will be the weighted average trading price of the common shares on the New York Stock Exchange for the 20 consecutive trading days ending on the last business day prior to the exchange date.

During 2022, Partnership exchanged 1,996,818 Partnership exchangeable units, pursuant to exchange notices received. In accordance with the terms of the partnership agreement, Partnership satisfied the exchange notices by exchanging 1,996,818 Partnership exchangeable units for the same number of newly issued RBI common shares. During 2021, Partnership exchanged 10,119,880 Partnership exchangeable units, pursuant to exchange notices received. In accordance with the terms of the partnership agreement, Partnership satisfied the exchange notices by exchanging 10,119,880 Partnership exchangeable units for the same number of newly issued RBI common shares. During 2020, Partnership exchanged 10,393,861 Partnership exchangeable units, pursuant to exchange notices received. In accordance with the terms of the partnership agreement, Partnership satisfied the exchange notices by repurchasing 6,757,692 Partnership exchangeable units for approximately $380 million in cash and exchanging 3,636,169 Partnership exchangeable units for the same number of newly issued RBI common shares. The exchanges represented increases in our ownership interest in Partnership and were accounted for as equity transactions, with no gain or loss recorded in the consolidated statements of operations. Pursuant to the terms of the partnership agreement, upon the exchange of Partnership exchangeable units, each such Partnership exchangeable unit was cancelled concurrently with the exchange.

Share Repurchase

On July 28, 2021, our Board of Directors approved a share repurchase program that allows us to purchase up to $1,000 million of our common shares until August 10, 2023. During 2022, we repurchased and cancelled 6,101,364 common shares for $326 million and during 2021 we repurchased and cancelled 9,247,648 common shares for $551 million and as of December 31, 2022 had $123 million remaining under the authorization.

Accumulated Other Comprehensive Income (Loss)

The following table displays the change in the components of AOCI (in millions):

	Derivatives	Pensions	Foreign Currency Translation	Accumulated Other Comprehensive Income (Loss)
Balances at December 31, 2019	$ 199	$ (19)	$ (943)	$ (763)
Foreign currency translation adjustment	—	—	332	332
Net change in fair value of derivatives, net of tax	(486)	—	—	(486)
Amounts reclassified to earnings of cash flow hedges, net of tax	73	—	—	73
Pension and post-retirement benefit plans, net of tax	—	(16)	—	(16)
Amounts attributable to noncontrolling interests	145	5	(144)	6
Balances at December 31, 2020	(69)	(30)	(755)	(854)
Foreign currency translation adjustment	—	—	(67)	(67)
Net change in fair value of derivatives, net of tax	207	—	—	207
Amounts reclassified to earnings of cash flow hedges, net of tax	96	—	—	96
Pension and post-retirement benefit plans, net of tax	—	15	—	15
Amounts attributable to noncontrolling interests	(98)	(6)	(3)	(107)
Balances at December 31, 2021	136	(21)	(825)	(710)
Foreign currency translation adjustment	—	—	(703)	(703)
Net change in fair value of derivatives, net of tax	714	—	—	714
Amounts reclassified to earnings of cash flow hedges, net of tax	34	—	—	34
Pension and post-retirement benefit plans, net of tax	—	6	—	6
Amounts attributable to noncontrolling interests	(236)	(2)	218	(20)
Balances at December 31, 2022	$ 648	$ (17)	$ (1,310)	$ (679)

Note 14. Share-based Compensation

Our Amended and Restated 2014 Omnibus Incentive Plan as amended (the "Omnibus Plan") provides for the grant of awards to employees, directors, consultants and other persons who provide services to us and our affiliates. We also have some outstanding awards under legacy plans for BK and TH, which were assumed in connection with the merger and amalgamation of those entities within the RBI group. No new awards may be granted under these legacy BK plans or legacy TH plans.

We are currently issuing awards under the Omnibus Plan and the number of shares available for issuance under such plan as of December 31, 2022 was 3,714,406. The Omnibus Plan permits the grant of several types of awards with respect to our common shares, including stock options, time-vested RSUs, and performance-based RSUs, which may include Company, S&P 500 Index and/or individual performance based-vesting conditions. Under the terms of the Omnibus Plan, RSUs are generally entitled to dividend equivalents, which are not distributed unless the related awards vest. Upon vesting, the amount of the dividend equivalent, which is distributed in additional RSUs, except in the case of RSUs awarded to non-management members of our board of directors, is equal to the equivalent of the aggregate dividends declared on common shares during the period from the date of grant of the award compounded until the date the shares underlying the award are delivered.

Share-based compensation expense is generally classified as general and administrative expenses in the consolidated statements of operations and consists of the following for the periods presented (in millions):

	2022	2021	2020
Total share-based compensation expense - RSUs and Stock options	$ 121	$ 88	$ 74

As of December 31, 2022, total unrecognized compensation cost related to share-based compensation arrangements was $312 million and is expected to be recognized over a weighted-average period of approximately 3.1 years.

Restricted Stock Units

The fair value of the time-vested RSUs and performance-based RSUs is based on the closing price of the Company's common shares on the trading day preceding the date of grant. Time-vested RSUs are expensed over the vesting period. Performance-based RSUs are expensed over the vesting period, based upon the probability that the performance target will be met. We grant fully vested RSUs, with dividend equivalent rights that accrue in cash, to non-employee members of our board of directors in lieu of a cash retainer and committee fees. All such RSUs will settle and common shares of the Company will be issued upon termination of service by the board member.

Starting in 2021, grants of time-vested RSUs generally vest 25% per year on December 31st over four years from the grant date and performance-based RSUs generally cliff vest three years from the grant date (the starting date for the applicable vesting period is referred to as the "Anniversary Date"). Time-vested RSUs and performance-based RSUs awarded prior to 2021 generally cliff vest five years from the original grant date.

During 2022, the Company granted performance-based RSUs that cliff vest three years from the original grant date based on achievement of performance metrics with a multiplier that can increase or decrease the amount vested based on the achievement of contractually defined relative total shareholder return targets with respect to the S&P 500 Index. Performance-based RSUs granted in 2021 cliff vest three years from the original grant date based solely on defined relative total shareholder return targets with respect to the S&P 500 Index. The respective fair value of these performance-based RSU awards was based on a Monte Carlo Simulation valuation model and these market condition awards are expensed over the vesting period regardless of the value that the award recipients ultimately receive.

For grants of time-vested RSUs beginning in 2021, if the employee is terminated for any reason prior to any vesting date, the employee will forfeit all of the RSUs that are unvested at the time of termination. For grants of performance-based RSUs beginning in 2021, if the employee is terminated within the first two years of the Anniversary Date, 100% of the performance-based RSUs will be forfeited. If we terminate the employment of a performance-based RSU holder without cause at least two years after the grant date, or if the employee retires, the employee will become vested in 67% of the performance-based RSUs that are earned based on the performance criteria.

For grants prior to 2021, if the employee is terminated for any reason within the first two years of the Anniversary Date, 100% of the time-vested RSUs granted will be forfeited. If we terminate the employment of a time-vested RSU holder without cause two years after the Anniversary Date, or if the employee retires, the employee will become vested in the number of time-vested RSUs as if the time-vested RSUs vested 20% for each anniversary after the grant date. Also, for grants prior to 2021, if the employee is terminated for any reason within the first three years of the Anniversary Date, 100% of the performance-based RSUs granted will be forfeited. If we terminate the employment of a performance-based RSU holder without cause between three and five years after the Anniversary Date, or if the employee retires, the employee will become vested in 50% of the performance-based RSUs.

An alternate ratable vesting schedule applies to the extent the participant ends employment by reason of death or disability.

Chairman Awards

In connection with the appointment of the Executive Chairman in November 2022, the Company made one-time grants of options, RSUs and performance-based RSUs with specific terms and conditions. The Company granted 2,000,000 options with an exercise price equal to the closing price of RBI common shares on the trading day preceding the date of grant that cliff vest five years from the date of grant and expire after ten years. The Company granted 500,000 RSUs that vest ratably over five years on the anniversary of the grant date. Lastly, the Company granted 750,000 performance-based RSUs that cliff vest five and a half years from the date of grant and may be earned from 50% for threshold performance to 200% for maximum performance, based on meeting performance targets tied to the appreciation of the price of RBI common shares, with none of the award being earned if the threshold is not met. The respective fair value of these performance-based RSU awards was based on a Monte Carlo Simulation valuation model and these market condition awards are expensed over the vesting period regardless of the value that the award recipient ultimately receives.

Restricted Stock Units Activity

The following is a summary of time-vested RSUs and performance-based RSUs activity for the year ended December 31, 2022:

	Time-vested RSUs		Performance-based RSUs	
	Total Number of Shares (in 000's)	Weighted Average Grant Date Fair Value	Total Number of Shares (in 000's)	Weighted Average Grant Date Fair Value
Outstanding at January 1, 2022	2,764	$ 57.47	3,895	$ 62.09
Granted	1,722	$ 57.24	2,693	$ 51.31
Vested and settled	(852)	$ 56.00	(153)	$ 58.31
Dividend equivalents granted	103	$ —	160	$ —
Forfeited	(184)	$ 58.66	(158)	$ 64.78
Outstanding at December 31, 2022	3,553	$ 57.31	6,437	$ 57.43

The weighted-average grant date fair value of time-vested RSUs granted was $60.97 and $65.20 during 2021 and 2020, respectively. The weighted-average grant date fair value of performance-based RSUs granted was $57.60 and $62.69 during 2021 and 2020, respectively. The total fair value, determined as of the date of vesting, of RSUs vested and converted to common shares of the Company during 2022, 2021 and 2020 was $58 million, $99 million and $21 million, respectively.

Stock Options

Stock option awards are granted with an exercise price or market value equal to the closing price of our common shares on the trading day preceding the date of grant. We satisfy stock option exercises through the issuance of authorized but previously unissued common shares. Stock option grants generally cliff vest 5 years from the original grant date, provided the employee is continuously employed by us or one of our affiliates, and the stock options expire 10 years following the grant date. Additionally, if we terminate the employment of a stock option holder without cause prior to the vesting date, or if the employee retires or becomes disabled, the employee will become vested in the number of stock options as if the stock options vested 20% on each anniversary of the grant date. If the employee dies, the employee will become vested in the number of stock options as if the stock options vested 20% on the first anniversary of the grant date, 40% on the second anniversary of the grant date and 100% on the third anniversary of the grant date. If an employee is terminated with cause or resigns before vesting, all stock options are forfeited. If there is an event such as a return of capital or dividend that is determined to be dilutive, the exercise price of the awards will be adjusted accordingly.

The following assumptions were used in the Black-Scholes option-pricing model to determine the fair value of stock option awards granted in 2022 and 2020 at the grant date. There were no significant stock option awards granted in 2021.

	2022	2020
Risk-free interest rate	3.92%	1.29%
Expected term (in years)	7.50	5.88
Expected volatility	30.0%	23.9%
Expected dividend yield	3.24%	3.14%

The risk-free interest rate was based on the U.S. Treasury or Canadian Sovereign bond yield with a remaining term equal to the expected option life assumed at the date of grant. The expected term was calculated based on the analysis of a five-year vesting period coupled with our expectations of exercise activity. Expected volatility was based on the historical and implied equity volatility of the Company. The expected dividend yield is based on the annual dividend yield at the time of grant.

Stock Options Activity

The following is a summary of stock option activity under our plans for the year ended December 31, 2022:

	Total Number of Options (in 000's)	Weighted Average Exercise Price	Aggregate Intrinsic Value (a) (in 000's)	Weighted Average Remaining Contractual Term (Years)
Outstanding at January 1, 2022	6,207	$ 54.80		
Granted	2,018	$ 66.62		
Exercised	(484)	$ 43.42		
Forfeited	(247)	$ 64.83		
Outstanding at December 31, 2022	7,494	$ 58.00	$ 55,682	6.1
Exercisable at December 31, 2022	2,724	$ 46.72	$ 48,953	3.0
Vested or expected to vest at December 31, 2022	7,125	$ 57.75	$ 54,835	6.0

(a) The intrinsic value represents the amount by which the fair value of our stock exceeds the option exercise price at December 31, 2022.

The weighted-average grant date fair value per stock option granted was $17.52, $10.15, and $10.38 during 2022, 2021 and 2020, respectively. The total intrinsic value of stock options exercised was $10 million during 2022, $46 million during 2021, and $55 million during 2020.

Note 15. Revenue Recognition

Contract Liabilities

Contract liabilities consist of deferred revenue resulting from initial and renewal franchise fees paid by franchisees, as well as upfront fees paid by master franchisees, which are generally recognized on a straight-line basis over the term of the underlying agreement. We may recognize unamortized franchise fees and upfront fees when a contract with a franchisee or master franchisee is modified and is accounted for as a termination of the existing contract. We classify these contract liabilities as Other liabilities, net in our consolidated balance sheets. The following table reflects the change in contract liabilities on a consolidated basis between December 31, 2021 and December 31, 2022 (in millions):

Contract Liabilities	
Balance at December 31, 2021	$ 531
Effect of business combination	8
Recognized during period and included in the contract liability balance at the beginning of the year	(57)
Increase, excluding amounts recognized as revenue during the period	71
Impact of foreign currency translation	(13)
Balance at December 31, 2022	$ 540

The following table illustrates estimated revenues expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) on a consolidated basis as of December 31, 2022 (in millions):

Contract liabilities expected to be recognized in	
2023	$ 52
2024	50
2025	47
2026	44
2027	42
Thereafter	305
Total	$ 540

Disaggregation of Total Revenues

The following tables disaggregate revenue by segment (in millions):

	2022				
	TH	BK	PLK	FHS	Total
Sales	$ 2,631	$ 70	$ 78	$ 40	$ 2,819
Royalties	320	1,064	287	66	1,737
Property revenues	577	224	12	—	813
Franchise fees and other revenue	28	54	10	19	111
Advertising revenues and other services	267	485	260	13	1,025
Total revenues	$ 3,823	$ 1,897	$ 647	$ 138	$ 6,505

	2021				
	TH	BK	PLK	FHS	Total
Sales	$ 2,249	$ 64	$ 64	$ 1	$ 2,378
Royalties	287	1,008	264	2	1,561
Property revenues	556	224	13	—	793
Franchise fees and other revenue	21	60	6	2	89
Advertising revenues and other services	229	457	232	—	918
Total revenues	$ 3,342	$ 1,813	$ 579	$ 5	$ 5,739

	2020				
	TH	BK	PLK	FHS	Total
Sales	$ 1,876	$ 64	$ 73	$ —	$ 2,013
Royalties	240	842	245	—	1,327
Property revenues	486	219	13	—	718
Franchise fees and other revenue	19	52	5	—	76
Advertising revenues and other services	189	425	220	—	834
Total revenues	$ 2,810	$ 1,602	$ 556	$ —	$ 4,968

Note 16. Other Operating Expenses (Income), net

Other operating expenses (income), net, consist of the following (in millions):

	2022	2021	2020
Net losses (gains) on disposal of assets, restaurant closures and refranchisings	$ 4	$ 2	$ 6
Litigation settlements and reserves, net	11	81	7
Net losses (gains) on foreign exchange	(4)	(76)	100
Other, net	14	—	(8)
Other operating expenses (income), net	$ 25	$ 7	$ 105

Net losses (gains) on disposal of assets, restaurant closures, and refranchisings represent sales of properties and other costs related to restaurant closures and refranchisings. Gains and losses recognized in the current period may reflect certain costs related to closures and refranchisings that occurred in previous periods.

Litigation settlements and reserves, net primarily reflects accruals and payments made and proceeds received in connection with litigation and arbitration matters and other business disputes.

In early 2022, we entered into negotiations to resolve business disputes that arose during 2021 with counterparties to the master franchise agreements for Burger King and Popeyes in China. Based on these discussions, we paid approximately $100 million in 2022, of which $5 million and $72 million was recorded as Litigation settlements and reserves, net in 2022 and 2021, respectively. The majority of this amount related to Popeyes, resolved our disputes, and allowed us to move forward in the market with a new master franchisee. Additionally, pursuant to this agreement we and our partners have made equity contributions to the Burger King business in China.

Net losses (gains) on foreign exchange is primarily related to revaluation of foreign denominated assets and liabilities, primarily those denominated in Euros and Canadian dollars.

Note 17. Commitments and Contingencies

Letters of Credit

As of December 31, 2022, we had $11 million in irrevocable standby letters of credit outstanding, which were issued primarily to certain insurance carriers to guarantee payments of deductibles for various insurance programs, such as health and commercial liability insurance. Of these letters of credit outstanding, $2 million are secured by the collateral under our Revolving Credit Facility and the remainder are secured by cash collateral. As of December 31, 2022, no amounts had been drawn on any of these irrevocable standby letters of credit.

Purchase Commitments

We have arrangements for information technology and telecommunication services with an aggregate contractual obligation of $23 million over the next two years, some of which have early termination fees. We also enter into commitments to purchase advertising. As of December 31, 2022, these commitments totaled $212 million and run through 2025.

Litigation

From time to time, we are involved in legal proceedings arising in the ordinary course of business relating to matters including, but not limited to, disputes with franchisees, suppliers, employees and customers, as well as disputes over our intellectual property.

On October 5, 2018, a class action complaint was filed against Burger King Worldwide, Inc. (“BKW”) and Burger King Company, successor in interest, (“BKC”) in the U.S. District Court for the Southern District of Florida by Jarvis Arrington, individually and on behalf of all others similarly situated. On October 18, 2018, a second class action complaint was filed against RBI, BKW and BKC in the U.S. District Court for the Southern District of Florida by Monique Michel, individually and on behalf of all others similarly situated. On October 31, 2018, a third class action complaint was filed against BKC and BKW in the U.S. District Court for the Southern District of Florida by Geneva Blanchard and Tiffany Miller, individually and on behalf of all others similarly situated. On November 2, 2018, a fourth class action complaint was filed against RBI, BKW and BKC in the U.S. District Court for the Southern District of Florida by Sandra Munster, individually and on behalf of all others similarly situated. These complaints have been consolidated and allege that the defendants violated Section 1 of the Sherman Act by incorporating an employee no-solicitation and no-hiring clause in the standard form franchise agreement all Burger King franchisees are required to sign. Each plaintiff seeks

injunctive relief and damages for himself or herself and other members of the class. On March 24, 2020, the Court granted BKC's motion to dismiss for failure to state a claim and on April 20, 2020 the plaintiffs filed a motion for leave to amend their complaint. On April 27, 2020, BKC filed a motion opposing the motion for leave to amend. The court denied the plaintiffs motion for leave to amend their complaint in August 2020 and the plaintiffs appealed this ruling. In August 2022, the federal appellate court reversed the lower court's decision to dismiss the case and remanded the case to the lower court for further proceedings. While we currently believe these claims are without merit, we are unable to predict the ultimate outcome of this case or estimate the range of possible loss, if any.

On June 30, 2020, a class action complaint was filed against RBI, Partnership and The TDL Group Corp. in the Quebec Superior Court by Steve Holcman, individually and on behalf of all Quebec residents who downloaded the Tim Hortons mobile application. On July 2, 2020, a Notice of Action related to a second class action complaint was filed against RBI, in the Ontario Superior Court by Ashley Sitko and Ashley Cadeau, individually and on behalf of all Canadian residents who downloaded the Tim Hortons mobile application. On August 31, 2020, a notice of claim was filed against RBI in the Supreme Court of British Columbia by Wai Lam Jacky Law on behalf of all persons in Canada who downloaded the Tim Hortons mobile application or the Burger King mobile application. On September 30, 2020, a notice of action was filed against RBI, Partnership, The TDL Group Corp., BKW and Popeyes Louisiana Kitchen, Inc. in the Ontario Superior Court of Justice by William Jung on behalf of a to be determined class. All of the complaints alleged that the defendants violated the plaintiff's privacy rights, the Personal Information Protection and Electronic Documents Act, consumer protection and competition laws or app-based undertakings to users, in each case in connection with the collection of geolocation data through the Tim Hortons mobile application, and in certain cases, the Burger King and Popeyes mobile applications. Each plaintiff sought injunctive relief and monetary damages for himself or herself and other members of the class. The parties have reached a national settlement of all cases, which has been approved by the applicable courts, pursuant to which The TDL Group Corp. is providing each member of the class a voucher for one hot beverage and one baked good and will pay plaintiffs legal fees, in an amount which we believe is immaterial.

On October 26, 2020, City of Warwick Municipal Employees Pension Fund, a purported stockholder of RBI, individually and putatively on behalf of all other stockholders similarly situated, filed a lawsuit in the Supreme Court of the State of New York County of New York naming RBI and certain of our officers, directors and shareholders as defendants alleging violations of Sections 11, 12(a)(2) and 15 of the Securities Act of 1933, as amended, in connection with certain offerings of securities by an affiliate in August and September 2019. The complaint alleges that the shelf registration statement used in connection with such offering contained certain false and/or misleading statements or omissions. The complaint seeks, among other relief, class certification of the lawsuit, unspecified compensatory damages, rescission, pre-judgement and post-judgement interest, costs and expenses. On December 18, 2020 the plaintiffs filed an amended complaint and on February 16, 2021 RBI filed a motion to dismiss the complaint. The plaintiffs filed a brief in opposition to the motion on April 19, 2021 and RBI filed a reply in May 2021. The motion to dismiss was heard in April 2022 and the motion to dismiss was denied in May 2022. On June 6, 2022, we filed an answer to the complaint and on July 8, 2022, we filed an appeal of the denial of the motion to dismiss. On November 10, 2022, the appellate division reversed the trial court and ordered that the complaint be dismissed. Plaintiffs have moved for leave to appeal to the Court of Appeals of the State of New York and we filed an opposition to their motion. The parties are awaiting a decision as to whether the Court of Appeals will accept the appeal. We intend to vigorously defend. While we believe these claims are without merit, we are unable to predict the ultimate outcome of this case or estimate the range of possible loss, if any.

In April 2022, BKC was served with two separate purported class action complaints relating to per- and polyfluoroalkyl ("PFAS") in packaging. Hussain vs. BKC was filed on April 13, 2022 in the U.S. District Court for the Northern District of California, and Cooper v. BKC was filed on April 14, 2022 in the U.S. District Court for the Southern District of Florida. Both complaints alleged that certain food products sold by BKC are not safe for human consumption due to the packaging containing allegedly unsafe PFAS and that consumers were misled by the labelling, marketing and packaging claims asserted by BKC regarding the safety and sustainability of the packaging and sought compensatory, statutory and punitive damages, injunctive relief, corrective action, and attorneys' fees. Hussain voluntarily dismissed the case on August 22, 2022. In June 2022, Cooper voluntarily dismissed the case and then refiled their complaint in state court only on behalf of Florida consumers. We filed a motion to dismiss on October 17, 2022. The plaintiff dismissed the case with prejudice in November 2022 and these matters are closed.

Note 18. Segment Reporting and Geographical Information

As stated in Note 1, *Description of Business and Organization*, we manage four brands. Under the *Tim Hortons* brand, we operate in the donut/coffee/tea category of the quick service segment of the restaurant industry. Under the *Burger King* brand, we operate in the fast food hamburger restaurant category of the quick service segment of the restaurant industry. Under the *Popeyes* brand, we operate in the chicken category of the quick service segment of the restaurant industry. Under the *Firehouse Subs* brand, we operate in the specialty subs category of the quick service segment of the restaurant industry. Our business generates revenue from the following sources: (i) sales, consisting primarily of supply chain sales, which represent sales of products, supplies and restaurant equipment to franchisees, as well as sales to retailers and sales at restaurants owned by us ("Company restaurants"); (ii) franchise revenues, consisting primarily of royalties based on a percentage of sales reported by franchise restaurants and franchise fees paid by franchisees; (iii) property revenues from properties we lease or sublease to franchisees; and (iv) advertising revenues and other

services, consisting primarily of advertising fund contributions based on a percentage of sales reported by franchise restaurants. We manage each of our brands as an operating segment and each operating segment represents a reportable segment.

Our management structure and financial reporting is organized around our four brands, including the information regularly reviewed by our Chief Executive Officer, who is our Chief Operating Decision Maker. Therefore, we have four operating segments: (1) TH, which includes all operations of our *Tim Hortons* brand, (2) BK, which includes all operations of our *Burger King* brand, (3) PLK, which includes all operations of our *Popeyes* brand, and (4) FHS, which includes all operations of our *Firehouse Subs* brand. Our four operating segments represent our reportable segments. FHS revenues and segment income for the period from the acquisition date of December 15, 2021 through December 26, 2021 (the fiscal year end for FHS) are included in our consolidated statement of operations for 2021.

The following tables present revenues, by segment and by country, depreciation and amortization, (income) loss from equity method investments, and capital expenditures by segment (in millions):

	2022	2021	2020
Revenues by operating segment:			
TH	$ 3,823	$ 3,342	$ 2,810
BK	1,897	1,813	1,602
PLK	647	579	556
FHS	138	5	—
Total	$ 6,505	$ 5,739	$ 4,968
Revenues by country (a):			
Canada	$ 3,458	$ 3,035	$ 2,546
United States	2,273	2,005	1,889
Other	774	699	533
Total	$ 6,505	$ 5,739	$ 4,968
Depreciation and amortization:			
TH	$ 114	$ 132	$ 119
BK	66	62	62
PLK	8	7	8
FHS	2	—	—
Total	$ 190	$ 201	$ 189
(Income) loss from equity method investments:			
TH	$ (8)	$ (13)	$ (4)
BK	51	17	43
PLK	1	—	—
Total	$ 44	$ 4	$ 39
Capital expenditures:			
TH	$ 30	$ 61	$ 92
BK	63	34	18
PLK	6	11	7
FHS	1	—	—
Total	$ 100	$ 106	$ 117

(a) Only Canada and the United States represented 10% or more of our total revenues in each period presented.

Total assets by segment, and long-lived assets by segment and country are as follows (in millions):

	Assets		Long-Lived Assets	
	As of December 31,		As of December 31,	
	2022	2021	2022	2021
By operating segment:				
TH	$ 13,279	$ 13,995	$ 1,819	$ 1,963
BK	5,007	4,946	1,140	1,137
PLK	2,572	2,563	143	141
FHS	1,098	1,103	12	4
Unallocated	790	639	—	—
Total	$ 22,746	$ 23,246	$ 3,114	$ 3,245
By country:				
Canada			$ 1,531	$ 1,670
United States			1,558	1,556
Other			25	19
Total			$ 3,114	$ 3,245

Long-lived assets include property and equipment, net, finance and operating lease right of use assets, net and net investment in property leased to franchisees. Only Canada and the United States represented 10% or more of our total long-lived assets as of December 31, 2022 and December 31, 2021.

Our measure of segment income is Adjusted EBITDA. Adjusted EBITDA represents earnings (net income or loss) before interest expense, net, loss on early extinguishment of debt, income tax (benefit) expense, and depreciation and amortization, adjusted to exclude (i) the non-cash impact of share-based compensation and non-cash incentive compensation expense, (ii) (income) loss from equity method investments, net of cash distributions received from equity method investments, (iii) other operating expenses (income), net and, (iv) income/expenses from non-recurring projects and non-operating activities. For the periods referenced, income/expenses from non-recurring projects and non-operating activities included (i) non-recurring fees and expense incurred in connection with the Firehouse Acquisition consisting of professional fees, compensation-related expenses and integration costs ("FHS Transaction costs"); and (ii) non-operating costs from professional advisory and consulting services associated with certain transformational corporate restructuring initiatives that rationalize our structure and optimize cash movements, including services related to significant tax reform legislation, regulations and related restructuring initiatives ("Corporate restructuring and tax advisory fees").

Adjusted EBITDA is used by management to measure operating performance of the business, excluding these non-cash and other specifically identified items that management believes are not relevant to management's assessment of our operating performance. A reconciliation of segment income to net income consists of the following (in millions):

	2022	2021	2020
Segment income:			
TH	$ 1,073	$ 997	$ 823
BK	1,007	1,021	823
PLK	242	228	218
FHS	56	2	—
Adjusted EBITDA	2,378	2,248	1,864
Share-based compensation and non-cash incentive compensation expense	136	102	84
FHS Transaction costs	24	18	—
Corporate restructuring and tax advisory fees	46	16	16
Impact of equity method investments (a)	59	25	48
Other operating expenses (income), net	25	7	105
EBITDA	2,088	2,080	1,611
Depreciation and amortization	190	201	189
Income from operations	1,898	1,879	1,422
Interest expense, net	533	505	508
Loss on early extinguishment of debt	—	11	98
Income tax (benefit) expense	(117)	110	66
Net income	$ 1,482	$ 1,253	$ 750

(a) Represents (i) (income) loss from equity method investments and (ii) cash distributions received from our equity method investments. Cash distributions received from our equity method investments are included in segment income.

Note 19. Subsequent Events

Dividends

On January 4, 2023, we paid a cash dividend of $0.54 per common share to common shareholders of record on December 21, 2022. On such date, Partnership also made a distribution in respect of each Partnership exchangeable unit in the amount of $0.54 per exchangeable unit to holders of record on December 21, 2022.

On February 14, 2023, we announced that the board of directors had declared a cash dividend of $0.55 per common share for the first quarter of 2023. The dividend will be paid on April 5, 2023 to common shareholders of record on March 22, 2023. Partnership will also make a distribution in respect of each Partnership exchangeable unit in the amount of $0.55 per Partnership exchangeable unit, and the record date and payment date for distributions on Partnership exchangeable units are the same as the record date and payment date set forth above.

*****

GUARANTY OF PERFORMANCE

OF RBI

Exhibit A
03/2023

GUARANTEE OF PERFORMANCE

For value received, **Restaurant Brands International Inc.**, a Canadian corporation (the "Guarantor"), located at 130 King Street West, Suite 300, Toronto, Ontario, M5X 1E1, Canada, absolutely and unconditionally guarantees to assume the duties and obligations of **Firehouse of America, LLC**, located at 12735 Gran Bay Parkway, Suite 150, Jacksonville, Florida 32258 (the "Franchisor"), under its franchise registration in each state as identified in Item 21 of this Franchise Disclosure Document, and under its Franchise Agreement identified in its 2023 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time with residents of, or for locations in, those states. This guarantee continues until all such obligations of the Franchisor under such franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to such franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Miami, Florida on the 22 day of March, 2023.

GUARANTOR:

RESTAURANT BRANDS
INTERNATIONAL INC.

By: _____
Name: Matthew Dunnigan
Title: Chief Financial Officer

FINANCIAL STATEMENTS

OF RBILLP

Exhibit A
03/2023

Item 8. ***Financial Statements and Supplementary Data***

RESTAURANT BRANDS INTERNATIONAL LIMITED PARTNERSHIP AND SUBSIDIARIES

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Management's Report on Internal Control Over Financial Reporting

Management of Restaurant Brands International Inc. ("RBI"), the sole general partner of Restaurant Brands International Limited Partnership (the "Partnership"), is responsible for the preparation, integrity and fair presentation of the consolidated financial statements, related notes and other information included in this annual report. The consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America and include certain amounts based on management's estimates and assumptions. Other financial information presented in the annual report is derived from the consolidated financial statements.

Management is also responsible for establishing and maintaining adequate internal control over financial reporting, and for performing an assessment of the effectiveness of internal control over financial reporting as of December 31, 2022. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our system of internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Partnership; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of Partnership are being made only in accordance with authorizations of management and directors of RBI; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Partnership's assets that could have a material effect on the consolidated financial statements.

Management performed an assessment of the effectiveness of Partnership's internal control over financial reporting as of December 31, 2022 based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our assessment and those criteria, management determined that Partnership's internal control over financial reporting was effective as of December 31, 2022.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The effectiveness of Partnership's internal control over financial reporting as of December 31, 2022 has been audited by KPMG LLP, Partnership's independent registered public accounting firm, as stated in its report which is included herein.

Report of Independent Registered Public Accounting Firm

To the Partners, Restaurant Brands International Limited Partnership, and Board of Directors,
Restaurant Brands International Inc., the sole general partner of Restaurant Brands International Limited Partnership:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Restaurant Brands International Limited Partnership and subsidiaries (the Partnership) as of December 31, 2022 and 2021, the related consolidated statements of operations, comprehensive income (loss), equity, and cash flows for each of the years in the three-year period ended December 31, 2022, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Partnership as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2022, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Partnership's internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 22, 2023 expressed an unqualified opinion on the effectiveness of the Partnership's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Gross unrecognized tax benefits

As discussed in Notes 2 and 11 to the consolidated financial statements, the Partnership records a liability for unrecognized tax benefits associated with uncertain tax positions. The Partnership recognizes tax benefits from tax positions only if there is more than a 50% likelihood that the tax positions will be sustained upon examination by the taxing authorities, based on the technical merits of the positions. As of December 31, 2022, the Partnership has recorded gross unrecognized tax benefits, excluding associated interest and penalties, of $139 million.

We identified the assessment of gross unrecognized tax benefits resulting from certain tax planning strategies implemented during the year as a critical audit matter. Identifying and determining uncertain tax positions arising from implementing tax planning strategies involved a number of judgments and assumptions, which included complex considerations of tax law. As a result, subjective and complex auditor judgment, including the involvement of tax professionals with specialized skills and knowledge, was required to evaluate the Partnership's interpretation of tax law and its determination of which tax positions have more than a 50% likelihood of being sustained upon examination.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Partnership's gross unrecognized tax benefits process, including controls related to 1) interpreting tax law, 2) identifying significant uncertain tax positions arising from tax planning strategies that were implemented during the year, 3) evaluating the tax consequences of the related strategies, and 4) evaluating which of the Partnership's tax positions may not be sustained upon examination. In addition, we involved tax professionals with specialized skills and knowledge, who assisted in:

- obtaining an understanding of the Partnership's tax planning strategies
- evaluating the Partnership's interpretation of the relevant tax laws by developing an independent assessment
- evaluating the Partnership's identification of uncertain tax positions to assess the tax consequences of these related tax positions
- performing an independent assessment of the Partnership's tax positions and comparing our assessment to the Partnership's assessment.

(signed) KPMG LLP

We have served as the Partnership's auditor since 1989.

Miami, Florida
February 22, 2023

Report of Independent Registered Public Accounting Firm

To the Partners, Restaurant Brands International Limited Partnership, and Board of Directors,
Restaurant Brands International Inc., the sole general partner of Restaurant Brands International Limited Partnership:

Opinion on Internal Control Over Financial Reporting

We have audited Restaurant Brands International Limited Partnership and subsidiaries' (the Partnership) internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Partnership maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Partnership as of December 31, 2022 and 2021, the related consolidated statements of operations, comprehensive income (loss), equity, and cash flows for each of the years in the three-year period ended December 31, 2022, and the related notes (collectively, the consolidated financial statements), and our report dated February 22, 2023 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Partnership's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Partnership's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

(signed) KPMG LLP

Miami, Florida
February 22, 2023

RESTAURANT BRANDS INTERNATIONAL LIMITED PARTNERSHIP AND SUBSIDIARIES
Consolidated Balance Sheets
(In millions of U.S. dollars, except unit data)

	As of December 31,	
	2022	2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,178	$ 1,087
Accounts and notes receivable, net of allowance of $36 and $18, respectively	614	547
Inventories, net	133	96
Prepaids and other current assets	123	86
Total current assets	2,048	1,816
Property and equipment, net of accumulated depreciation and amortization of $1,061 and $979, respectively	1,950	2,035
Operating lease assets, net	1,082	1,130
Intangible assets, net	10,991	11,417
Goodwill	5,688	6,006
Net investment in property leased to franchisees	82	80
Other assets, net	905	762
Total assets	$ 22,746	$ 23,246
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts and drafts payable	$ 758	$ 614
Other accrued liabilities	1,001	947
Gift card liability	230	221
Current portion of long-term debt and finance leases	127	96
Total current liabilities	2,116	1,878
Long-term debt, net of current portion	12,839	12,916
Finance leases, net of current portion	311	333
Operating lease liabilities, net of current portion	1,027	1,070
Other liabilities, net	872	1,822
Deferred income taxes, net	1,313	1,374
Total liabilities	18,478	19,393
Commitments and contingencies (Note 17)		
Partners' capital:		
Class A common units - 202,006,067 units issued and outstanding at December 31, 2022 and December 31, 2021	8,735	8,421
Partnership exchangeable units - 142,996,640 units issued and outstanding at December 31, 2022; 144,993,458 units issued and outstanding at December 31, 2021	(3,496)	(3,547)
Accumulated other comprehensive income (loss)	(973)	(1,024)
Total Partners' capital	4,266	3,850
Noncontrolling interests	2	3
Total equity	4,268	3,853
Total liabilities and equity	$ 22,746	$ 23,246

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board of Directors of Restaurant Brands International Inc., as general partner of Restaurant Brands International Limited Partnership:

By: /s/ J. Patrick Doyle
J. Patrick Doyle, Executive Chairman of Restaurant Brands International Inc.

By: /s/ Ali Hedayat
Ali Hedayat, Director of Restaurant Brands International Inc.

RESTAURANT BRANDS INTERNATIONAL LIMITED PARTNERSHIP AND SUBSIDIARIES
Consolidated Statements of Operations
(In millions of U.S. dollars, except per unit data)

	2022	2021	2020
Revenues:			
Sales	$ 2,819	$ 2,378	$ 2,013
Franchise and property revenues	2,661	2,443	2,121
Advertising revenues and other services	1,025	918	834
Total revenues	6,505	5,739	4,968
Operating costs and expenses:			
Cost of sales	2,312	1,890	1,610
Franchise and property expenses	518	489	515
Advertising expenses and other services	1,077	986	870
General and administrative expenses	631	484	407
(Income) loss from equity method investments	44	4	39
Other operating expenses (income), net	25	7	105
Total operating costs and expenses	4,607	3,860	3,546
Income from operations	1,898	1,879	1,422
Interest expense, net	533	505	508
Loss on early extinguishment of debt	—	11	98
Income before income taxes	1,365	1,363	816
Income tax (benefit) expense	(117)	110	66
Net income	1,482	1,253	750
Net income attributable to noncontrolling interests	3	4	2
Net income attributable to common unitholders	$ 1,479	$ 1,249	$ 748
Earnings per unit - basic and diluted (Note 4):			
Class A common units	$ 4.99	$ 4.15	$ 2.41
Partnership exchangeable units	$ 3.28	$ 2.72	$ 1.62
Weighted average units outstanding - basic and diluted (in millions) (Note 4):			
Class A common units	202	202	202
Partnership exchangeable units	144	151	162

See accompanying notes to consolidated financial statements.

RESTAURANT BRANDS INTERNATIONAL LIMITED PARTNERSHIP AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income (Loss)
(In millions of U.S. dollars)

	2022	2021	2020
Net income	$ 1,482	$ 1,253	$ 750
Foreign currency translation adjustment	(703)	(67)	332
Net change in fair value of net investment hedges, net of tax of $(77), $15, and $60	332	111	(242)
Net change in fair value of cash flow hedges, net of tax of $(141), $(36), and $91	382	96	(244)
Amounts reclassified to earnings of cash flow hedges, net of tax of $(12), $(36), and $(27)	34	96	73
Gain (loss) recognized on defined benefit pension plans and other items, net of tax of $(2), $(3), and $3	6	15	(16)
Other comprehensive income (loss)	51	251	(97)
Comprehensive income (loss)	1,533	1,504	653
Comprehensive income (loss) attributable to noncontrolling interests	3	4	2
Comprehensive income (loss) attributable to common unitholders	$ 1,530	$ 1,500	$ 651

See accompanying notes to consolidated financial statements.

RESTAURANT BRANDS INTERNATIONAL LIMITED PARTNERSHIP AND SUBSIDIARIES

Consolidated Statements of Equity

(In millions of U.S. dollars, except unit data)

	Class A Common Units		Partnership Exchangeable units		Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total
	Units	Amount	Units	Amount			
Balances at December 31, 2019	202,006,067	$ 7,786	165,507,199	$ (2,353)	$ (1,178)	$ 4	$ 4,259
Distributions declared on Class A common units ($3.12 per unit)	—	(631)	—	—	—	—	(631)
Distributions declared on partnership exchangeable units ($2.08 per unit)	—	—	—	(336)	—	—	(336)
Exchange of Partnership exchangeable units for RBI common shares	—	195	(3,636,169)	(195)	—	—	—
Repurchase of Partnership exchangeable units	—	—	(6,757,692)	(380)	—	—	(380)
Capital contribution from RBI Inc.	—	158	—	—	—	—	158
Restaurant VIE distributions	—	—	—	—	—	(2)	(2)
Net income	—	486	—	262	—	2	750
Other comprehensive income (loss)	—	—	—	—	(97)	—	(97)
Balances at December 31, 2020	202,006,067	$ 7,994	155,113,338	$ (3,002)	$ (1,275)	$ 4	$ 3,721
Distributions declared on Class A common units ($3.26 per unit)	—	(658)	—	—	—	—	(658)
Distributions declared on partnership exchangeable units ($2.12 per unit)	—	—	—	(318)	—	—	(318)
Exchange of Partnership exchangeable units for RBI common shares	—	638	(10,119,880)	(638)	—	—	—
Distributions to RBI for repurchase of RBI common shares	—	(551)	—	—	—	—	(551)
Capital contribution from RBI Inc.	—	160	—	—	—	—	160
Restaurant VIE distributions	—	—	—	—	—	(5)	(5)
Net income	—	838	—	411	—	4	1,253
Other comprehensive income (loss)	—	—	—	—	251	—	251
Balances at December 31, 2021	202,006,067	$ 8,421	144,993,458	$ (3,547)	$ (1,024)	$ 3	$ 3,853
Distributions declared on Class A common units ($3.28 per unit)	—	(664)	—	—	—	—	(664)
Distributions declared on partnership exchangeable units ($2.16 per unit)	—	—	—	(309)	—	—	(309)
Exchange of Partnership exchangeable units for RBI common shares	—	111	(1,996,818)	(111)	—	—	—
Distribution to RBI for repurchase of RBI common shares	—	(326)	—	—	—	—	(326)
Capital contribution from RBI Inc.	—	185	—	—	—	—	185
Restaurant VIE distributions	—	—	—	—	—	(4)	(4)
Net income	—	1,008	—	471	—	3	1,482
Other comprehensive income (loss)	—	—	—	—	51	—	51
Balances at December 31, 2022	202,006,067	$ 8,735	142,996,640	$ (3,496)	$ (973)	$ 2	$ 4,268

See accompanying notes to consolidated financial statements.

RESTAURANT BRANDS INTERNATIONAL LIMITED PARTNERSHIP AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(In millions of U.S. dollars)

	2022	2021	2020
Cash flows from operating activities:			
Net income	$ 1,482	$ 1,253	$ 750
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	190	201	189
Premiums paid and non-cash loss on early extinguishment of debt	—	11	97
Amortization of deferred financing costs and debt issuance discount	28	27	26
(Income) loss from equity method investments	44	4	39
Loss (gain) on remeasurement of foreign denominated transactions	(4)	(76)	100
Net (gains) losses on derivatives	(9)	87	32
Share-based compensation and non-cash incentive compensation expense	136	102	84
Deferred income taxes	(60)	(5)	(208)
Other	19	(16)	28
Changes in current assets and liabilities, excluding acquisitions and dispositions:			
Accounts and notes receivable	(110)	8	(30)
Inventories and prepaids and other current assets	(61)	12	(10)
Accounts and drafts payable	169	149	(183)
Other accrued liabilities and gift card liability	37	67	6
Tenant inducements paid to franchisees	(26)	(20)	(22)
Other long-term assets and liabilities	(345)	(78)	23
Net cash provided by operating activities	1,490	1,726	921
Cash flows from investing activities:			
Payments for property and equipment	(100)	(106)	(117)
Net proceeds from disposal of assets, restaurant closures and refranchisings	12	16	12
Net payment for purchase of Firehouse Subs, net of cash acquired	(12)	(1,004)	—
Settlement/sale of derivatives, net	71	5	33
Other investing activities, net	(35)	(14)	(7)
Net cash used for investing activities	(64)	(1,103)	(79)
Cash flows from financing activities:			
Proceeds from revolving line of credit and long-term debt	2	1,335	5,235
Repayments of revolving line of credit, long-term debt and finance leases	(94)	(889)	(4,708)
Payment of financing costs	—	(19)	(43)
Distributions on Class A common and Partnership exchangeable units	(971)	(974)	(959)
Repurchase of Partnership exchangeable units	—	—	(380)
Distributions to RBI for repurchase of RBI common shares	(326)	(551)	—
Capital contribution from RBI	51	60	82
(Payments) proceeds from derivatives	34	(51)	(46)
Other financing activities, net	(3)	(4)	(2)
Net cash used for financing activities	(1,307)	(1,093)	(821)
Effect of exchange rates on cash and cash equivalents	(28)	(3)	6
Increase (decrease) in cash and cash equivalents	91	(473)	27
Cash and cash equivalents at beginning of period	1,087	1,560	1,533
Cash and cash equivalents at end of period	$ 1,178	$ 1,087	$ 1,560
Supplemental cash flow disclosures:			
Interest paid	$ 487	$ 404	$ 463
Income taxes paid, net	$ 275	$ 256	$ 267

See accompanying notes to consolidated financial statements.

RESTAURANT BRANDS INTERNATIONAL LIMITED PARTNERSHIP AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 1. Description of Business and Organization

Description of Business

Restaurant Brands International Limited Partnership ("Partnership", "we", "us" or "our") is a Canadian limited partnership. On December 15, 2021 we acquired FRG, LLC ("Firehouse Subs"). We franchise and operate quick service restaurants serving premium coffee and other beverage and food products under the *Tim Hortons*® brand ("Tim Hortons" or "TH"), fast food hamburgers principally under the *Burger King*® brand ("Burger King" or "BK"), chicken under the *Popeyes*® brand ("Popeyes" or "PLK") and sandwiches under the *Firehouse Subs*® brand ("Firehouse" or "FHS"). We are one of the world's largest quick service restaurant, or QSR, companies as measured by total number of restaurants. As of December 31, 2022, we franchised or owned 5,600 Tim Hortons restaurants, 19,789 Burger King restaurants, 4,091 Popeyes restaurants, and 1,242 Firehouse restaurants, for a total of 30,722 restaurants, and operate in more than 100 countries. Approximately 100% of current system-wide restaurants are franchised.

We are a subsidiary of Restaurant Brands International Inc. ("RBI"). RBI is our sole general partner, and as such, RBI has the exclusive right, power and authority to manage, control, administer and operate the business and affairs and to make decisions regarding the undertaking and business of Partnership in accordance with the partnership agreement of Partnership ("partnership agreement") and applicable laws.

All references to "$" or "dollars" are to the currency of the United States unless otherwise indicated. All references to "Canadian dollars" or "C$" are to the currency of Canada unless otherwise indicated.

Note 2. Significant Accounting Policies

Fiscal Year

We operate on a monthly calendar, with a fiscal year that ends on December 31.

Basis of Presentation

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") and related rules and regulations of the U.S. Securities and Exchange Commission requires our management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

Principles of Consolidation

The consolidated financial statements (the "Financial Statements") include our accounts and the accounts of entities in which we have a controlling financial interest, the usual condition of which is ownership of a majority voting interest. We also consolidate marketing funds we control. All material intercompany balances and transactions have been eliminated in consolidation. Investments in other affiliates that are owned 50% or less where we have significant influence are accounted for by the equity method.

We also consider for consolidation entities in which we have certain interests, where the controlling financial interest may be achieved through arrangements that do not involve voting interests. Such an entity, known as a variable interest entity ("VIE"), is required to be consolidated by its primary beneficiary. The primary beneficiary is the entity that possesses the power to direct the activities of the VIE that most significantly impact its economic performance and has the obligation to absorb losses or the right to receive benefits from the VIE that are significant to it. Our maximum exposure to loss resulting from involvement with VIEs is attributable to accounts and notes receivable balances, investment balances, outstanding loan guarantees and future lease payments, where applicable.

As our franchise and master franchise arrangements provide the franchise and master franchise entities the power to direct the activities that most significantly impact their economic performance, we do not consider ourselves the primary beneficiary of any such entity that might be a VIE.

Tim Hortons has historically entered into certain arrangements in which an operator acquires the right to operate a restaurant, but Tim Hortons owns the restaurant's assets. In these arrangements, Tim Hortons has the ability to determine which operators manage the restaurants and for what duration. We perform an analysis to determine if the legal entity in which operations are conducted is a VIE and consolidate a VIE entity if we also determine Tim Hortons is the entity's primary beneficiary ("Restaurant VIEs"). As of December 31, 2022 and 2021, we determined that we are the primary beneficiary of 41 and 46 Restaurant VIEs,

respectively, and accordingly, have consolidated the results of operations, assets and liabilities, and cash flows of these Restaurant VIEs in our Financial Statements.

Assets and liabilities related to consolidated VIEs are not significant to our total consolidated assets and liabilities. Liabilities recognized as a result of consolidating these VIEs do not necessarily represent additional claims on our general assets; rather, they represent claims against the specific assets of the consolidated VIEs. Conversely, assets recognized as a result of consolidating these VIEs do not represent additional assets that could be used to satisfy claims by our creditors as they are not legally included within our general assets.

Reclassifications

Certain prior year amounts in the accompanying consolidated financial statements and notes to the consolidated financial statements have been reclassified in order to be comparable with the current year classifications. These consist of the 2021 reclassification of $9 million of technology fee revenues from Franchise and property revenues to Advertising revenues and other services and $24 million of technology expenses from General and administrative expenses to Advertising expenses and other services. These reclassifications did not arise as a result of any changes to accounting policies and relate entirely to presentation with no effect on previously reported net income.

Foreign Currency Translation and Transaction Gains and Losses

Our functional currency is the U.S. dollar, since our term loans and senior secured notes are denominated in U.S. dollars. The functional currency of each of our operating subsidiaries is generally the currency of the economic environment in which the subsidiary primarily does business. Our foreign subsidiaries' financial statements are translated into U.S. dollars using the foreign exchange rates applicable to the dates of the financial statements. Assets and liabilities are translated using the end-of-period spot foreign exchange rates. Income, expenses and cash flows are translated at the average foreign exchange rates for each period. Equity accounts are translated at historical foreign exchange rates. The effects of these translation adjustments are reported as a component of accumulated other comprehensive income (loss) ("AOCI") in the consolidated statements of equity.

For any transaction that is denominated in a currency different from the entity's functional currency, we record a gain or loss based on the difference between the foreign exchange rate at the transaction date and the foreign exchange rate at the transaction settlement date (or rate at period end, if unsettled) which is included within other operating expenses (income), net in the consolidated statements of operations.

Cash and Cash Equivalents

All highly liquid investments with original maturities of three months or less and credit card receivables are considered cash equivalents.

Accounts and Notes Receivable, net

Our credit loss exposure is mainly concentrated in our accounts and notes receivable portfolio, which consists primarily of amounts due from franchisees, including royalties, rents, franchise fees, contributions due to advertising funds we manage and, in the case of our TH segment, amounts due for supply chain sales. Accounts and notes receivable are reported net of an allowance for expected credit losses over the estimated life of the receivable. Credit losses are estimated based on aging, historical collection experience, financial position of the franchisee and other factors, including those related to current economic conditions and reasonable and supportable forecasts of future conditions.

Bad debt expense recognized for expected credit losses is classified in our consolidated statement of operations as Cost of sales, Franchise and property expenses or Advertising expenses and other services, based on the nature of the underlying receivable. Net bad debt expense (recoveries) totaled $19 million in 2022, $(9) million in 2021 and $33 million in 2020.

Inventories

Inventories are carried at the lower of cost or net realizable value and consist primarily of raw materials such as green coffee beans and finished goods such as new equipment, parts, paper supplies and restaurant food items. The moving average method is used to determine the cost of raw materials and finished goods inventories held for sale to Tim Hortons franchisees.

Property and Equipment, net

We record property and equipment at historical cost less accumulated depreciation and amortization, which is recognized using the straight-line method over the following estimated useful lives: (i) buildings and improvements – up to 40 years; (ii) restaurant equipment – up to 17 years; (iii) furniture, fixtures and other – up to 10 years; and (iv) manufacturing equipment – up to 25 years. Leasehold improvements to properties where we are the lessee are amortized over the lesser of the remaining term of the lease or the estimated useful life of the improvement.

Major improvements are capitalized, while maintenance and repairs are expensed when incurred.

Capitalized Software and Cloud Computing Costs

We record capitalized software at historical cost less accumulated amortization, which is recognized using the straight-line method. Amortization expense is based on the estimated useful life of the software, which is primarily up to five years, once the asset is available for its intended use.

Implementation costs incurred in connection with Cloud Computing Arrangements ("CCA") are capitalized consistently with costs capitalized for internal-use software. Capitalized CCA implementation costs are included in "Other assets" in the consolidated balance sheets and are amortized over the term of the related hosting agreement, including renewal periods that are reasonably certain to be exercised. Amortization expense of CCA implementation costs is classified as "General and administrative expenses" in the consolidated statements of operations.

Leases

In all leases, whether we are the lessor or lessee, we define lease term as the noncancellable term of the lease plus any renewals covered by renewal options that are reasonably certain of exercise based on our assessment of the economic factors relevant to the lessee. The noncancellable term of the lease commences on the date the lessor makes the underlying property in the lease available to the lessee, irrespective of when lease payments begin under the contract.

Lessor Accounting

We recognize lease payments for operating leases as property revenue on a straight-line basis over the lease term, and property revenue is presented net of any related sales tax. Lease incentive payments we make to lessees are amortized as a reduction in property revenue over the lease term. We account for reimbursements of maintenance and property tax costs paid to us by lessees as property revenue.

We also have net investments in properties leased to franchisees, which meet the criteria of sales-type leases or met the criteria of direct financing leases under the previous accounting guidance. Investments in sales-type leases and direct financing leases are recorded on a net basis. Profit on sales-type leases is recognized at lease commencement and recorded in other operating expenses (income), net. Unearned income on direct financing leases is deferred, included in the net investment in the lease, and recognized over the lease term yielding a constant periodic rate of return on the net investment in the lease.

We recognize variable lease payment income in the period when changes in facts and circumstances on which the variable lease payments are based occur.

Lessee Accounting

In leases where we are the lessee, we recognize a right-of-use ("ROU") asset and lease liability at lease commencement, which are measured by discounting lease payments using our incremental borrowing rate as the discount rate. We determine the incremental borrowing rate applicable to each lease by reference to our outstanding secured borrowings and implied spreads over the risk-free discount rates that correspond to the term of each lease, as adjusted for the currency of the lease. Subsequent amortization of the ROU asset and accretion of the lease liability for an operating lease is recognized as a single lease cost, on a straight-line basis, over the lease term. Reductions of the ROU asset and the change in the lease liability are included in changes in Other long-term assets and liabilities in the Consolidated Statement of Cash Flows.

A finance lease ROU asset is depreciated on a straight-line basis over the lesser of the useful life of the leased asset or lease term. Interest on each finance lease liability is determined as the amount that results in a constant periodic discount rate on the remaining balance of the liability. Operating lease and finance lease ROU assets are assessed for impairment in accordance with our long-lived asset impairment policy.

We reassess lease classification and remeasure ROU assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate contract or upon certain other events that require reassessment. Maintenance and property tax expenses are accounted for on an accrual basis as variable lease cost.

We recognize variable lease cost in the period when changes in facts and circumstances on which the variable lease payments are based occur.

Goodwill and Intangible Assets Not Subject to Amortization

Goodwill represents the excess of the purchase price over the fair value of assets acquired and liabilities assumed in connection with the acquisition of Firehouse Subs in 2021, the acquisition of Popeyes in 2017, the acquisition of Tim Hortons in 2014 and the acquisition of Burger King Holdings, Inc. by 3G Capital Partners Ltd. in 2010. Our indefinite-lived intangible assets consist of the *Tim*

Hortons brand, the *Burger King* brand, the *Popeyes* brand and the *Firehouse Subs* brand (each a "Brand" and together, the "Brands"). Goodwill and the Brands are tested for impairment at least annually as of October 1 of each year and more often if an event occurs or circumstances change which indicate impairment might exist. Our annual impairment tests of goodwill and the Brands may be completed through qualitative assessments. We may elect to bypass the qualitative assessment and proceed directly to a quantitative impairment test for any reporting unit or Brand in any period. We can resume the qualitative assessment for any reporting unit or Brand in any subsequent period.

Under a qualitative approach, our impairment review for goodwill consists of an assessment of whether it is more-likely-than-not that a reporting unit's fair value is less than its carrying amount. If we elect to bypass the qualitative assessment for any reporting unit, or if a qualitative assessment indicates it is more-likely-than-not that the estimated carrying value of a reporting unit exceeds its fair value, we perform a quantitative goodwill impairment test that requires us to estimate the fair value of the reporting unit. If the fair value of the reporting unit is less than its carrying amount, we will measure any goodwill impairment loss as the amount by which the carrying amount of a reporting unit exceeds its fair value, not to exceed the total amount of goodwill allocated to that reporting unit.

Under a qualitative approach, our impairment review for the Brands consists of an assessment of whether it is more-likely-than-not that a Brand's fair value is less than its carrying amount. If we elect to bypass the qualitative assessment for a Brand, or if a qualitative assessment indicates it is more-likely-than-not that the estimated carrying value of a Brand exceeds its fair value, we estimate the fair value of the Brand and compare it to its carrying amount. If the carrying amount exceeds fair value, an impairment loss is recognized in an amount equal to that excess.

We completed our impairment tests for goodwill and the Brands as of October 1, 2022, 2021 and 2020 and no impairment resulted.

Long-Lived Assets

Long-lived assets, such as property and equipment, intangible assets subject to amortization and lease right-of-use assets, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset or asset group may not be recoverable. Some of the events or changes in circumstances that would trigger an impairment review include, but are not limited to, bankruptcy proceedings or other significant financial distress of a lessee; significant negative industry or economic trends; knowledge of transactions involving the sale of similar property at amounts below the carrying value; or our expectation to dispose of long-lived assets before the end of their estimated useful lives. The impairment test for long-lived assets requires us to assess the recoverability of long-lived assets by comparing their net carrying value to the sum of undiscounted estimated future cash flows directly associated with and arising from use and eventual disposition of the assets or asset group. Long-lived assets are grouped for recognition and measurement of impairment at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets. If the net carrying value of a group of long-lived assets exceeds the sum of related undiscounted estimated future cash flows, we record an impairment charge equal to the excess, if any, of the net carrying value over fair value.

Other Comprehensive Income (Loss)

Other comprehensive income (loss) ("OCI") refers to revenues, expenses, gains and losses that are included in comprehensive income (loss), but are excluded from net income (loss) as these amounts are recorded directly as an adjustment to equity, net of tax. Our other comprehensive income (loss) is primarily comprised of unrealized gains and losses on foreign currency translation adjustments and unrealized gains and losses on hedging activity, net of tax.

Derivative Financial Instruments

We recognize and measure all derivative instruments as either assets or liabilities at fair value in the consolidated balance sheets. Derivative instruments accounted for as net investments hedges are classified as long term assets and liabilities in the consolidated balance sheets. We may enter into derivatives that are not designated as hedging instruments for accounting purposes, but which largely offset the economic impact of certain transactions.

Gains or losses resulting from changes in the fair value of derivatives are recognized in earnings or recorded in other comprehensive income (loss) and recognized in the consolidated statements of operations when the hedged item affects earnings, depending on the purpose of the derivatives and whether they qualify for, and we have applied, hedge accounting treatment.

When applying hedge accounting, we designate at a derivative's inception, the specific assets, liabilities or future commitments being hedged, and assess the hedge's effectiveness at inception and on an ongoing basis. We discontinue hedge accounting when: (i) we determine that the cash flow derivative is no longer effective in offsetting changes in the cash flows of a hedged item; (ii) the derivative expires or is sold, terminated or exercised; (iii) it is no longer probable that the forecasted transaction will occur; or (iv) management determines that designation of the derivatives as a hedge instrument is no longer appropriate. We do not enter into or hold derivatives for speculative purposes.

Disclosures about Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market, or if none exists, the most advantageous market, for the specific asset or liability at the measurement date (the exit price). The fair value is based on assumptions that market participants would use when pricing the asset or liability. The fair values are assigned a level within the fair value hierarchy, depending on the source of the inputs into the calculation, as follows:

Level 1 Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3 Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability.

The carrying amounts for cash and cash equivalents, accounts and notes receivable and accounts and drafts payable approximate fair value based on the short-term nature of these amounts.

We carry all of our derivatives at fair value and value them using various pricing models or discounted cash flow analysis that incorporate observable market parameters, such as interest rate yield curves and currency rates, which are Level 2 inputs. Derivative valuations incorporate credit risk adjustments that are necessary to reflect the probability of default by the counterparty or us. For disclosures about the fair value measurements of our derivative instruments, see Note 12, *Derivative Instruments*.

The following table presents the fair value of our variable rate term debt and senior notes, estimated using inputs based on bid and offer prices that are Level 2 inputs, and principal carrying amount (in millions):

	As of December 31,	
	2022	2021
Fair value of our variable term debt and senior notes	$ 11,885	$ 12,851
Principal carrying amount of our variable term debt and senior notes	12,890	12,943

The determinations of fair values of certain tangible and intangible assets for purposes of the application of the acquisition method of accounting to the acquisition of Firehouse Subs were based on Level 3 inputs. The determination of fair values of our reporting units and the determination of the fair value of the Brands for impairment testing using a quantitative approach during 2022 and 2020 were based upon Level 3 inputs.

Revenue Recognition

Sales

Sales consist primarily of supply chain sales, which represent sales of products, supplies and restaurant equipment to franchisees, as well as sales to retailers and are presented net of any related sales tax. Orders placed by customers specify the goods to be delivered and transaction prices for supply chain sales. Revenue is recognized upon transfer of control over ordered items, generally upon delivery to the customer, which is when the customer obtains physical possession of the goods, legal title is transferred, the customer has all risks and rewards of ownership and an obligation to pay for the goods is created. Shipping and handling costs associated with outbound freight for supply chain sales are accounted for as fulfillment costs and classified as cost of sales.

To a much lesser extent, sales also include Company restaurant sales (including Restaurant VIEs), which consist of sales to restaurant guests. Revenue from Company restaurant sales is recognized at the point of sale. Taxes assessed by a governmental authority that we collect are excluded from revenue.

Franchise and property revenues

Franchise revenues consist primarily of royalties, initial and renewal franchise fees and upfront fees from development agreements and master franchise and development agreements ("MFDAs"). Under franchise agreements, we provide franchisees with (i) a franchise license, which includes a license to use our intellectual property, (ii) pre-opening services, such as training and inspections, and (iii) ongoing services, such as development of training materials and menu items and restaurant monitoring and inspections. These services are highly interrelated and dependent upon the franchise license and we concluded these services do not represent individually distinct performance obligations. Consequently, we bundle the franchise license performance obligation and promises to provide these services into a single performance obligation (the "Franchise PO"), which we satisfy by providing a right to use our intellectual property over the term of each franchise agreement.

Royalties are calculated as a percentage of franchise restaurant sales over the term of the franchise agreement. Initial and renewal franchise fees are payable by the franchisee upon a new restaurant opening or renewal of an existing franchise agreement. Our

franchise agreement royalties represent sales-based royalties that are related entirely to the Franchise PO and are recognized as franchise sales occur. Initial and renewal franchise fees are recognized as revenue on a straight-line basis over the term of the respective agreement. Our performance obligation under development agreements other than MFDAs generally consists of an obligation to grant exclusive development rights over a stated term. These development rights are not distinct from franchise agreements, so upfront fees paid by franchisees for exclusive development rights are deferred and apportioned to each franchise restaurant opened by the franchisee. The pro rata amount apportioned to each restaurant is accounted for as an initial franchise fee.

We have a distinct performance obligation under our MFDAs to grant subfranchising rights over a stated term. Under the terms of MFDAs, we typically either receive an upfront fee paid in cash and/or receive noncash consideration in the form of an equity interest in the master franchisee or an affiliate of the master franchisee. We account for noncash consideration as investments in the applicable equity method investee and recognize revenue in an amount equal to the fair value of the equity interest received. Upfront fees from master franchisees, including the fair value of noncash consideration, are deferred and amortized over the MFDA term on a straight-line basis. We may recognize unamortized upfront fees when a contract with a franchisee or master franchisee is modified and is accounted for as a termination of the existing contract.

The portion of gift cards sold to customers which are never redeemed is commonly referred to as gift card breakage. We recognize gift card breakage income proportionately as each gift card is redeemed using an estimated breakage rate based on our historical experience.

Property revenues consists of rental income from properties we lease or sublease to franchisees. Property revenues are accounted for in accordance with applicable accounting guidance for leases and are excluded from the scope of revenue recognition guidance.

In certain instances, we provide incentives to franchisees in connection with restaurant renovations or other initiatives. These incentives may consist of cash consideration or non-cash consideration such as restaurant equipment. In general, these incentives are designed to support system-wide sales growth to increase our future revenues. The costs of these incentives are capitalized and amortized as a reduction in franchise and property revenue over the term of the contract to which the incentive relates.

Advertising revenues and other services

Advertising revenues consist primarily of franchisee contributions to advertising funds in those markets where our subsidiaries manage an advertising fund and are calculated as a percentage of franchise restaurant sales over the term of the franchise agreement. Under our franchise agreements, advertising contributions received from franchisees must be spent on advertising, product development, marketing, and related activities. We determined our advertising and promotion management services do not represent individually distinct performance obligations and are included in the Franchise PO.

Other services revenues consist primarily of fees from digital sales that partially offset expenses related to technology initiatives. These services are distinct from the Franchise PO because they are not dependent upon the franchise license or highly interrelated with the franchise license.

Cost of Sales

Cost of sales consists primarily of costs associated with the management of our TH supply chain, including cost of goods, direct labor, depreciation and bad debt expense (recoveries) from supply chain sales. Cost of sales also includes food, paper and labor costs of Company restaurants.

Franchise and Property Expenses

Franchise and property expenses consist primarily of depreciation of properties leased to franchisees, rental expense associated with properties subleased to franchisees, amortization of franchise agreements, and bad debt expense (recoveries) from franchise and property revenues.

Advertising Expenses and Other Services

Advertising expenses and other services consist primarily of expenses relating to marketing, advertising and promotion, including market research, production, advertising costs, sales promotions, social media campaigns, technology initiatives, bad debt expense (recoveries) from franchisee contributions to advertising funds we manage, depreciation and amortization and other related support functions for the respective brands. Additionally, we may incur discretionary expenses to fund advertising programs in connection with periodic initiatives.

Company restaurants and franchise restaurants contribute to advertising funds that our subsidiaries manage in the United States and Canada and certain other international markets. The advertising funds expense the production costs of advertising when the advertisements are first aired or displayed. All other advertising and promotional costs are expensed in the period incurred. Under our

franchise agreements, advertising contributions received from franchisees must be spent on advertising, product development, marketing and related activities. The advertising contributions by Company restaurants (including Restaurant VIEs) are eliminated in consolidation. Consolidated advertising expense totaled $1,032 million, $962 million and $870 million in 2022, 2021 and 2020, respectively.

Deferred Financing Costs

Deferred financing costs are amortized over the term of the related debt agreement into interest expense using the effective interest method.

Income Taxes

Amounts in the Financial Statements related to income taxes are calculated using the principles of ASC Topic 740, *Income Taxes*. Under these principles, deferred tax assets and liabilities reflect the impact of temporary differences between the amounts of assets and liabilities recognized for financial reporting purposes and the amounts recognized for tax purposes, as well as tax credit carry-forwards and loss carry-forwards. These deferred taxes are measured by applying currently enacted tax rates. A deferred tax asset is recognized when it is considered more-likely-than-not to be realized. The effects of changes in tax rates on deferred tax assets and liabilities are recognized in income in the year in which the law is enacted. A valuation allowance reduces deferred tax assets when it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized.

We recognize positions taken or expected to be taken in a tax return in the Financial Statements when it is more-likely-than-not (i.e., a likelihood of more than 50%) that the position would be sustained upon examination by tax authorities. A recognized tax position is then measured at the largest amount of benefit with greater than 50% likelihood of being realized upon ultimate settlement.

Translation gains and losses resulting from the remeasurement of foreign deferred tax assets or liabilities denominated in a currency other than the functional currency are classified as other operating expenses (income), net in the consolidated statements of operations.

Share-based Compensation

Compensation expense related to the issuance of share-based awards to our employees is measured at fair value on the grant date. We use the Black-Scholes option pricing model to value stock options. The fair value of restricted stock units (“RSUs”) is generally based on the closing price of RBI's common shares on the trading day preceding the date of grant. Our total shareholder return and if applicable our total shareholder return relative to our peer group is incorporated into the underlying assumptions using a Monte Carlo simulation valuation model to calculate grant date fair value for performance based awards with a market condition. The compensation expense for awards that vest over a future service period is recognized over the requisite service period on a straight-line basis, adjusted for estimated forfeitures of awards that are not expected to vest. We use historical data to estimate forfeitures for share-based awards. Upon the end of the service period, compensation expense is adjusted to account for the actual forfeiture rate. The compensation expense for awards that contain performance conditions is recognized when it is probable that the performance conditions will be achieved.

New Accounting Pronouncements

Accounting Relief for the Transition Away from LIBOR and Certain other Reference Rates – In March 2020 and as clarified in January 2021 and December 2022, the Financial Accounting Standards Board (“FASB”) issued guidance which provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. This amendment is effective as of March 12, 2020 through December 31, 2024. The expedients and exceptions provided by this new guidance do not apply to contract modifications made and hedging relationships entered into or evaluated after December 31, 2024, except for hedging relationships existing as of December 31, 2024, that an entity has elected certain optional expedients for and that are retained through the end of the hedging relationships. During the third quarter of 2021, we adopted certain of the expedients as it relates to hedge accounting as certain of our debt agreements and hedging relationships bear interest at variable rates, primarily U.S. dollar LIBOR. The adoption of and future elections under this new guidance did not and are not expected to have a material impact on our Financial Statements. We will continue to monitor the discontinuance of LIBOR on our debt agreements and hedging relationships.

Lessors—Certain Leases with Variable Lease Payments – In July 2021, the FASB issued guidance that requires lessors to classify and account for a lease with variable lease payments that do not depend on a reference index or a rate as an operating lease if (a) the lease would have been classified as a sales-type lease or a direct financing lease in accordance with lease classification criteria and (b) the lessor would have otherwise recognized a day-one loss. This amendment is effective in 2022 with early adoption permitted. This guidance may be applied either retrospectively to leases that commenced or were modified on or after the adoption of lease guidance we adopted in 2019 or prospectively to leases that commence or are modified on or after the date that this new guidance is applied. The adoption of this new guidance during the first quarter of 2022 did not have a material impact on our Financial Statements.

Liabilities—Supplier Finance Programs – In September 2022, the FASB issued guidance that requires buyers in a supplier finance program to disclose sufficient information about the program to allow investors to understand the program's nature, activity during the period, changes from period to period, and potential magnitude. These disclosures would include the key terms of the program, as well as the obligation amount that the buyer has confirmed as valid to the third party that is outstanding at the end of the reporting period, a rollforward of that amount, and a description of where that amount is presented in the balance sheet. This amendment is effective in 2023, except for the amendment on rollforward information which is effective in 2024, with early adoption permitted. This guidance should be applied retrospectively to each period in which a balance sheet is presented, except for the amendment on rollforward information, which should be applied prospectively. We are currently evaluating the impact that the adoption of this new guidance will have on our Financial Statements and will add necessary disclosures upon adoption.

Note 3. Firehouse Acquisition

We acquired Firehouse Subs on December 15, 2021 (the "Firehouse Acquisition") which complements RBI's existing portfolio. Like RBI's other brands, the *Firehouse Subs* brand is managed independently, while benefiting from the global scale and resources of RBI. The Firehouse Acquisition was accounted for as a business combination using the acquisition method of accounting.

Total consideration in connection with the Firehouse Acquisition was $1,016 million. The consideration was funded through cash on hand and $533 million of incremental borrowings under our Term Loan Facility - See Note 9, *Long-Term Debt*.

Fees and expenses related to the Firehouse Acquisition and related financings totaled $1 million during 2022 and $18 million during 2021, consisting primarily of professional fees and compensation related expenses which are classified as general and administrative expenses in the accompanying consolidated statements of operations.

During 2022, we adjusted our preliminary estimate of the fair value of net assets acquired. The final allocation of consideration to the net tangible and intangible assets acquired is presented in the table below (in millions):

	December 15, 2021
Total current assets	$ 21
Property and equipment	4
Firehouse Subs brand	816
Franchise agreements	19
Operating lease assets	9
Total liabilities	(48)
Total identifiable net assets	821
Goodwill	195
Total consideration	$ 1,016

The adjustments to the preliminary estimate of net assets acquired and a decrease in total consideration resulted in a corresponding decrease in estimated goodwill due to the following changes to preliminary estimates of fair values and allocation of purchase price (in millions):

	Increase (Decrease) in Goodwill
Change in:	
Operating lease assets	$ (9)
Firehouse Subs brand	(48)
Franchise agreements	(19)
Total liabilities	35
Total consideration	(17)
Total decrease in goodwill	$ (58)

The *Firehouse Subs* brand has been assigned an indefinite life and, therefore, will not be amortized, but rather tested annually for impairment. Franchise agreements have a weighted average amortization period of 18 years. Goodwill attributable to the Firehouse Acquisition will be deductible and amortized for tax purposes. Goodwill is considered to represent the value associated with the workforce and synergies anticipated to be realized as a combined company. We have allocated goodwill related to the Firehouse Acquisition to our FHS operating segment and to one reporting unit for goodwill impairment testing purposes. In the event that actual results vary from the estimates or assumptions used in the valuation or allocation process, we may be required to record an impairment charge or an increase in depreciation or amortization in future periods, or both. We completed our impairment reviews for goodwill and the Firehouse Subs brand as of October 1, 2022 and no impairment resulted.

The results of operations of Firehouse Subs have been included in our consolidated financial statements from the acquisition date of December 15, 2021. The Firehouse Acquisition is not material to our consolidated financial statements, and therefore, supplemental pro forma financial information related to the acquisition is not included herein.

Note 4. Earnings Per Unit

Partnership uses the two-class method in the computation of earnings per unit. Pursuant to the terms of the partnership agreement, RBI, as the holder of the Class A common units, is entitled to receive distributions from Partnership in an amount equal to the aggregate dividends payable by RBI to holders of RBI common shares, and the holders of Class B exchangeable limited partnership units (the "Partnership exchangeable units") are entitled to receive distributions from Partnership in an amount per unit equal to the dividends payable by RBI on each RBI common share. Partnership's net income available to common unitholders is allocated between the Class A common units and Partnership exchangeable units on a fully-distributed basis and reflects residual net income after noncontrolling interests. Basic and diluted earnings per Class A common unit is determined by dividing net income allocated to Class A common unitholders by the weighted average number of Class A common units outstanding for the period. Basic and diluted earnings per Partnership exchangeable unit is determined by dividing net income allocated to the Partnership exchangeable units by the weighted average number of Partnership exchangeable units outstanding during the period.

There are no dilutive securities for Partnership as the exercise of stock options and vesting of RSUs will not affect the number of Class A common units or Partnership exchangeable units outstanding. However, the issuance of RBI shares by RBI in future periods will affect the allocation of net income attributable to common unitholders between Partnership's Class A common units and Partnership exchangeable units.

The following table summarizes the basic and diluted earnings per unit calculations (in millions, except per unit amounts):

	2022	2021	2020
Allocation of net income among partner interests:			
Net income allocated to Class A common unitholders	$ 1,008	$ 838	$ 486
Net income allocated to Partnership exchangeable unitholders	471	411	262
Net income attributable to common unitholders	$ 1,479	$ 1,249	$ 748
Denominator - basic and diluted partnership units:			
Weighted average Class A common units	202	202	202
Weighted average Partnership exchangeable units	144	151	162
Earnings per unit - basic and diluted:			
Class A common units (a)	$ 4.99	$ 4.15	$ 2.41
Partnership exchangeable units (a)	$ 3.28	$ 2.72	$ 1.62

(a) Earnings per unit may not recalculate exactly as it is calculated based on unrounded numbers.

Note 5. Property and Equipment, net

Property and equipment, net, consist of the following (in millions):

	As of December 31,	
	2022	2021
Land	$ 985	$ 1,011
Buildings and improvements	1,165	1,200
Restaurant equipment	192	193
Furniture, fixtures, and other	300	257
Finance leases	317	323
Construction in progress	52	30
	3,011	3,014
Accumulated depreciation and amortization	(1,061)	(979)
Property and equipment, net	$ 1,950	$ 2,035

Depreciation and amortization expense on property and equipment totaled $135 million for 2022, $148 million for 2021 and $140 million for 2020.

Included in our property and equipment, net at December 31, 2022 and 2021 are $227 million and $246 million, respectively, of assets leased under finance leases (mostly buildings and improvements), net of accumulated depreciation and amortization of $90 million and $77 million, respectively.

Note 6. Intangible Assets, net and Goodwill

Intangible assets, net and goodwill consist of the following (in millions):

	As of December 31,					
	2022			2021		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Identifiable assets subject to amortization:						
Franchise agreements	$ 720	$ (313)	$ 407	$ 722	$ (290)	$ 432
Favorable leases	90	(57)	33	104	(63)	41
Subtotal	810	(370)	440	826	(353)	473
Indefinite-lived intangible assets:						
Tim Hortons brand	$ 6,293	$ —	$ 6,293	$ 6,695	$ —	$ 6,695
Burger King brand	2,088	—	2,088	2,126	—	2,126
Popeyes brand	1,355	—	1,355	1,355	—	1,355
Firehouse Subs brand	815	—	815	768	—	768
Subtotal	10,551	—	10,551	10,944	—	10,944
Intangible assets, net			$ 10,991			$ 11,417
Goodwill						
Tim Hortons segment	$ 4,059			$ 4,306		
Burger King segment	590			601		
Popeyes segment	846			846		
Firehouse segment	193			253		
Total	$ 5,688			$ 6,006		

Amortization expense on intangible assets totaled $39 million for 2022, $41 million for 2021, and $43 million for 2020. The change in the franchise agreements, brands and goodwill balances during 2022 was due to the impact of foreign currency translation and the impact of final adjustments to the preliminary allocation of consideration to the net tangible and intangible assets acquired in the Firehouse Acquisition.

As of December 31, 2022, the estimated future amortization expense on identifiable assets subject to amortization is as follows (in millions):

Twelve-months ended December 31,	Amount
2023	$ 37
2024	36
2025	34
2026	34
2027	34
Thereafter	265
Total	$ 440

Note 7. Equity Method Investments

The aggregate carrying amount of our equity method investments was $167 million and $194 million as of December 31, 2022 and 2021, respectively, and is included as a component of Other assets, net in our consolidated balance sheets.

Except for the following equity method investments, no quoted market prices are available for our other equity method investments. The aggregate market value of our 15.2% equity interest in Carrols Restaurant Group, Inc. (“Carrols”) based on the quoted market price on December 31, 2022 is approximately $13 million. The aggregate market value of our 9.4% equity interest in BK Brasil Operação e Assessoria a Restaurantes S.A. based on the quoted market price on December 31, 2022 is approximately $27 million. The aggregate market value of our 3.8% equity interest in TH International Limited based on the quoted market price on December 31, 2022 was approximately $16 million. We have evaluated recent declines in the market value of these equity method investments and recognized an impairment of $15 million as a result of a sustained decline in Carrols' share price and market capitalization during 2022.

We have equity interests in entities that own or franchise Tim Hortons, Burger King and Popeyes restaurants. Franchise and property revenue recognized from franchisees that are owned or franchised by entities in which we have an equity interest consist of the following (in millions):

	2022	2021	2020
Revenues from affiliates:			
Royalties	$ 353	$ 350	$ 239
Advertising revenues	71	67	50
Property revenues	31	32	32
Franchise fees and other revenue	18	21	14
Sales	18	10	3
Total	$ 491	$ 480	$ 338

At December 31, 2022 and 2021, we had $42 million and $48 million, respectively, of accounts receivable, net from our equity method investments which were recorded in accounts and notes receivable, net in our consolidated balance sheets.

With respect to our TH business, the most significant equity method investment is our 50.0% joint venture interest with The Wendy’s Company (the “TIMWEN Partnership”), which jointly holds real estate underlying Canadian combination restaurants. Distributions received from this joint venture were $13 million, $16 million and $8 million during 2022, 2021 and 2020, respectively.

We recognized rent expense associated with the TIMWEN Partnership of $19 million, $18 million, and $15 million during 2022, 2021 and 2020, respectively.

(Income) loss from equity method investments reflects our share of investee net income or loss, non-cash dilution gains or losses from changes in our ownership interests in equity investees and impairment charges.

Note 8. Other Accrued Liabilities and Other Liabilities

Other accrued liabilities (current) and other liabilities, net (non-current) consist of the following (in millions):

	As of December 31,	
	2022	2021
Current:		
Distributions payable	$ 243	$ 241
Interest payable	89	63
Accrued compensation and benefits	124	99
Taxes payable	190	106
Deferred income	43	48
Accrued advertising expenses	37	43
Restructuring and other provisions	29	90
Current portion of operating lease liabilities	137	140
Other	109	117
Other accrued liabilities	$ 1,001	$ 947
Non-current:		
Taxes payable	$ 139	$ 533
Contract liabilities (see Note 15)	540	531
Derivatives liabilities	34	575
Unfavorable leases	50	65
Accrued pension	40	47
Deferred income	44	37
Other	25	34
Other liabilities, net	$ 872	$ 1,822

Note 9. Long-Term Debt

Long-term debt consists of the following (in millions):

	As of December 31,	
	2022	2021
Term Loan B	$ 5,190	$ 5,243
Term Loan A	1,250	1,250
3.875% First Lien Senior Notes due 2028	1,550	1,550
3.50% First Lien Senior Notes due 2029	750	750
5.75% First Lien Senior Notes due 2025	500	500
4.375% Second Lien Senior Notes due 2028	750	750
4.00% Second Lien Senior Notes due 2030	2,900	2,900
TH Facility and other	155	173
Less: unamortized deferred financing costs and deferred issuance discount	(111)	(138)
Total debt, net	12,934	12,978
Less: current maturities of debt	(95)	(62)
Total long-term debt	$ 12,839	$ 12,916

Credit Facilities

On December 13, 2021, two of our subsidiaries (the "Borrowers") entered into a fifth incremental facility amendment and a sixth amendment (the "2021 Amendment") to the credit agreement governing our senior secured term loan A facility (the "Term Loan A"), our senior secured term loan B facility (the "Term Loan B" and together with the Term Loan A the "Term Loan Facilities") and our $1,000 million senior secured revolving credit facility (including revolving loans, swingline loans and letters of credit) (the "Revolving Credit Facility" and together with the Term Loan Facilities, the "Credit Facilities"). The 2021 Amendment increased the existing Term Loan A to $1,250 million and extended the maturity date of the Term Loan A and Revolving Credit Facility to December 13, 2026 (subject to earlier maturity in specified circumstances). The security and guarantees under the Revolving Credit Facility and Term Loan A are the same as those under the existing facilities. The proceeds from the increase in the Term Loan A were used with cash on hand to complete the Firehouse Acquisition. In connection with the 2021 Amendment, we capitalized approximately $12 million in debt issuance costs.

The 2021 Amendment also amended the interest rate applicable to the Revolving Credit Facility and the Term Loan A to incorporate SOFR. The interest rate applicable to the Term Loan A and Revolving Credit Facility is, at our option, either (a) a base rate, subject to a floor of 1.00%, plus an applicable margin varying from 0.00% to 0.50%, or (b) Adjusted Term SOFR (Adjusted Term SOFR is calculated as Term SOFR plus a 0.10% adjustment), subject to a floor of 0.00%, plus an applicable margin varying between 0.75% and 1.50%, in each case, determined by reference to a net first lien leverage-based pricing grid. The commitment fee on the unused portion of the Revolving Credit Facility is 0.15%. At December 31, 2022, the interest rate on the Term Loan A was 5.44%. The principal amount of the Term Loan A amortizes in quarterly installments equal to $8 million beginning March 31, 2023 until September 30, 2024 and thereafter in quarterly installments equal to $16 million until maturity, with the balance payable at maturity. The 2021 Amendment includes amendments to certain negative covenants to provide increased flexibility. The 2021 Amendment made no other material changes to the terms of the Credit Agreement.

The maturity date of our Term Loan B is November 19, 2026 and the interest rate applicable to our Term Loan B is, at our option, either (a) a base rate, subject to a floor of 1.00%, plus an applicable margin of 0.75%, or (b) a Eurocurrency rate, subject to a floor of 0.00%, plus an applicable margin of 1.75%. At December 31, 2022, the interest rate on the Term Loan B was 6.13%. The principal amount of the Term Loan B amortizes in quarterly installments equal to $13 million until maturity, with the balance payable at maturity.

Revolving Credit Facility

As of December 31, 2022, we had no amounts outstanding under our Revolving Credit Facility. Funds available under the Revolving Credit Facility may be used to repay other debt, finance debt, RBI share repurchases or partnership exchangeable unit repurchases, to fund acquisitions or capital expenditures and for other general corporate purposes. We have a $125 million letter of credit sublimit as part of the Revolving Credit Facility, which reduces our borrowing availability thereunder by the cumulative amount of outstanding letters of credit. The interest rate applicable to amounts drawn under each letter of credit is 0.75% to 1.50%, depending on our net first lien leverage ratio. As of December 31, 2022, we had $2 million of letters of credit issued against the Revolving Credit Facility, and our borrowing availability was $998 million.

Obligations under the Credit Facilities are guaranteed on a senior secured basis, jointly and severally, by the direct parent company of one of the Borrowers and substantially all of its Canadian and U.S. subsidiaries, including The TDL Group Corp., Burger King Company LLC, Popeyes Louisiana Kitchen, Inc., FRG, LLC and substantially all of their respective Canadian and U.S. subsidiaries (the "Credit Guarantors"). Amounts borrowed under the Credit Facilities are secured on a first priority basis by a perfected security interest in substantially all of the present and future property (subject to certain exceptions) of each Borrower and Credit Guarantor.

3.875% First Lien Senior Notes due 2028

On September 24, 2019, the Borrowers entered into an indenture (the "3.875% First Lien Senior Notes Indenture") in connection with the issuance of $750 million of 3.875% first lien senior notes due January 15, 2028 (the "2019 3.875% Senior Notes"). On July 6, 2021, the Borrowers issued an additional $800 million under the 3.875% First Lien Senior Notes Indenture (the "Additional Notes" and together with the 2019 3.875% Senior Notes, the "3.875% First Lien Senior Notes due 2028"). No principal payments are due until maturity and interest is paid semi-annually. The Additional Notes were priced at 100.250% of their face value. The net proceeds from the offering of the Additional Notes were used to redeem the remaining $775 million principal amount outstanding of 4.25% first lien senior notes, plus any accrued and unpaid interest thereon, and pay related redemption premiums, fees and expenses. In connection with the issuance of the Additional Notes, we capitalized approximately $7 million in debt issuance costs. In connection with the redemption of the remaining $775 million principal amount outstanding of the 4.25% first lien senior notes, we recorded a loss on early extinguishment of debt of $11 million that primarily reflects the payment of redemption premiums and the write-off of unamortized debt issuance costs.

Obligations under the 3.875% First Lien Senior Notes due 2028 are guaranteed on a senior secured basis, jointly and severally, by the Borrowers and substantially all of the Borrower's Canadian and U.S. subsidiaries, including The TDL Group Corp., Burger King Company LLC, Popeyes Louisiana Kitchen, Inc., FRG, LLC and substantially all of their respective Canadian and U.S. subsidiaries (the "Note Guarantors"). The 3.875% First Lien Senior Notes due 2028 are first lien senior secured obligations and rank equal in right of payment with all of the existing and future first lien senior debt of the Borrowers and Note Guarantors, including borrowings and guarantees under our Credit Facilities.

The 3.875% First Lien Senior Notes due 2028 may be redeemed in whole or in part at any time at the redemption prices set forth in the 3.875% First Lien Senior Notes Indenture, plus accrued and unpaid interest, if any, at the date of redemption. The 3.875% First Lien Senior Notes Indenture also contains optional redemption provisions related to tender offers, change of control and equity offerings, among others.

5.75% First Lien Senior Notes due 2025

On April 7, 2020, the Borrowers entered into an indenture (the "5.75% First Lien Senior Notes Indenture") in connection with the issuance of $500 million of 5.75% first lien notes due April 15, 2025 (the "5.75% First Lien Senior Notes due 2025"). No principal payments are due until maturity and interest is paid semi-annually. The net proceeds from the offering of the 5.75% First Lien Senior Notes due 2025 were used for general corporate purposes. In connection with the issuance of the 5.75% First Lien Senior Notes due 2025, we capitalized approximately $10 million in debt issuance costs.

Obligations under the 5.75% First Lien Senior Notes due 2025 are guaranteed on a senior secured basis, jointly and severally, by the Note Guarantors. The 5.75% First Lien Senior Notes due 2025 are first lien senior secured obligations and rank equal in right of payment with all of the existing and future first lien senior debt of the Borrowers and Note Guarantors, including borrowings and guarantees of the Credit Facilities.

Our 5.75% First Lien Senior Notes due 2025 may be redeemed in whole or in part at any time at the redemption prices set forth in the 5.75% First Lien Senior Notes Indenture, plus accrued and unpaid interest, if any, at the date of redemption. The 5.75% First Lien Senior Notes Indenture also contains optional redemption provisions related to tender offers, change of control and equity offerings, among others.

3.50% First Lien Senior Notes due 2029

On November 9, 2020, the Borrowers entered into an indenture (the "3.50% First Lien Senior Notes Indenture") in connection with the issuance of $750 million of 3.50% first lien notes due February 15, 2029 (the "3.50% First Lien Senior Notes due 2029"). No principal payments are due until maturity and interest is paid semi-annually. The proceeds from the offering of the 3.50% First Lien Senior Notes due 2029, together with cash on hand, were used to redeem $725 million of 4.25% first lien senior notes and pay related redemption premiums, fees and expenses. In connection with the issuance of the 3.50% First Lien Senior Notes due 2029, we capitalized approximately $7 million in debt issuance costs. In connection with the redemption of the 4.25% first lien senior notes, we recorded a loss on early extinguishment of debt of $19 million that primarily reflects the payment of premiums to redeem the notes and the write-off of unamortized debt issuance costs.

Obligations under the 3.50% First Lien Senior Notes due 2029 are guaranteed on a senior secured basis, jointly and severally, by the Note Guarantors. The 3.50% First Lien Senior Notes due 2029 are first lien senior secured obligations and rank equal in right of payment with all of the existing and future first lien senior debt of the Borrowers and Note Guarantors, including borrowings and guarantees of the Credit Facilities.

Our 3.50% First Lien Senior Notes due 2029 may be redeemed in whole or in part, on or after February 15, 2024 at the redemption prices set forth in the 3.50% First Lien Senior Notes Indenture, plus accrued and unpaid interest, if any, at the date of redemption. The 3.50% First Lien Senior Notes Indenture also contains optional redemption provisions related to tender offers, change of control and equity offerings, among others.

4.375% Second Lien Senior Notes due 2028

On November 19, 2019, the Borrowers entered into an indenture (the "4.375% Second Lien Senior Notes Indenture") in connection with the issuance of $750 million of 4.375% second lien senior notes due January 15, 2028 (the "4.375% Second Lien Senior Notes due 2028"). No principal payments are due until maturity and interest is paid semi-annually.

Obligations under the 4.375% Second Lien Senior Notes due 2028 are guaranteed on a second priority senior secured basis, jointly and severally, by the Note Guarantors. The 4.375% Second Lien Senior Notes due 2028 are second lien senior secured obligations and rank equal in right of payment with all of the existing and future senior debt of the Borrowers and Note Guarantors, including borrowings and guarantees of the Credit Facilities, and effectively subordinated to all of the existing and future first lien senior debt of the Borrowers and Note Guarantors.

Our 4.375% Second Lien Senior Notes due 2028 may be redeemed in whole or in part at any time at the redemption prices set forth in the 4.375% Second Lien Senior Notes Indenture, plus accrued and unpaid interest, if any, at the date of redemption. The 4.375% Second Lien Senior Notes Indenture also contains redemption provisions related to tender offers, change of control and equity offerings, among others.

4.00% Second Lien Senior Notes due 2030

During 2020, the Borrowers entered into an indenture (the "4.00% Second Lien Senior Notes Indenture") in connection with the issuance of $2,900 million of 4.00% second lien notes due October 15, 2030 (the "4.00% Second Lien Senior Notes due 2030"). No principal payments are due until maturity and interest is paid semi-annually. The proceeds from the offering of the 4.00% Second Lien Senior Notes due 2030 were used to redeem the entire outstanding principal balance of $2,800 million of 5.00% second lien senior notes due October 15, 2025 (the "5.00% Second Lien Senior Notes due 2025"), pay related redemption premiums, fees and expenses. In connection with the issuance of the 4.00% Second Lien Senior Notes due 2030, we capitalized approximately $26 million in debt issuance costs. In connection with the full redemption of the 5.00% Second Lien Senior Notes due 2025, we recorded a loss on early extinguishment of debt of $79 million that primarily reflects the payment of premiums to redeem the notes and the write-off of unamortized debt issuance costs.

Obligations under the 4.00% Second Lien Senior Notes due 2030 are guaranteed on a second priority senior secured basis, jointly and severally, by the Note Guarantors. The 4.00% Second Lien Senior Notes due 2030 are second lien senior secured obligations and rank equal in right of payment will all of the existing and future senior debt of the Borrowers and Note Guarantors and effectively subordinated to all of the existing and future first lien senior debt of the Borrowers and Note Guarantors.

Our 4.00% Second Lien Senior Notes due 2030 may be redeemed in whole or in part, on or after October 15, 2025 at the redemption prices set forth in the 4.00% Second Lien Senior Notes Indenture, plus accrued and unpaid interest, if any, at the date of redemption. The 4.00% Second Lien Senior Notes Indenture also contains optional redemption provisions related to tender offers, change of control and equity offerings, among others.

Restrictions and Covenants

Our Credit Facilities, as well as the 3.875% First Lien Senior Notes Indenture, 5.75% First Lien Senior Notes Indenture, 3.50% First Lien Senior Notes Indenture, 4.375% Second Lien Senior Notes Indenture and 4.00% Second Lien Senior Notes Indenture (all together the "Senior Notes Indentures") contain a number of customary affirmative and negative covenants that, among other things, limit or restrict our ability and the ability of certain of our subsidiaries to: incur additional indebtedness; incur liens; engage in mergers, consolidations, liquidations and dissolutions; sell assets; pay dividends and make other payments in respect of capital stock; make investments, loans and advances; pay or modify the terms of certain indebtedness; and engage in certain transactions with affiliates. In addition, under the Credit Facilities, the Borrowers are not permitted to exceed a first lien senior secured leverage ratio of 6.50 to 1.00 when, as of the end of any fiscal quarter beginning with the first fiscal quarter of 2020, (1) any amounts are outstanding under the Term Loan A and/or (2) the sum of (i) the amount of letters of credit outstanding exceeding $50 million (other than those that are cash collateralized); (ii) outstanding amounts under the Revolving Credit Facility and (iii) outstanding amounts of swing line loans, exceeds 30.0% of the commitments under the Revolving Credit Facility.

The restrictions under the Credit Facilities and the Senior Notes Indentures have resulted in substantially all of our consolidated assets being restricted.

As of December 31, 2022, we were in compliance with applicable financial debt covenants under the Credit Facilities and the Senior Notes Indentures and there were no limitations on our ability to draw on the remaining availability under our Revolving Credit Facility.

TH Facility

One of our subsidiaries entered into a non-revolving delayed drawdown term credit facility in a total aggregate principal amount of C$225 million with a maturity date of October 4, 2025 (the "TH Facility"). The interest rate applicable to the TH Facility is the Canadian Bankers' Acceptance rate plus an applicable margin equal to 1.40% or the Prime Rate plus an applicable margin equal to 0.40%, at our option. Obligations under the TH Facility are guaranteed by four of our subsidiaries, and amounts borrowed under the TH Facility are secured by certain parcels of real estate. As of December 31, 2022, we had approximately C$203 million outstanding under the TH Facility with a weighted average interest rate of 6.07%.

RE Facility

One of our subsidiaries entered into a non-revolving delayed drawdown term credit facility in a total aggregate principal amount of $50 million with a maturity date of October 12, 2028 (the "RE Facility"). The interest rate applicable to the RE Facility is, at our option, either (i) a base rate, subject to a floor of 0.50%, plus an applicable margin of 0.50% or (ii) Adjusted Term SOFR (Adjusted Term SOFR is calculated as Term SOFR plus a margin based on duration), subject to a floor of 0.00%, plus an applicable margin of

1.50%. Obligations under the RE Facility are guaranteed by four of our subsidiaries, and amounts borrowed under the RE Facility are secured by certain parcels of real estate. As of December 31, 2022, we had approximately $2 million outstanding under the RE Facility with a weighted average interest rate of 5.97%.

Debt Issuance Costs

During 2021 and 2020, we incurred aggregate deferred financing costs of $19 million and $43 million, respectively. We did not incur any significant deferred financing costs during 2022.

Loss on Early Extinguishment of Debt

During 2021, we recorded an $11 million loss on early extinguishment of debt that primarily reflects the payment of redemption premiums and the write-off of unamortized debt issuance costs in connection with the redemption of the remaining $775 million principal amount outstanding of the 4.25% first lien senior notes. During 2020, we recorded a $98 million loss on early extinguishment of debt that primarily reflects the payment of premiums and the write-off of unamortized debt issuance costs in connection with the full redemption of the 5.00% Second Lien Senior Notes due 2025 and the partial redemption of the 4.25% first lien senior notes.

Maturities

The aggregate maturities of our long-term debt as of December 31, 2022 are as follows (in millions):

Year Ended December 31,	Principal Amount
2023	$ 97
2024	107
2025	741
2026	6,148
2027	—
Thereafter	5,952
Total	$ 13,045

Interest Expense, net

Interest expense, net consists of the following (in millions):

	2022	2021	2020
Debt (a)	$ 493	$ 461	$ 471
Finance lease obligations	19	20	20
Amortization of deferred financing costs and debt issuance discount	28	27	26
Interest income	(7)	(3)	(9)
Interest expense, net	$ 533	$ 505	$ 508

(a) Amount includes $56 million, $45 million and $69 million benefit during 2022, 2021 and 2020, respectively, related to the quarterly net settlements of our cross-currency rate swaps and amortization of the Excluded Component as defined in Note 12, *Derivative Instruments*.

Note 10. Leases

As of December 31, 2022, we leased or subleased 4,978 restaurant properties to franchisees and 147 non-restaurant properties to third parties under operating leases, direct financing leases and sales-type leases where we are the lessor. Initial lease terms generally range from 10 to 20 years. Most leases to franchisees provide for fixed monthly payments and many provide for future rent escalations and renewal options. Certain leases also include provisions for variable rent, determined as a percentage of sales, generally when annual sales exceed specific levels. Lessees typically bear the cost of maintenance, insurance and property taxes.

We lease land, buildings, equipment, office space and warehouse space from third parties. Land and building leases generally have an initial term of 10 to 20 years, while land-only lease terms can extend longer, and most leases provide for fixed monthly payments. Many of these leases provide for future rent escalations and renewal options. Certain leases also include provisions for

variable rent payments, determined as a percentage of sales, generally when annual sales exceed specified levels. Most leases also obligate us to pay, as lessee, variable lease cost related to maintenance, insurance and property taxes.

Partnership as Lessor

Assets leased to franchisees and others under operating leases where we are the lessor and which are included within our property and equipment, net are as follows (in millions):

	As of December 31,	
	2022	2021
Land	$ 880	$ 899
Buildings and improvements	1,129	1,180
Restaurant equipment	16	18
	2,025	2,097
Accumulated depreciation and amortization	(625)	(587)
Property and equipment leased, net	$ 1,400	$ 1,510

Our net investment in direct financing and sales-type leases is as follows (in millions):

	As of December 31,	
	2022	2021
Future rents to be received:		
Future minimum lease receipts	$ 112	$ 113
Contingent rents (a)	5	7
Estimated unguaranteed residual value	6	5
Unearned income	(36)	(40)
	87	85
Current portion included within accounts receivable	(5)	(5)
Net investment in property leased to franchisees	$ 82	$ 80

(a) Amounts represent estimated contingent rents recorded in connection with the acquisition method of accounting.

Property revenues are comprised primarily of rental income from operating leases and earned income on direct financing leases with franchisees as follows (in millions):

	2022	2021	2020
Rental income:			
Minimum lease payments	$ 410	$ 455	$ 445
Variable lease payments	395	329	262
Amortization of favorable and unfavorable income lease contracts, net	1	3	6
Subtotal - lease income from operating leases	806	787	713
Earned income on direct financing and sales-type leases	7	6	5
Total property revenues	$ 813	$ 793	$ 718

Partnership as Lessee

Lease cost and other information associated with these lease commitments is as follows (in millions):

Lease Cost (Income)

	2022	2021	2020
Operating lease cost	$ 202	$ 202	$ 199
Operating lease variable lease cost	196	193	177
Finance lease cost:			
Amortization of right-of-use assets	27	31	29
Interest on lease liabilities	19	20	20
Sublease income	(603)	(587)	(534)
Total lease cost (income)	$ (159)	$ (141)	$ (109)

Lease Term and Discount Rate as of December 31, 2022 and 2021

	As of December 31,	
	2022	2021
Weighted-average remaining lease term (in years):		
Operating leases	9.8 years	10.1 years
Finance leases	11.5 years	11.4 years
Weighted-average discount rate:		
Operating leases	5.5 %	5.5 %
Finance leases	5.8 %	6.0 %

Other Information for 2022, 2021 and 2020

	2022	2021	2020
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ 198	$ 200	$ 200
Operating cash flows from finance leases	$ 19	$ 20	$ 20
Financing cash flows from finance leases	$ 31	$ 31	$ 29
Supplemental noncash information on lease liabilities arising from obtaining right-of-use assets:			
Right-of-use assets obtained in exchange for new finance lease obligations	$ 22	$ 52	$ 59
Right-of-use assets obtained in exchange for new operating lease obligations	$ 133	$ 133	$ 118

As of December 31, 2022, future minimum lease receipts and commitments are as follows (in millions):

	Lease Receipts		Lease Commitments (a)	
	Direct Financing and Sales-Type Leases	Operating Leases	Finance Leases	Operating Leases
2023	$ 8	$ 355	$ 49	$ 195
2024	8	332	48	184
2025	8	306	44	170
2026	7	276	41	153
2027	7	246	38	139
Thereafter	74	1,217	244	697
Total minimum receipts / payments	$ 112	$ 2,732	464	1,538
Less amount representing interest			(121)	(374)
Present value of minimum lease payments			343	1,164
Current portion of lease obligations			(32)	(137)
Long-term portion of lease obligations			$ 311	$ 1,027

(a) Minimum lease payments have not been reduced by minimum sublease rentals of $1,663 million due in the future under non-cancelable subleases

Note 11. Income Taxes

Income before income taxes, classified by source of income, is as follows (in millions):

	2022	2021	2020
Canadian	$ 444	$ 457	$ 200
Foreign	921	906	616
Income before income taxes	$ 1,365	$ 1,363	$ 816

Income tax (benefit) expense attributable to income from continuing operations consists of the following (in millions):

	2022	2021	2020
Current:			
Canadian	$ (284)	$ 16	$ 45
U.S. Federal	105	(10)	125
U.S. state, net of federal income tax benefit	26	25	26
Other Foreign	96	84	78
	$ (57)	$ 115	$ 274
Deferred:			
Canadian	$ 20	$ 32	$ (67)
U.S. Federal	(79)	(37)	(82)
U.S. state, net of federal income tax benefit	(9)	(7)	(27)
Other Foreign	8	7	(32)
	$ (60)	$ (5)	$ (208)
Income tax expense (benefit)	$ (117)	$ 110	$ 66

The statutory rate reconciles to the effective income tax rate as follows:

	2022	2021	2020
Statutory rate	26.5 %	26.5 %	26.5 %
Costs and taxes related to foreign operations	3.8	3.5	9.6
Foreign exchange gain (loss)	—	—	0.5
Foreign tax rate differential	(13.7)	(13.9)	(15.6)
Change in valuation allowance	(0.7)	1.1	1.2
Change in accrual for tax uncertainties	(26.7)	(7.4)	3.9
Intercompany financing	1.2	(3.5)	(6.1)
Impact of Tax Act	—	—	(7.8)
Swiss Tax Reform	—	—	(5.1)
Benefit from stock option exercises	(0.1)	(0.8)	(0.3)
Litigation settlements and reserves	—	1.4	—
Other	1.1	1.2	1.2
Effective income tax rate	(8.6)%	8.1 %	8.0 %

In December 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act") that significantly revised the U.S. tax code. During 2020, various guidance was issued by the U.S. tax authorities relating to the Tax Act and, after review of such guidance, we recorded a favorable adjustment to our deferred tax assets of $64 million related to a tax attribute carryforward, which decreased our 2020 effective tax rate by 7.8%.

In a referendum held on May 19, 2019, Swiss voters adopted the Federal Act on Tax Reform and AVS Financing ("TRAF"), under which certain long-standing preferential cantonal tax regimes were abolished effective January 1, 2020, which the canton of Zug formally adopted in November 2019. Company subsidiaries in the canton of Zug were subjected to TRAF and therefore the TRAF impacted our consolidated results of operations during 2020. In 2020, a deferred tax asset was recorded due to an election made under TRAF by one of our Swiss subsidiaries. The amounts impacting income tax expense for the effects of the changes from the TRAF was approximately $41 million in 2020, which decreased our 2020 effective tax rate by approximately 5.1%.

Companies subject to the Global Intangible Low-Taxed Income provision (GILTI) have the option to account for the GILTI tax as a period cost if and when incurred, or to recognize deferred taxes for outside basis temporary differences expected to reverse as GILTI. We have elected to account for GILTI as a period cost.

Income tax (benefit) expense allocated to continuing operations and amounts separately allocated to other items was (in millions):

	2022	2021	2020
Income tax (benefit) expense from continuing operations	$ (117)	$ 110	$ 66
Cash flow hedge in accumulated other comprehensive income (loss)	153	72	(64)
Net investment hedge in accumulated other comprehensive income (loss)	77	(15)	(60)
Foreign Currency Translation in accumulated other comprehensive income (loss)	—	(4)	12
Pension liability in accumulated other comprehensive income (loss)	2	3	(3)
Total	$ 115	$ 166	$ (49)

The significant components of deferred income tax (benefit) expense attributable to income from continuing operations are as follows (in millions):

	2022	2021	2020
Deferred income tax expense (benefit)	$ 79	$ (22)	$ (230)
Change in valuation allowance	(143)	14	22
Change in effective U.S. state income tax rate	3	3	1
Change in effective foreign income tax rate	1	—	(1)
Total	$ (60)	$ (5)	$ (208)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are presented below (in millions):

	As of December 31,	
	2022	2021
Deferred tax assets:		
Accounts and notes receivable	$ 8	$ 4
Accrued employee benefits	56	48
Leases	105	115
Operating lease liabilities	304	317
Liabilities not currently deductible for tax	403	346
Tax loss and credit carryforwards	316	517
Derivatives	—	164
Other	9	(1)
Total gross deferred tax assets	1,201	1,510
Valuation allowance	(194)	(356)
Net deferred tax assets	1,007	1,154
Less deferred tax liabilities:		
Property and equipment, principally due to differences in depreciation	15	15
Intangible assets	1,707	1,751
Leases	125	129
Operating lease assets	281	295
Statutory impairment	27	29
Derivatives	65	—
Outside basis difference	13	38
Total gross deferred tax liabilities	2,233	2,257
Net deferred tax liability	$ 1,226	$ 1,103

The valuation allowance had a net decrease of $162 million during 2022 primarily due to the change in estimates related to derivatives and the utilization of foreign tax credits and capital losses.

Changes in the valuation allowance are as follows (in millions):

	2022	2021	2020
Beginning balance	$ 356	$ 364	$ 329
Change in estimates recorded to deferred income tax expense	(9)	14	19
Changes in losses and credits	(134)	—	3
(Reductions) additions related to other comprehensive income	(19)	(22)	13
Ending balance	$ 194	$ 356	$ 364

The gross amount and expiration dates of operating loss and tax credit carry-forwards as of December 31, 2022 are as follows (in millions):

	Amount	Expiration Date
Canadian net operating loss carryforwards	$ 521	2036-2042
Canadian capital loss carryforwards	153	Indefinite
Canadian tax credits	4	2023-2041
U.S. state net operating loss carryforwards	546	2023-2042
U.S. federal net operating loss carryforwards	19	Indefinite
U.S. capital loss carryforwards	16	2040
U.S. foreign tax credits	69	2023-2031
Other foreign net operating loss carryforwards	249	Indefinite
Other foreign net operating loss carryforwards	41	2023-2038
Other foreign capital loss carryforward	27	Indefinite
Total	$ 1,645	

We are generally permanently reinvested on any potential outside basis differences except for unremitted earnings and profits and thus do not record a deferred tax liability for such outside basis differences. To the extent of unremitted earning and profits, we generally review various factors including, but not limited to, forecasts and budgets of financial needs of cash for working capital, liquidity and expected cash requirements to fund our various obligations and record deferred taxes to the extent we expect to distribute.

We had $139 million and $437 million of unrecognized tax benefits at December 31, 2022 and December 31, 2021, respectively, which if recognized, would favorably affect the effective income tax rate. A reconciliation of the beginning and ending amounts of unrecognized tax benefits is as follows (in millions):

	2022	2021	2020
Beginning balance	$ 437	$ 497	$ 506
Additions for tax positions related to the current year	(5)	9	9
Additions for tax positions of prior years	3	23	7
Reductions for tax positions of prior years	(15)	(5)	(25)
Additions for settlement	—	7	—
Reductions due to statute expiration	(281)	(94)	—
Ending balance	$ 139	$ 437	$ 497

Although the timing of the resolution, settlement, and closure of any audits is highly uncertain, it is reasonably possible that the balance of gross unrecognized tax benefits could significantly change in the next 12 months. During the twelve months beginning January 1, 2023, it is reasonably possible we will reduce unrecognized tax benefits by up to approximately $48 million due to the expiration of statutes of limitations, anticipated closure of various tax matters currently under examination, and settlements with tax authorities all being possibly impacted in multiple jurisdictions.

We recognize interest and penalties related to unrecognized tax benefits in income tax expense. The total amount of accrued interest and penalties was $27 million and $121 million at December 31, 2022 and 2021, respectively. Potential interest and penalties associated with uncertain tax positions in various jurisdictions recognized was $3 million during 2022, $2 million during 2021 and $31 million during 2020. To the extent interest and penalties are not assessed with respect to uncertain tax positions, amounts accrued will be reduced and reflected as a reduction of the overall income tax provision.

We file income tax returns with Canada and its provinces and territories. Generally, we are subject to routine examinations by the Canada Revenue Agency ("CRA"). The CRA is conducting examinations of the 2016 through 2018 taxation years. Additionally, income tax returns filed with various provincial jurisdictions are generally open to examination for periods up to six years subsequent to the filing and assessment of the respective return.

We also file income tax returns, including returns for our subsidiaries, with U.S. federal, U.S. state, and other foreign jurisdictions. We are subject to routine examination by taxing authorities in the U.S. jurisdictions, as well as other foreign tax jurisdictions. Taxable years of such U.S. companies are closed through 2018 for U.S. federal income tax purposes. We have various U.S. state and other foreign income tax returns in the process of examination. From time to time, these audits result in proposed assessments where the ultimate resolution may result in owing additional taxes. We believe that our tax positions comply with applicable tax law and that we have adequately provided for these matters.

Note 12. Derivative Instruments

Disclosures about Derivative Instruments and Hedging Activities

We enter into derivative instruments for risk management purposes, including derivatives designated as cash flow hedges and derivatives designated as net investment hedges. We use derivatives to manage our exposure to fluctuations in interest rates and currency exchange rates.

Interest Rate Swaps

At December 31, 2022, we had outstanding receive-variable, pay-fixed interest rate swaps with a total notional value of $3,500 million to hedge the variability in the interest payments on a portion of our Term Loan Facilities, including any subsequent refinancing or replacement of the Term Loan Facilities, beginning August 31, 2021 through the termination date of October 31, 2028. Additionally, at December 31, 2022, we also had outstanding receive-variable, pay-fixed interest rate swaps with a total notional value of $500 million to hedge the variability in the interest payments on a portion of our Term Loan Facilities effective September 30, 2019 through the termination date of September 30, 2026. At inception, all of these interest rate swaps were designated as cash flow hedges for hedge accounting. The unrealized changes in market value are recorded in AOCI, net of tax, and reclassified into interest expense during the period in which the hedged forecasted transaction affects earnings. The net amount of pre-tax gains in connection with these net unrealized gains in AOCI as of December 31, 2022 that we expect to be reclassified into interest expense within the next 12 months is $86 million.

Cross-Currency Rate Swaps

To protect the value of our investments in our foreign operations against adverse changes in foreign currency exchange rates, we hedge a portion of our net investment in one or more of our foreign subsidiaries by using cross-currency rate swaps. At December 31, 2022, we had outstanding cross-currency rate swap contracts between the Canadian dollar and U.S. dollar and the Euro and U.S. dollar that have been designated as net investment hedges of a portion of our equity in foreign operations in those currencies. The component of the gains and losses on our net investment in these designated foreign operations driven by changes in foreign exchange rates are economically partly offset by movements in the fair value of our cross-currency swap contracts. The fair value of the swaps is calculated each period with changes in fair value reported in AOCI, net of tax. Such amounts will remain in AOCI until the complete or substantially complete liquidation of our investment in the underlying foreign operations.

At December 31, 2022, we had outstanding cross-currency rate swaps that we entered into during 2022 to partially hedge the net investment in our Canadian subsidiaries. At inception, these cross-currency rate swaps were designated as a hedge and are accounted for as net investment hedges. These swaps are contracts in which we receive quarterly fixed-rate interest payments on the U.S. dollar notional amount of $5,000 million through the maturity date of September 30, 2028.

During 2022, we de-designated existing cross-currency rate swap hedges between the Canadian dollar and U.S. dollar with a total notional amount of $5,000 million for hedge accounting. As a result of these de-designations, changes in fair value of these un-designated hedges were recognized in earnings. Concurrently with these de-designations and to offset the changes in fair value recognized in earnings, we entered into off-setting cross-currency rate swaps, with a total notional amount of $5,000 million, that were not designated as a hedge for hedge accounting and as such changes in fair value were recognized in earnings. The balances in AOCI associated with the de-designated cross-currency rate swaps will remain in AOCI and will only be reclassified into earnings if and when the net investment in our Canadian subsidiaries is sold or substantially sold. The entire notional amount of the de-designated cross-currency rate swaps and the off-setting cross-currency rate swaps were cash settled during 2022 for approximately $35 million in net proceeds and included within operating activities in the consolidated statements of cash flows.

At December 31, 2022, we had outstanding cross-currency rate swaps in which we pay quarterly fixed-rate interest payments on the Euro notional amount of €1,108 million and receive quarterly fixed-rate interest payments on the U.S. dollar notional amount of $1,200 million. At inception, these cross-currency rate swaps were designated as a hedge and are accounted for as a net investment hedge. During 2018, we extended the term of the swaps from March 31, 2021 to the maturity date of February 17, 2024. The extension of the term resulted in a re-designation of the hedge and the swaps continue to be accounted for as a net investment hedge. Additionally, at December 31, 2022, we also had outstanding cross-currency rate swaps in which we receive quarterly fixed-rate interest payments on the U.S. dollar notional value of $400 million, entered during 2018, and $500 million, entered during 2019, through the maturity date of February 17, 2024 and $150 million, entered during 2021, through the maturity date of October 31, 2028. At inception, these cross-currency rate swaps were designated as a hedge and are accounted for as a net investment hedge.

The fixed to fixed cross-currency rate swaps hedging Canadian dollar and Euro net investments utilized the forward method of effectiveness assessment prior to March 15, 2018. On March 15, 2018, we de-designated and subsequently re-designated the outstanding fixed to fixed cross-currency rate swaps to prospectively use the spot method of hedge effectiveness assessment. Additionally, as a result of adopting new hedge accounting guidance during 2018, we elected to exclude the interest component (the "Excluded Component") from the accounting hedge without affecting net investment hedge accounting and elected to amortize the Excluded Component over the life of the derivative instrument. The amortization of the Excluded Component is recognized in Interest expense, net in the consolidated statement of operations. The change in fair value that is not related to the Excluded Component is recorded in AOCI and will be reclassified to earnings when the foreign subsidiaries are sold or substantially liquidated.

Foreign Currency Exchange Contracts

We use foreign exchange derivative instruments to manage the impact of foreign exchange fluctuations on U.S. dollar purchases and payments, such as coffee purchases made by our Canadian Tim Hortons operations. At December 31, 2022, we had outstanding forward currency contracts to manage this risk in which we sell Canadian dollars and buy U.S. dollars with a notional value of $197 million with maturities to February 2024. We have designated these instruments as cash flow hedges, and as such, the unrealized changes in market value of effective hedges are recorded in AOCI and are reclassified into earnings during the period in which the hedged forecasted transaction affects earnings.

Credit Risk

By entering into derivative contracts, we are exposed to counterparty credit risk. Counterparty credit risk is the failure of the counterparty to perform under the terms of the derivative contract. When the fair value of a derivative contract is in an asset position, the counterparty has a liability to us, which creates credit risk for us. We attempt to minimize this risk by selecting counterparties with investment grade credit ratings and regularly monitoring our market position with each counterparty.

Credit-Risk Related Contingent Features

Our derivative instruments do not contain any credit-risk related contingent features.

Quantitative Disclosures about Derivative Instruments and Fair Value Measurements

The following tables present the required quantitative disclosures for our derivative instruments, including their estimated fair values (all estimated using Level 2 inputs) and their location on our consolidated balance sheets (in millions):

	Gain or (Loss) Recognized in Other Comprehensive Income (Loss)		
	2022	2021	2020
Derivatives designated as cash flow hedges[1]			
Interest rate swaps	$ 509	$ 132	$ (333)
Forward-currency contracts	$ 14	$ —	$ (2)
Derivatives designated as net investment hedges			
Cross-currency rate swaps	$ 409	$ 96	$ (302)

(1) We did not exclude any components from the cash flow hedge relationships presented in this table.

	Location of Gain or (Loss) Reclassified from AOCI into Earnings	Gain or (Loss) Reclassified from AOCI into Earnings		
		2022	2021	2020
Derivatives designated as cash flow hedges				
Interest rate swaps	Interest expense, net	$ (54)	$ (125)	$ (102)
Forward-currency contracts	Cost of sales	$ 8	$ (7)	$ 2

	Location of Gain or (Loss) Recognized in Earnings	Gain or (Loss) Recognized in Earnings (Amount Excluded from Effectiveness Testing)		
		2022	2021	2020
Derivatives designated as net investment hedges				
Cross-currency rate swaps	Interest expense, net	$ 56	$ 45	$ 69

	Fair Value as of December 31,		
	2022	2021	Balance Sheet Location
Assets:			
Derivatives designated as cash flow hedges			
Interest rate	$ 280	$ —	Other assets, net
Foreign currency	7	2	Prepaids and other current assets
Derivatives designated as net investment hedges			
Foreign currency	78	23	Other assets, net
Total assets at fair value	$ 365	$ 25	
Liabilities:			
Derivatives designated as cash flow hedges			
Interest rate	$ —	$ 220	Other liabilities, net
Derivatives designated as net investment hedges			
Foreign currency	34	355	Other liabilities, net
Total liabilities at fair value	$ 34	$ 575	

Note 13. Equity

Pursuant to the terms of the partnership agreement, RBI, as the holder of Class A common units, is entitled to distributions from Partnership in an amount equal to the aggregate dividends payable by RBI to holders of RBI common shares, and the holders of Partnership exchangeable units are entitled to receive distributions from Partnership in an amount per unit equal to the dividend payable by RBI on each RBI common share. Additionally, if RBI proposes to redeem, repurchase or otherwise acquire any RBI common shares, the partnership agreement requires that Partnership, immediately prior to such redemption, repurchase or acquisition, make a distribution to RBI on the Class A common units in an amount sufficient for RBI to fund such redemption, repurchase or acquisition, as the case may be. Each holder of a Partnership exchangeable unit is entitled to vote in respect of matters on which holders of RBI common shares are entitled to vote through one special voting share of RBI. A holder of a Partnership exchangeable unit may require Partnership to exchange all or any portion of such holder's Partnership exchangeable units for RBI common shares at a ratio of one common share for each Partnership exchangeable unit, subject to RBI's right as the general partner of Partnership, in its sole discretion, to deliver a cash payment in lieu of RBI common shares. If RBI elects to make a cash payment in lieu of issuing common shares, the amount of the payment will be the weighted average trading price of the RBI common shares on the New York Stock Exchange for the 20 consecutive trading days ending on the last business day prior to the exchange date.

During 2022, Partnership exchanged 1,996,818 Partnership exchangeable units, pursuant to exchange notices received. In accordance with the terms of the partnership agreement, Partnership satisfied the exchange notices by exchanging 1,996,818 Partnership exchangeable units for the same number of newly issued RBI common shares. During 2021, Partnership exchanged 10,119,880 Partnership exchangeable units, pursuant to exchange notices received. In accordance with the terms of the partnership agreement, Partnership satisfied the exchange notices by exchanging 10,119,880 Partnership exchangeable units for the same number of newly issued RBI common shares. During 2020, Partnership exchanged 10,393,861 Partnership exchangeable units, pursuant to exchange notices received. In accordance with the terms of the partnership agreement, Partnership satisfied the exchange notices by repurchasing 6,757,692 Partnership exchangeable units for approximately $380 million in cash and exchanging 3,636,169 Partnership exchangeable units for the same number of newly issued RBI common shares. The exchanges of Partnership exchangeable units were recorded as increases to the Class A common units balance within partner's capital in our consolidated balance sheets in an amount equal to the market value of the newly issued RBI common shares and a reduction to the Partnership exchangeable units balance within partner's capital of our consolidated balance sheets in an amount equal to the cash paid by Partnership and the market value of the newly issued RBI common shares. Pursuant to the terms of the partnership agreement, upon the exchange of Partnership exchangeable units, each such Partnership exchangeable unit was cancelled concurrently with the exchange.

RBI Share Repurchase

On July 28, 2021, the RBI Board of Directors approved a share repurchase program that allows RBI to purchase up to $1,000 million of RBI common shares until August 10, 2023. During 2022, RBI repurchased and cancelled 6,101,364 common shares for $326 million. During 2021, RBI repurchased and cancelled 9,247,648 common shares for $551 million. Pursuant to the terms of the partnership agreement, Partnership made a distribution to RBI on the Class A common units in an amount sufficient for RBI to fund such share repurchases.

Accumulated Other Comprehensive Income (Loss)

The following table displays the change in the components of AOCI (in millions):

	Derivatives	Pensions	Foreign Currency Translation	Accumulated Other Comprehensive Income (Loss)
Balances at December 31, 2019	$ 306	$ (29)	$ (1,455)	$ (1,178)
Foreign currency translation adjustment	—	—	332	332
Net change in fair value of derivatives, net of tax	(486)	—	—	(486)
Amounts reclassified to earnings of cash flow hedges, net of tax	73	—	—	73
Pension and post-retirement benefit plans, net of tax	—	(16)	—	(16)
Balances at December 31, 2020	$ (107)	$ (45)	$ (1,123)	$ (1,275)
Foreign currency translation adjustment	—	—	(67)	(67)
Net change in fair value of derivatives, net of tax	207	—	—	207
Amounts reclassified to earnings of cash flow hedges, net of tax	96	—	—	96
Pension and post-retirement benefit plans, net of tax	—	15	—	15
Balances at December 31, 2021	$ 196	$ (30)	$ (1,190)	$ (1,024)
Foreign currency translation adjustment	—	—	(703)	(703)
Net change in fair value of derivatives, net of tax	714	—	—	714
Amounts reclassified to earnings of cash flow hedges, net of tax	34	—	—	34
Pension and post-retirement benefit plans, net of tax	—	6	—	6
Balances at December 31, 2022	$ 944	$ (24)	$ (1,893)	$ (973)

Note 14. Share-based Compensation

Share-based compensation expense associated with the participation of Partnership and its subsidiaries in RBI's share-based compensation plans is recognized in Partnership's Financial Statements.

RBI's Amended and Restated 2014 Omnibus Incentive Plan as amended (the "Omnibus Plan") provides for the grant of awards to employees, directors, consultants and other persons who provide services to RBI and its affiliates. RBI also has some outstanding awards under legacy plans for BK and TH, that were assumed in connection with the merger and amalgamation of those entities within the RBI group. No new awards may be granted under these legacy BK plans or legacy TH plans.

RBI is currently issuing awards under the Omnibus Plan and the number of shares available for issuance under such plan as of December 31, 2022 was 3,714,406. The Omnibus Plan permits the grant of several types of awards with respect to RBI common shares, including stock options, time-vested RSUs, and performance-based RSUs, which may include RBI and/or individual performance based-vesting conditions. Under the terms of the Omnibus Plan, RSUs are generally entitled to dividend equivalents, which are not distributed unless the related awards vest. Upon vesting, the amount of the dividend equivalent, which is distributed in additional RSUs, except in the case of RSUs awarded to non-management members of RBI's board of directors, is equal to the equivalent of the aggregate dividends declared on common shares during the period from the date of grant of the award compounded until the date the shares underlying the award are delivered.

Share-based compensation expense is generally classified as general and administrative expenses in the consolidated statements of operations and consists of the following for the periods presented (in millions):

	2022	2021	2020
Total share-based compensation expense - RSUs and Stock options	$ 121	$ 88	$ 74

As of December 31, 2022, total unrecognized compensation cost related to share-based compensation arrangements was $312 million and is expected to be recognized over a weighted-average period of approximately 3.1 years.

Restricted Stock Units

The fair value of the time-vested RSUs and performance-based RSUs is based on the closing price of RBI's common shares on the trading day preceding the date of grant. Time-vested RSUs are expensed over the vesting period. Performance-based RSUs are expensed over the vesting period, based upon the probability that the performance target will be met. RBI grants fully vested RSUs, with dividend equivalent rights that accrue in cash, to non-employee members of our board of directors in lieu of a cash retainer and committee fees. All such RSUs will settle and common shares of RBI will be issued upon termination of service by the board member.

Starting in 2021, grants of time-vested RSUs generally vest 25% per year on December 31st over four years from the grant date and performance-based RSUs generally cliff vest three years from the grant date (the starting date for the applicable vesting period is referred to as the "Anniversary Date"). Time-vested RSUs and performance-based RSUs awarded prior to 2021 generally cliff vest five years from the original grant date.

During 2022, RBI granted performance-based RSUs that cliff vest three years from the original grant date based on achievement of performance metrics with a multiplier that can increase or decrease the amount vested based on the achievement of contractually defined relative total shareholder return targets with respect to the S&P 500 Index. Performance-based RSUs granted in 2021 cliff vest three years from the original grant date based solely on defined relative total shareholder return targets with respect to the S&P 500 Index. The respective fair value of these performance-based RSU awards was based on a Monte Carlo Simulation valuation model and these market condition awards are expensed over the vesting period regardless of the value that the award recipients ultimately receive.

For grants of time-vested RSUs beginning in 2021, if the employee is terminated for any reason prior to any vesting date, the employee will forfeit all of the RSUs that are unvested at the time of termination. For grants of performance-based RSUs beginning in 2021, if the employee is terminated within the first two years of the Anniversary Date, 100% of the performance-based RSUs will be forfeited. If we terminate the employment of a performance-based RSU holder without cause at least two years after the grant date, or if the employee retires, the employee will become vested in 67% of the performance-based RSUs that are earned based on the performance criteria.

For grants prior to 2021, if the employee is terminated for any reason within the first two years of the Anniversary Date, 100% of the time-vested RSUs granted will be forfeited. If we terminate the employment of a time-vested RSU holder without cause two years after the Anniversary Date, or if the employee retires, the employee will become vested in the number of time-vested RSUs as if the time-vested RSUs vested 20% for each anniversary after the grant date. Also, for grants prior to 2021, if the employee is terminated for any reason within the first three years of the Anniversary Date, 100% of the performance-based RSUs granted will be forfeited. If we terminate the employment of a performance-based RSU holder without cause between three and five years after the Anniversary Date, or if the employee retires, the employee will become vested in 50% of the performance-based RSUs.

An alternate ratable vesting schedule applies to the extent the participant ends employment by reason of death or disability.

Chairman Awards

In connection with the appointment of the RBI Executive Chairman in November 2022, RBI made one-time grants of options, RSUs and performance-based RSUs with specific terms and conditions. RBI granted 2,000,000 options with an exercise price equal to the closing price of RBI common shares on the trading day preceding the date of grant that cliff vest five years from the date of grant and expire after ten years. RBI granted 500,000 RSUs that vest ratably over five years on the anniversary of the grant date. Lastly, RBI granted 750,000 performance-based RSUs that cliff vest five and a half years from the date of grant and may be earned from 50% for threshold performance to 200% for maximum performance, based on meeting performance targets tied to the appreciation of the price of RBI common shares, with none of the award being earned if the threshold is not met. The respective fair value of these performance-based RSU awards was based on a Monte Carlo Simulation valuation model and these market condition awards are expensed over the vesting period regardless of the value that the award recipient ultimately receives.

Restricted Stock Units Activity

The following is a summary of time-vested RSUs and performance-based RSUs activity for the year ended December 31, 2022:

	Time-vested RSUs		Performance-based RSUs	
	Total Number of Shares (in 000's)	Weighted Average Grant Date Fair Value	Total Number of Shares (in 000's)	Weighted Average Grant Date Fair Value
Outstanding at January 1, 2022	2,764	$ 57.47	3,895	$ 62.09
Granted	1,722	$ 57.24	2,693	$ 51.31
Vested and settled	(852)	$ 56.00	(153)	$ 58.31
Dividend equivalents granted	103	$ —	160	$ —
Forfeited	(184)	$ 58.66	(158)	$ 64.78
Outstanding at December 31, 2022	3,553	$ 57.31	6,437	$ 57.43

The weighted-average grant date fair value of time-vested RSUs granted was $60.97 and $65.20 during 2021 and 2020, respectively. The weighted-average grant date fair value of performance-based RSUs granted was $57.60 and $62.69 during 2021 and 2020, respectively. The total fair value, determined as of the date of vesting, of RSUs vested and converted to common shares of RBI during 2022, 2021 and 2020 was $58 million, $99 million and $21 million, respectively.

Stock Options

Stock option awards are granted with an exercise price or market value equal to the closing price of RBI's common shares on the trading day preceding the date of grant. RBI satisfies stock option exercises through the issuance of authorized but previously unissued common shares. Stock option grants generally cliff vest 5 years from the original grant date, provided the employee is continuously employed by RBI or one of our affiliates, and the stock options expire 10 years following the grant date. Additionally, if RBI terminates the employment of a stock option holder without cause prior to the vesting date, or if the employee retires or becomes disabled, the employee will become vested in the number of stock options as if the stock options vested 20% on each anniversary of the grant date. If the employee dies, the employee will become vested in the number of stock options as if the stock options vested 20% on the first anniversary of the grant date, 40% on the second anniversary of the grant date and 100% on the third anniversary of the grant date. If an employee is terminated with cause or resigns before vesting, all stock options are forfeited. If there is an event such as a return of capital or dividend that is determined to be dilutive, the exercise price of the awards will be adjusted accordingly.

The following assumptions were used in the Black-Scholes option-pricing model to determine the fair value of stock option awards granted in 2022 and 2020 at the grant date. There were no significant stock option awards granted in 2021.

	2022	2020
Risk-free interest rate	3.92%	1.29%
Expected term (in years)	7.50	5.88
Expected volatility	30.0%	23.9%
Expected dividend yield	3.24%	3.14%

The risk-free interest rate was based on the U.S. Treasury or Canadian Sovereign bond yield with a remaining term equal to the expected option life assumed at the date of grant. The expected term was calculated based on the analysis of a five-year vesting period coupled with RBI's expectations of exercise activity. Expected volatility was based on the historical and implied equity volatility of RBI. The expected dividend yield is based on the annual dividend yield at the time of grant.

Stock Options Activity

The following is a summary of stock option activity under our plans for the year ended December 31, 2022:

	Total Number of Options (in 000's)	Weighted Average Exercise Price	Aggregate Intrinsic Value (a) (in 000's)	Weighted Average Remaining Contractual Term (Years)
Outstanding at January 1, 2022	6,207	$ 54.80		
Granted	2,018	$ 66.62		
Exercised	(484)	$ 43.42		
Forfeited	(247)	$ 64.83		
Outstanding at December 31, 2022	7,494	$ 58.00	$ 55,682	6.1
Exercisable at December 31, 2022	2,724	$ 46.72	$ 48,953	3.0
Vested or expected to vest at December 31, 2022	7,125	$ 57.75	$ 54,835	6.0

(a) The intrinsic value represents the amount by which the fair value of RBI's stock exceeds the option exercise price at December 31, 2022.

The weighted-average grant date fair value per stock option granted was $17.52, $10.15, and $10.38 during 2022, 2021 and 2020, respectively. The total intrinsic value of stock options exercised was $10 million during 2022, $46 million during 2021, and $55 million during 2020.

Note 15. Revenue Recognition

Contract Liabilities

Contract liabilities consist of deferred revenue resulting from initial and renewal franchise fees paid by franchisees, as well as upfront fees paid by master franchisees, which are generally recognized on a straight-line basis over the term of the underlying agreement. We may recognize unamortized franchise fees and upfront fees when a contract with a franchisee or master franchisee is modified and is accounted for as a termination of the existing contract. We classify these contract liabilities as Other liabilities, net in our consolidated balance sheets. The following table reflects the change in contract liabilities on a consolidated basis between December 31, 2021 and December 31, 2022 (in millions):

Contract Liabilities	
Balance at December 31, 2021	$ 531
Effect of business combination	8
Recognized during period and included in the contract liability balance at the beginning of the year	(57)
Increase, excluding amounts recognized as revenue during the period	71
Impact of foreign currency translation	(13)
Balance at December 31, 2022	$ 540

The following table illustrates estimated revenues expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) on a consolidated basis as of December 31, 2022 (in millions):

Contract liabilities expected to be recognized in	
2023	$ 52
2024	50
2025	47
2026	44
2027	42
Thereafter	305
Total	$ 540

Disaggregation of Total Revenues

The following tables disaggregate revenue by segment (in millions):

	2022				
	TH	BK	PLK	FHS	Total
Sales	$ 2,631	$ 70	$ 78	$ 40	$ 2,819
Royalties	320	1,064	287	66	1,737
Property revenues	577	224	12	—	813
Franchise fees and other revenue	28	54	10	19	111
Advertising revenues and other services	267	485	260	13	1,025
Total revenues	$ 3,823	$ 1,897	$ 647	$ 138	$ 6,505

	2021				
	TH	BK	PLK	FHS	Total
Sales	$ 2,249	$ 64	$ 64	$ 1	$ 2,378
Royalties	287	1,008	264	2	1,561
Property revenues	556	224	13	—	793
Franchise fees and other revenue	21	60	6	2	89
Advertising revenues and other services	229	457	232	—	918
Total revenues	$ 3,342	$ 1,813	$ 579	$ 5	$ 5,739

	2020				
	TH	BK	PLK	FHS	Total
Sales	$ 1,876	$ 64	$ 73	$ —	$ 2,013
Royalties	240	842	245	—	1,327
Property revenues	486	219	13	—	718
Franchise fees and other revenue	19	52	5	—	76
Advertising revenues and other services	189	425	220	—	834
Total revenues	$ 2,810	$ 1,602	$ 556	$ —	$ 4,968

Note 16. Other Operating Expenses (Income), net

Other operating expenses (income), net, consist of the following (in millions):

	2022	2021	2020
Net losses (gains) on disposal of assets, restaurant closures and refranchisings	$ 4	$ 2	$ 6
Litigation settlements and reserves, net	11	81	7
Net losses (gains) on foreign exchange	(4)	(76)	100
Other, net	14	—	(8)
Other operating expenses (income), net	$ 25	$ 7	$ 105

Net losses (gains) on disposal of assets, restaurant closures, and refranchisings represent sales of properties and other costs related to restaurant closures and refranchisings. Gains and losses recognized in the current period may reflect certain costs related to closures and refranchisings that occurred in previous periods.

Litigation settlements and reserves, net primarily reflects accruals and payments made and proceeds received in connection with litigation and arbitration matters and other business disputes.

In early 2022, we entered into negotiations to resolve business disputes that arose during 2021 with counterparties to the master franchise agreements for Burger King and Popeyes in China. Based on these discussions, we paid approximately $100 million in 2022, of which $5 million and $72 million was recorded as Litigation settlements and reserves, net in 2022 and 2021, respectively. The majority of this amount related to Popeyes, resolved our disputes, and allowed us to move forward in the market with a new master franchisee. Additionally, pursuant to this agreement we and our partners have made equity contributions to the Burger King business in China.

Net losses (gains) on foreign exchange is primarily related to revaluation of foreign denominated assets and liabilities, primarily those denominated in Euros and Canadian dollars.

Note 17. Commitments and Contingencies

Letters of Credit

As of December 31, 2022, we had $11 million in irrevocable standby letters of credit outstanding, which were issued primarily to certain insurance carriers to guarantee payments of deductibles for various insurance programs, such as health and commercial liability insurance. Of these letters of credit outstanding, $2 million are secured by the collateral under our Revolving Credit Facility and the remainder are secured by cash collateral. As of December 31, 2022, no amounts had been drawn on any of these irrevocable standby letters of credit.

Purchase Commitments

We have arrangements for information technology and telecommunication services with an aggregate contractual obligation of $23 million over the next two years, some of which have early termination fees. We also enter into commitments to purchase advertising. As of December 31, 2022, these commitments totaled $212 million and run through 2025.

Litigation

From time to time, we are involved in legal proceedings arising in the ordinary course of business relating to matters including, but not limited to, disputes with franchisees, suppliers, employees and customers, as well as disputes over our intellectual property.

On October 5, 2018, a class action complaint was filed against Burger King Worldwide, Inc. (“BKW”) and Burger King Company, successor in interest, (“BKC”) in the U.S. District Court for the Southern District of Florida by Jarvis Arrington, individually and on behalf of all others similarly situated. On October 18, 2018, a second class action complaint was filed against RBI, BKW and BKC in the U.S. District Court for the Southern District of Florida by Monique Michel, individually and on behalf of all others similarly situated. On October 31, 2018, a third class action complaint was filed against BKC and BKW in the U.S. District Court for the Southern District of Florida by Geneva Blanchard and Tiffany Miller, individually and on behalf of all others similarly situated. On November 2, 2018, a fourth class action complaint was filed against RBI, BKW and BKC in the U.S. District Court for the Southern District of Florida by Sandra Munster, individually and on behalf of all others similarly situated. These complaints have been consolidated and allege that the defendants violated Section 1 of the Sherman Act by incorporating an employee no-solicitation and no-hiring clause in the standard form franchise agreement all Burger King franchisees are required to sign. Each plaintiff seeks

injunctive relief and damages for himself or herself and other members of the class. On March 24, 2020, the Court granted BKC's motion to dismiss for failure to state a claim and on April 20, 2020 the plaintiffs filed a motion for leave to amend their complaint. On April 27, 2020, BKC filed a motion opposing the motion for leave to amend. The court denied the plaintiffs motion for leave to amend their complaint in August 2020 and the plaintiffs appealed this ruling. In August 2022, the federal appellate court reversed the lower court's decision to dismiss the case and remanded the case to the lower court for further proceedings. While we currently believe these claims are without merit, we are unable to predict the ultimate outcome of this case or estimate the range of possible loss, if any.

On June 30, 2020, a class action complaint was filed against RBI, Partnership and The TDL Group Corp. in the Quebec Superior Court by Steve Holcman, individually and on behalf of all Quebec residents who downloaded the Tim Hortons mobile application. On July 2, 2020, a Notice of Action related to a second class action complaint was filed against RBI, in the Ontario Superior Court by Ashley Sitko and Ashley Cadeau, individually and on behalf of all Canadian residents who downloaded the Tim Hortons mobile application. On August 31, 2020, a notice of claim was filed against RBI in the Supreme Court of British Columbia by Wai Lam Jacky Law on behalf of all persons in Canada who downloaded the Tim Hortons mobile application or the Burger King mobile application. On September 30, 2020, a notice of action was filed against RBI, Partnership, The TDL Group Corp., BKW and Popeyes Louisiana Kitchen, Inc. in the Ontario Superior Court of Justice by William Jung on behalf of a to be determined class. All of the complaints alleged that the defendants violated the plaintiff's privacy rights, the Personal Information Protection and Electronic Documents Act, consumer protection and competition laws or app-based undertakings to users, in each case in connection with the collection of geolocation data through the Tim Hortons mobile application, and in certain cases, the Burger King and Popeyes mobile applications. Each plaintiff sought injunctive relief and monetary damages for himself or herself and other members of the class. The parties have reached a national settlement of all cases, which has been approved by the applicable courts, pursuant to which The TDL Group Corp. is providing each member of the class a voucher for one hot beverage and one baked good and will pay plaintiffs legal fees, in an amount which we believe is immaterial.

On October 26, 2020, City of Warwick Municipal Employees Pension Fund, a purported stockholder of RBI, individually and putatively on behalf of all other stockholders similarly situated, filed a lawsuit in the Supreme Court of the State of New York County of New York naming RBI and certain of our officers, directors and shareholders as defendants alleging violations of Sections 11, 12(a)(2) and 15 of the Securities Act of 1933, as amended, in connection with certain offerings of securities by an affiliate in August and September 2019. The complaint alleges that the shelf registration statement used in connection with such offering contained certain false and/or misleading statements or omissions. The complaint seeks, among other relief, class certification of the lawsuit, unspecified compensatory damages, rescission, pre-judgement and post-judgement interest, costs and expenses. On December 18, 2020 the plaintiffs filed an amended complaint and on February 16, 2021 RBI filed a motion to dismiss the complaint. The plaintiffs filed a brief in opposition to the motion on April 19, 2021 and RBI filed a reply in May 2021. The motion to dismiss was heard in April 2022 and the motion to dismiss was denied in May 2022. On June 6, 2022, we filed an answer to the complaint and on July 8, 2022, we filed an appeal of the denial of the motion to dismiss. On November 10, 2022, the appellate division reversed the trial court and ordered that the complaint be dismissed. Plaintiffs have moved for leave to appeal to the Court of Appeals of the State of New York and we filed an opposition to their motion. The parties are awaiting a decision as to whether the Court of Appeals will accept the appeal. We intend to vigorously defend. While we believe these claims are without merit, we are unable to predict the ultimate outcome of this case or estimate the range of possible loss, if any.

In April 2022, BKC was served with two separate purported class action complaints relating to per- and polyfluoroalkyl ("PFAS") in packaging. Hussain vs. BKC was filed on April 13, 2022 in the U.S. District Court for the Northern District of California, and Cooper v. BKC was filed on April 14, 2022 in the U.S. District Court for the Southern District of Florida. Both complaints alleged that certain food products sold by BKC are not safe for human consumption due to the packaging containing allegedly unsafe PFAS and that consumers were misled by the labelling, marketing and packaging claims asserted by BKC regarding the safety and sustainability of the packaging and sought compensatory, statutory and punitive damages, injunctive relief, corrective action, and attorneys' fees. Hussain voluntarily dismissed the case on August 22, 2022. In June 2022, Cooper voluntarily dismissed the case and then refiled their complaint in state court only on behalf of Florida consumers. We filed a motion to dismiss on October 17, 2022. The plaintiff dismissed the case with prejudice in November 2022 and these matters are closed.

Note 18. Segment Reporting and Geographical Information

As stated in Note 1, *Description of Business and Organization*, we manage four brands. Under the *Tim Hortons* brand, we operate in the donut/coffee/tea category of the quick service segment of the restaurant industry. Under the *Burger King* brand, we operate in the fast food hamburger restaurant category of the quick service segment of the restaurant industry. Under the *Popeyes* brand, we operate in the chicken category of the quick service segment of the restaurant industry. Under the *Firehouse Subs* brand, we operate in the specialty subs category of the quick service segment of the restaurant industry. Our business generates revenue from the following sources: (i) sales, consisting primarily of supply chain sales, which represent sales of products, supplies and restaurant equipment to franchisees, as well as sales to retailers and sales at restaurants owned by us ("Company restaurants"); (ii) franchise revenues, consisting primarily of royalties based on a percentage of sales reported by franchise restaurants and franchise fees paid by

franchisees; (iii) property revenues from properties we lease or sublease to franchisees; and (iv) advertising revenues and other services, consisting primarily of advertising fund contributions based on a percentage of sales reported by franchise restaurants. We manage each of our brands as an operating segment and each operating segment represents a reportable segment.

Our management structure and financial reporting is organized around our four brands, including the information regularly reviewed by our Chief Executive Officer, who is our Chief Operating Decision Maker. Therefore, we have four operating segments: (1) TH, which includes all operations of our *Tim Hortons* brand, (2) BK, which includes all operations of our *Burger King* brand, (3) PLK, which includes all operations of our *Popeyes* brand, and (4) FHS, which includes all operations of our *Firehouse Subs* brand. Our four operating segments represent our reportable segments. FHS revenues and segment income for the period from the acquisition date of December 15, 2021 through December 26, 2021 (the fiscal year end for FHS) are included in our consolidated statement of operations for 2021.

The following tables present revenues, by segment and by country, depreciation and amortization, (income) loss from equity method investments, and capital expenditures by segment (in millions):

	2022	2021	2020
Revenues by operating segment:			
TH	$ 3,823	$ 3,342	$ 2,810
BK	1,897	1,813	1,602
PLK	647	579	556
FHS	138	5	—
Total	$ 6,505	$ 5,739	$ 4,968
Revenues by country (a):			
Canada	$ 3,458	$ 3,035	$ 2,546
United States	2,273	2,005	1,889
Other	774	699	533
Total	$ 6,505	$ 5,739	$ 4,968
Depreciation and amortization:			
TH	$ 114	$ 132	$ 119
BK	66	62	62
PLK	8	7	8
FHS	2	—	—
Total	$ 190	$ 201	$ 189
(Income) loss from equity method investments:			
TH	$ (8)	$ (13)	$ (4)
BK	51	17	43
PLK	1	—	—
Total	$ 44	$ 4	$ 39
Capital expenditures:			
TH	$ 30	$ 61	$ 92
BK	63	34	18
PLK	6	11	7
FHS	1	—	—
Total	$ 100	$ 106	$ 117

(a) Only Canada and the United States represented 10% or more of our total revenues in each period presented.

Total assets by segment, and long-lived assets by segment and country are as follows (in millions):

	Assets		Long-Lived Assets	
	As of December 31,		As of December 31,	
	2022	2021	2022	2021
By operating segment:				
TH	$ 13,279	$ 13,995	$ 1,819	$ 1,963
BK	5,007	4,946	1,140	1,137
PLK	2,572	2,563	143	141
FHS	1,098	1,103	12	4
Unallocated	790	639	—	—
Total	$ 22,746	$ 23,246	$ 3,114	$ 3,245
By country:				
Canada			$ 1,531	$ 1,670
United States			1,558	1,556
Other			25	19
Total			$ 3,114	$ 3,245

Long-lived assets include property and equipment, net, finance and operating lease right of use assets, net and net investment in property leased to franchisees. Only Canada and the United States represented 10% or more of our total long-lived assets as of December 31, 2022 and December 31, 2021.

Our measure of segment income is Adjusted EBITDA. Adjusted EBITDA represents earnings (net income or loss) before interest expense, net, loss on early extinguishment of debt, income tax (benefit) expense, and depreciation and amortization, adjusted to exclude (i) the non-cash impact of share-based compensation and non-cash incentive compensation expense, (ii) (income) loss from equity method investments, net of cash distributions received from equity method investments, (iii) other operating expenses (income), net and, (iv) income/expenses from non-recurring projects and non-operating activities. For the periods referenced, income/expenses from non-recurring projects and non-operating activities included (i) non-recurring fees and expense incurred in connection with the Firehouse Acquisition consisting of professional fees, compensation-related expenses and integration costs ("FHS Transaction costs"); and (ii) non-operating costs from professional advisory and consulting services associated with certain transformational corporate restructuring initiatives that rationalize our structure and optimize cash movements, including services related to significant tax reform legislation, regulations and related restructuring initiatives ("Corporate restructuring and tax advisory fees").

Adjusted EBITDA is used by management to measure operating performance of the business, excluding these non-cash and other specifically identified items that management believes are not relevant to management's assessment of our operating performance. A reconciliation of segment income to net income consists of the following (in millions):

	2022	2021	2020
Segment income:			
TH	$ 1,073	$ 997	$ 823
BK	1,007	1,021	823
PLK	242	228	218
FHS	56	2	—
Adjusted EBITDA	2,378	2,248	1,864
Share-based compensation and non-cash incentive compensation expense	136	102	84
FHS Transaction costs	24	18	—
Corporate restructuring and tax advisory fees	46	16	16
Impact of equity method investments (a)	59	25	48
Other operating expenses (income), net	25	7	105
EBITDA	2,088	2,080	1,611
Depreciation and amortization	190	201	189
Income from operations	1,898	1,879	1,422
Interest expense, net	533	505	508
Loss on early extinguishment of debt	—	11	98
Income tax (benefit) expense	(117)	110	66
Net income	$ 1,482	$ 1,253	$ 750

(a) Represents (i) (income) loss from equity method investments and (ii) cash distributions received from our equity method investments. Cash distributions received from our equity method investments are included in segment income.

Note 19. Supplemental Financial Information

1011778 B.C. Unlimited Liability Company (the "Parent Issuer") and New Red Finance Inc. (the "Co-Issuer" and together with the Parent Issuer, the "Issuers") entered into an amended credit agreement, as amended from time to time, that provides for obligations under the Credit Facilities. The Issuers entered into the 3.875% First Lien Senior Notes Indenture with respect to the 3.875% First Lien Senior Notes due 2028. The Issuers entered into the 5.75% First Lien Senior Notes Indenture with respect to the 5.75% First Lien Senior Notes due 2025. The Issuers entered into the 3.50% First Lien Senior Notes Indenture with respect to the 3.50% First Lien Senior Notes due 2029. The Issuers entered into the 4.375% Second Lien Senior Notes Indenture with respect to the 4.375% Second Lien Senior Notes due 2028. The Issuers entered into the 4.00% Second Lien Senior Notes Indenture with respect to the 4.00% Second Lien Senior Notes Due 2030.

The agreement governing our Credit Facilities, the 3.875% First Lien Senior Notes Indenture, the 5.75% First Lien Senior Notes Indenture, the 3.50% First Lien Senior Notes Indenture, the 4.375% Second Lien Senior Notes Indenture and the 4.00% Second Lien Senior Notes Indenture allow the financial reporting obligation of the Parent Issuer to be satisfied through the reporting of Partnership's consolidated financial information, provided that the consolidated financial information of the Parent Issuer and its restricted subsidiaries is presented on a standalone basis.

The following represents the condensed consolidating financial information for the Parent Issuer and its restricted subsidiaries ("Consolidated Borrowers") on a consolidated basis, together with eliminations, as of and for the periods indicated. The condensed consolidating financial information of Partnership is combined with the financial information of its wholly-owned subsidiaries that are also parent entities of the Parent Issuer and presented in a single column under the heading "RBILP". The consolidating financial information may not necessarily be indicative of the financial position, results of operations or cash flows had the Issuers and Partnership operated as independent entities.

RESTAURANT BRANDS INTERNATIONAL LIMITED PARTNERSHIP AND SUBSIDIARIES
Condensed Consolidating Balance Sheets
(In millions of U.S. dollars)
As of December 31, 2022

	Consolidated Borrowers	RBILP	Eliminations	Consolidated
ASSETS				
Current assets:				
Cash and cash equivalents	$ 1,178	$ —	$ —	$ 1,178
Accounts and notes receivable, net	614	—	—	614
Inventories, net	133	—	—	133
Prepaids and other current assets	123	—	—	123
Total current assets	2,048	—	—	2,048
Property and equipment, net	1,950	—	—	1,950
Operating lease assets, net	1,082	—	—	1,082
Intangible assets, net	10,991	—	—	10,991
Goodwill	5,688	—	—	5,688
Net investment in property leased to franchisees	82	—	—	82
Intercompany receivable	—	243	(243)	—
Investment in subsidiaries	—	4,268	(4,268)	—
Other assets, net	905	—	—	905
Total assets	$ 22,746	$ 4,511	$ (4,511)	$ 22,746
LIABILITIES AND EQUITY				
Current liabilities:				
Accounts and drafts payable	$ 758	$ —	$ —	$ 758
Other accrued liabilities	758	243	—	1,001
Gift card liability	230	—	—	230
Current portion of long term debt and finance leases	127	—	—	127
Total current liabilities	1,873	243	—	2,116
Term debt, net of current portion	12,839	—	—	12,839
Finance leases, net of current portion	311	—	—	311
Operating lease liabilities, net of current portion	1,027	—	—	1,027
Other liabilities, net	872	—	—	872
Payables to affiliates	243	—	(243)	—
Deferred income taxes, net	1,313	—	—	1,313
Total liabilities	18,478	243	(243)	18,478
Partners' capital:				
Class A common units	—	8,735	—	8,735
Partnership exchangeable units	—	(3,496)	—	(3,496)
Common shares	2,494	—	(2,494)	—
Retained earnings	2,745	—	(2,745)	—
Accumulated other comprehensive income (loss)	(973)	(973)	973	(973)
Total Partners' capital/shareholders' equity	4,266	4,266	(4,266)	4,266
Noncontrolling interests	2	2	(2)	2
Total equity	4,268	4,268	(4,268)	4,268
Total liabilities and equity	$ 22,746	$ 4,511	$ (4,511)	$ 22,746

RESTAURANT BRANDS INTERNATIONAL LIMITED PARTNERSHIP AND SUBSIDIARIES
Condensed Consolidating Balance Sheets
(In millions of U.S. dollars)
As of December 31, 2021

	Consolidated Borrowers	RBILP	Eliminations	Consolidated
ASSETS				
Current assets:				
Cash and cash equivalents	$ 1,087	$ —	$ —	$ 1,087
Accounts and notes receivable, net	547	—	—	547
Inventories, net	96	—	—	96
Prepaids and other current assets	86	—	—	86
Total current assets	1,816	—	—	1,816
Property and equipment, net	2,035	—	—	2,035
Operating lease assets, net	1,130	—	—	1,130
Intangible assets, net	11,417	—	—	11,417
Goodwill	6,006	—	—	6,006
Net investment in property leased to franchisees	80	—	—	80
Intercompany receivable	—	241	(241)	—
Investment in subsidiaries	—	3,853	(3,853)	—
Other assets, net	762	—	—	762
Total assets	$ 23,246	$ 4,094	$ (4,094)	$ 23,246
LIABILITIES AND EQUITY				
Current liabilities:				
Accounts and drafts payable	$ 614	$ —	$ —	$ 614
Other accrued liabilities	706	241	—	947
Gift card liability	221	—	—	221
Current portion of long term debt and finance leases	96	—	—	96
Total current liabilities	1,637	241	—	1,878
Term debt, net of current portion	12,916	—	—	12,916
Finance leases, net of current portion	333	—	—	333
Operating lease liabilities, net of current portion	1,070	—	—	1,070
Other liabilities, net	1,822	—	—	1,822
Payables to affiliates	241	—	(241)	—
Deferred income taxes, net	1,374	—	—	1,374
Total liabilities	19,393	241	(241)	19,393
Partners' capital:				
Class A common units	—	8,421	—	8,421
Partnership exchangeable units	—	(3,547)	—	(3,547)
Common shares	2,635	—	(2,635)	—
Retained earnings	2,239	—	(2,239)	—
Accumulated other comprehensive income (loss)	(1,024)	(1,024)	1,024	(1,024)
Total Partners' capital/shareholders' equity	3,850	3,850	(3,850)	3,850
Noncontrolling interests	3	3	(3)	3
Total equity	3,853	3,853	(3,853)	3,853
Total liabilities and equity	$ 23,246	$ 4,094	$ (4,094)	$ 23,246

RESTAURANT BRANDS INTERNATIONAL LIMITED PARTNERSHIP AND SUBSIDIARIES
Condensed Consolidating Statements of Operations
(In millions of U.S. dollars)
2022

	Consolidated Borrowers	RBILP	Eliminations	Consolidated
Revenues:				
Sales	$ 2,819	$ —	$ —	$ 2,819
Franchise and property revenues	2,661	—	—	2,661
Advertising revenues and other services	1,025	—	—	1,025
Total revenues	6,505	—	—	6,505
Operating costs and expenses:				
Cost of sales	2,312	—	—	2,312
Franchise and property expenses	518	—	—	518
Advertising expenses and other services	1,077	—	—	1,077
General and administrative expenses	631	—	—	631
(Income) loss from equity method investments	44	—	—	44
Other operating expenses (income), net	25	—	—	25
Total operating costs and expenses	4,607	—	—	4,607
Income from operations	1,898	—	—	1,898
Interest expense, net	533	—	—	533
Income before income taxes	1,365	—	—	1,365
Income tax (benefit) expense	(117)	—	—	(117)
Net income	1,482	—	—	1,482
Equity in earnings of consolidated subsidiaries	—	1,482	(1,482)	—
Net income (loss)	1,482	1,482	(1,482)	1,482
Net income (loss) attributable to noncontrolling interests	3	3	(3)	3
Net income (loss) attributable to common unitholders	$ 1,479	$ 1,479	$ (1,479)	$ 1,479
Total comprehensive income (loss)	$ 1,533	$ 1,533	$ (1,533)	$ 1,533

RESTAURANT BRANDS INTERNATIONAL LIMITED PARTNERSHIP AND SUBSIDIARIES
Condensed Consolidating Statements of Operations
(In millions of U.S. dollars)
2021

	Consolidated Borrowers	RBILP	Eliminations	Consolidated
Revenues:				
Sales	$ 2,378	$ —	$ —	$ 2,378
Franchise and property revenues	2,443	—	—	2,443
Advertising revenues and other services	918	—	—	918
Total revenues	5,739	—	—	5,739
Operating costs and expenses:				
Cost of sales	1,890	—	—	1,890
Franchise and property expenses	489	—	—	489
Advertising expenses and other services	986	—	—	986
General and administrative expenses	484	—	—	484
(Income) loss from equity method investments	4	—	—	4
Other operating expenses (income), net	7	—	—	7
Total operating costs and expenses	3,860	—	—	3,860
Income from operations	1,879	—	—	1,879
Interest expense, net	505	—	—	505
Loss on early extinguishment of debt	11	—	—	11
Income before income taxes	1,363	—	—	1,363
Income tax expense	110	—	—	110
Net income	1,253	—	—	1,253
Equity in earnings of consolidated subsidiaries	—	1,253	(1,253)	—
Net income (loss)	1,253	1,253	(1,253)	1,253
Net income (loss) attributable to noncontrolling interests	4	4	(4)	4
Net income (loss) attributable to common unitholders	$ 1,249	$ 1,249	$ (1,249)	$ 1,249
Total comprehensive income (loss)	$ 1,504	$ 1,504	$ (1,504)	$ 1,504

RESTAURANT BRANDS INTERNATIONAL LIMITED PARTNERSHIP AND SUBSIDIARIES
Condensed Consolidating Statements of Operations
(In millions of U.S. dollars)
2020

	Consolidated Borrowers	RBILP	Eliminations	Consolidated
Revenues:				
Sales	$ 2,013	$ —	$ —	$ 2,013
Franchise and property revenues	2,121	—	—	2,121
Advertising revenues and other services	834	—	—	834
Total revenues	4,968	—	—	4,968
Operating costs and expenses:				
Cost of sales	1,610	—	—	1,610
Franchise and property expenses	515	—	—	515
Advertising expenses and other services	870	—	—	870
General and administrative expenses	407	—	—	407
(Income) loss from equity method investments	39	—	—	39
Other operating expenses (income), net	105	—	—	105
Total operating costs and expenses	3,546	—	—	3,546
Income from operations	1,422	—	—	1,422
Interest expense, net	508	—	—	508
Loss on early extinguishment of debt	98	—	—	98
Income before income taxes	816	—	—	816
Income tax expense	66	—	—	66
Net income	750	—	—	750
Equity in earnings of consolidated subsidiaries	—	750	(750)	—
Net income (loss)	750	750	(750)	750
Net income (loss) attributable to noncontrolling interests	2	2	(2)	2
Net income (loss) attributable to common unitholders	$ 748	$ 748	$ (748)	$ 748
Total comprehensive income (loss)	$ 653	$ 653	$ (653)	$ 653

RESTAURANT BRANDS INTERNATIONAL LIMITED PARTNERSHIP AND SUBSIDIARIES
Condensed Consolidating Statements of Cash Flows
(In millions of U.S. dollars)
2022

	Consolidated Borrowers	RBILP	Eliminations	Consolidated
Cash flows from operating activities:				
Net income	$ 1,482	$ 1,482	$ (1,482)	$ 1,482
Adjustments to reconcile net income to net cash provided by operating activities:				
Equity in loss (earnings) of consolidated subsidiaries	—	(1,482)	1,482	—
Depreciation and amortization	190	—	—	190
Amortization of deferred financing costs and debt issuance discount	28	—	—	28
(Income) loss from equity method investments	44	—	—	44
Loss (gain) on remeasurement of foreign denominated transactions	(4)	—	—	(4)
Net (gains) losses on derivatives	(9)	—	—	(9)
Share-based compensation and non-cash incentive compensation expense	136	—	—	136
Deferred income taxes	(60)	—	—	(60)
Other	19	—	—	19
Changes in current assets and liabilities, excluding acquisitions and dispositions:				
Accounts and notes receivable	(110)	—	—	(110)
Inventories and prepaids and other current assets	(61)	—	—	(61)
Accounts and drafts payable	169	—	—	169
Other accrued liabilities and gift card liability	37	—	—	37
Tenant inducements paid to franchisees	(26)	—	—	(26)
Other long-term assets and liabilities	(345)	—	—	(345)
Net cash provided by operating activities	1,490	—	—	1,490
Cash flows from investing activities:				
Payments for property and equipment	(100)	—	—	(100)
Net proceeds from disposal of assets, restaurant closures and refranchisings	12	—	—	12
Net payments in connection with purchase of Firehouse Subs	(12)	—	—	(12)
Settlement/sale of derivatives, net	71	—	—	71
Other investing activities, net	(35)	—	—	(35)
Net cash used for investing activities	(64)	—	—	(64)
Cash flows from financing activities:				
Proceeds from long-term debt	2	—	—	2
Repayments of long-term debt and finance leases	(94)	—	—	(94)
Distributions on Class A and Partnership exchangeable units	—	(971)	—	(971)
Distributions to RBI for repurchase of RBI common shares	—	(326)	—	(326)
Capital contribution from RBI	51	—	—	51
Distributions from subsidiaries	(1,297)	1,297	—	—
(Payments) proceeds from derivatives	34	—	—	34
Other financing activities, net	(3)	—	—	(3)
Net cash used for financing activities	(1,307)	—	—	(1,307)
Effect of exchange rates on cash and cash equivalents	(28)	—	—	(28)
Increase (decrease) in cash and cash equivalents	91	—	—	91
Cash and cash equivalents at beginning of period	1,087	—	—	1,087
Cash and cash equivalents at end of period	$ 1,178	$ —	$ —	$ 1,178

RESTAURANT BRANDS INTERNATIONAL LIMITED PARTNERSHIP AND SUBSIDIARIES
Condensed Consolidating Statements of Cash Flows
(In millions of U.S. dollars)
2021

	Consolidated Borrowers	RBILP	Eliminations	Consolidated
Cash flows from operating activities:				
Net income	$ 1,253	$ 1,253	$ (1,253)	$ 1,253
Adjustments to reconcile net income to net cash provided by operating activities:				
Equity in loss (earnings) of consolidated subsidiaries	—	(1,253)	1,253	—
Depreciation and amortization	201	—	—	201
Premiums paid and non-cash loss on early extinguishment of debt	11	—	—	11
Amortization of deferred financing costs and debt issuance discount	27	—	—	27
(Income) loss from equity method investments	4	—	—	4
Loss (gain) on remeasurement of foreign denominated transactions	(76)	—	—	(76)
Net (gains) losses on derivatives	87	—	—	87
Share-based compensation and non-cash incentive compensation expense	102	—	—	102
Deferred income taxes	(5)	—	—	(5)
Other	(16)	—	—	(16)
Changes in current assets and liabilities, excluding acquisitions and dispositions:				
Accounts and notes receivable	8	—	—	8
Inventories and prepaids and other current assets	12	—	—	12
Accounts and drafts payable	149	—	—	149
Other accrued liabilities and gift card liability	67	—	—	67
Tenant inducements paid to franchisees	(20)	—	—	(20)
Other long-term assets and liabilities	(78)	—	—	(78)
Net cash provided by operating activities	1,726	—	—	1,726
Cash flows from investing activities:				
Payments for property and equipment	(106)	—	—	(106)
Net proceeds from disposal of assets, restaurant closures and refranchisings	16	—	—	16
Net payment for purchase of Firehouse Subs, net of cash acquired	(1,004)	—	—	(1,004)
Settlement/sale of derivatives, net	5	—	—	5
Other investing activities, net	(14)	—	—	(14)
Net cash used for investing activities	(1,103)	—	—	(1,103)
Cash flows from financing activities:				
Proceeds from long-term debt	1,335	—	—	1,335
Repayments of long-term debt and finance leases	(889)	—	—	(889)
Payment of financing costs	(19)	—	—	(19)
Distributions on Class A and Partnership exchangeable units	—	(974)	—	(974)
Repurchase of Partnership exchangeable units	—	—	—	—
Distributions to RBI for repurchase of RBI common shares	—	(551)	—	(551)
Capital contribution from RBI	60	—	—	60
Distributions from subsidiaries	(1,525)	1,525	—	—
(Payments) proceeds from derivatives	(51)	—	—	(51)
Other financing activities, net	(4)	—	—	(4)
Net cash used for financing activities	(1,093)	—	—	(1,093)
Effect of exchange rates on cash and cash equivalents	(3)	—	—	(3)
Increase (decrease) in cash and cash equivalents	(473)	—	—	(473)
Cash and cash equivalents at beginning of period	1,560	—	—	1,560
Cash and cash equivalents at end of period	$ 1,087	$ —	$ —	$ 1,087

RESTAURANT BRANDS INTERNATIONAL LIMITED PARTNERSHIP AND SUBSIDIARIES
Condensed Consolidating Statements of Cash Flows
(In millions of U.S. dollars)
2020

	Consolidated Borrowers	RBILP	Eliminations	Consolidated
Cash flows from operating activities:				
Net income	$ 750	$ 750	$ (750)	$ 750
Adjustments to reconcile net income to net cash provided by operating activities:				
Equity in loss (earnings) of consolidated subsidiaries	—	(750)	750	—
Depreciation and amortization	189	—	—	189
Premiums paid and non-cash loss on early extinguishment of debt	97	—	—	97
Amortization of deferred financing costs and debt issuance discount	26	—	—	26
(Income) loss from equity method investments	39	—	—	39
Loss (gain) on remeasurement of foreign denominated transactions	100	—	—	100
Net (gains) losses on derivatives	32	—	—	32
Share-based compensation and non-cash incentive compensation expense	84	—	—	84
Deferred income taxes	(208)	—	—	(208)
Other	28	—	—	28
Changes in current assets and liabilities, excluding acquisitions and dispositions:				
Accounts and notes receivable	(30)	—	—	(30)
Inventories and prepaids and other current assets	(10)	—	—	(10)
Accounts and drafts payable	(183)	—	—	(183)
Other accrued liabilities and gift card liability	6	—	—	6
Tenant inducements paid to franchisees	(22)	—	—	(22)
Other long-term assets and liabilities	23	—	—	23
Net cash provided by operating activities	921	—	—	921
Cash flows from investing activities:				
Payments for property and equipment	(117)	—	—	(117)
Net proceeds from disposal of assets, restaurant closures and refranchisings	12	—	—	12
Settlement/sale of derivatives, net	33	—	—	33
Other investing activities, net	(7)	—	—	(7)
Net cash used for investing activities	(79)	—	—	(79)
Cash flows from financing activities:				
Proceeds from revolving line of credit and long-term debt	5,235	—	—	5,235
Repayments of revolving line of credit, long-term debt and finance leases	(4,708)	—	—	(4,708)
Payment of financing costs	(43)	—	—	(43)
Distributions on Class A and Partnership exchangeable units	—	(959)	—	(959)
Repurchase of Partnership exchangeable units	—	(380)	—	(380)
Capital contribution from RBI	82	—	—	82
Distributions from subsidiaries	(1,339)	1,339	—	—
(Payments) proceeds from derivatives	(46)	—	—	(46)
Other financing activities, net	(2)	—	—	(2)
Net cash used for financing activities	(821)	—	—	(821)
Effect of exchange rates on cash and cash equivalents	6	—	—	6
Increase (decrease) in cash and cash equivalents	27	—	—	27
Cash and cash equivalents at beginning of period	1,533	—	—	1,533
Cash and cash equivalents at end of period	$ 1,560	$ —	$ —	$ 1,560

Note 20. Subsequent Events

Distributions/Dividends

On January 4, 2023, RBI paid a cash dividend of $0.54 per RBI common share to common shareholders of record on December 21, 2022. Partnership made a distribution to RBI as holder of Class A common units in the amount of the aggregate dividends declared and paid by RBI on RBI common shares and also made a distribution in respect of each Partnership exchangeable unit in the amount of $0.54 per exchangeable unit to holders of record on December 21, 2022.

On February 14, 2023, we announced that the RBI board of directors had declared a cash dividend of $0.55 per RBI common share for the first quarter of 2023. The dividend will be paid on April 5, 2023 to RBI common shareholders of record on March 22, 2023. Partnership will make a distribution to RBI as holder of Class A common units in the amount of the aggregate dividends declared and paid by RBI on RBI common shares. Partnership will also make a distribution in respect of each Partnership exchangeable unit in the amount of $0.55 per Partnership exchangeable unit, and the record date and payment date for such distribution will be the same as the record date and payment date for the cash dividend per RBI common share set forth above.

*****

GUARANTY OF PERFORMANCE

OF RBILLP

Exhibit A
03/2023

GUARANTEE OF PERFORMANCE

For value received, **Restaurant Brands International Limited Partnership**, a limited partnership organized under the laws of Ontario (the "Guarantor"), located at 130 King Street West, Suite 300, Toronto, Ontario, M5X 1E1, Canada, absolutely and unconditionally guarantees to assume the duties and obligations of **Firehouse of America, LLC**, located at 12735 Gran Bay Parkway, Suite 150, Jacksonville, Florida 32258 (the "Franchisor"), under its franchise registration in each state as identified in Item 21 of this Franchise Disclosure Document, and under its Franchise Agreement identified in its 2023 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time with residents of, or for locations in, those states. This guarantee continues until all such obligations of the Franchisor under such franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to such franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Miami, Florida on the 22 day of March, 2023.

GUARANTOR:

RESTAURANT BRANDS INTERNATIONAL LIMITED PARTNERSHIP

By: Restaurant Brands International Inc.
Its: General Partner

By: _____
Name: Matthew Dunnigan
Title: Chief Financial Officer

EXHIBIT B TO THE DISCLOSURE DOCUMENT

FORM OF

APPLICATION AND DEPOSIT AGREEMENT

APPLICATION AND DEPOSIT AGREEMENT

THIS APPLICATION AND DEPOSIT AGREEMENT (this "**Agreement**") is effective as of _____, 20___ (the "**Effective Date**"), regardless of when it is signed, by and between **FIREHOUSE OF AMERICA, LLC**, a Florida limited liability company ("**we**," "**us**" and "**our**") and _____ ("**you**" or "**your**"). You and we are sometimes referred to collectively as the "**parties**" or separately as a "**party**."

BACKGROUND INFORMATION

We grant franchises for the operation of sandwich restaurant shop specializing in large portion hot submarine style sandwiches in a unique fire-fighting atmosphere and decorum at an economical price (a "**FIREHOUSE SUBS® Restaurant**" or "**Restaurant**") to persons who meet our qualifications and are willing to undertake the investment and effort, a Franchise to own and operate a FIREHOUSE SUBS® Restaurant.

You have applied for a Franchise to own and operate a FIREHOUSE SUBS®. To determine whether to grant you a Franchise, we must evaluate your credentials. In addition, you want to make sure that operating a Restaurant is compatible with your objectives. We incur various expenses in making those evaluations and determinations.

Accordingly, the parties agree as follows:

OPERATIVE TERMS

1. **Deposit**. Contemporaneously with signing this Agreement, you have deposited $2,500 (the "**Deposit**") with us. If we grant a Franchise to you this Deposit will be credited toward the initial franchise fee payable in accordance with the Franchise Agreement. The Deposit will not bear interest. We will not establish a separate account for the Deposit. The Deposit is non-refundable and is fully earned by us when paid.

2. **Representations and Warranties**. You represent and warrant that all of the statements you made in your application are true, correct and complete.

3. **Evaluation**. As part of the screening process, you agree to personally attend and observe a minimum of 16 hours or 2 business days at a FIREHOUSE SUBS® Restaurant that we designate with our designated representative for the time periods we specify (the "**Observation Process**"). You will not be paid any compensation for the time you spend observing Restaurant operations during this Observation Process. Your participation in this process does not constitute training under any franchise agreement with us.

4. **Waiver and Release**. During the Observation Process you will personally observe operations of Restaurants and may handle equipment and supplies, you agree, attest and acknowledge that:

   (a) There is some risk of injury and harm;

   (b) You are not our employee;

   (c) Since you are not our employee, you will not be entitled to any workers compensation from us; and

(d) You waive any right to sue for damages or other relief, and release any claim you may have against us or any of our affiliates, agents, officers and directors, for any claims, losses, damages, liabilities or obligations that arise out of any injury you suffer during such work.

If someone other than you that we have approved in writing attends the Observation Process, they must sign our standard form of Liability Waiver and Release, a copy of which is attached as Exhibit "A" to this Agreement.

5. **Competitive Restrictions**. Upon our termination or expiration (if we offer, but you elect not to acquire, a franchise), you and your owners agree that, for a period of 1 year commencing on the effective date of termination or expiration or the date on which a person restricted by this Section begins to comply with this Section, whichever is later, neither you nor any of your owners will (a) act as a licensee, franchisee, licensor or franchisor of, or have any direct or indirect interest (e.g., through a spouse or child) as a disclosed or beneficial owner, investor, partner, director, officer, manager, employee, consultant, representative or agent or in any other capacity in, any Competitive Business operating within 10 miles of any other FIREHOUSE SUBS® Restaurant in operation or under construction on the later of the effective date of the termination or expiration or the date on which a person restricted by this Section complies with this Section; or (b) divert or attempt to divert any actual or potential business or customer of any FIREHOUSE SUBS® Restaurant, to any Competitive Business by direct or indirect inducements or otherwise. If any person restricted by this Section refuses voluntarily to comply with the foregoing obligations, the 1-year period will commence with the entry of an order of an arbitrator, or court if necessary, enforcing this provision. You and your owners expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive you of your personal goodwill or ability to earn a living. The term "**Competitive Business**" as used in this Agreement means any restaurant or food service facility that offers any type of sandwich, including submarine, hoagie, hero-type, deli-style, panini, steamed, wrapped or rolled, on any type of bread, including sub rolls and other bread rolls or buns, sliced bread, pita bread, flat bread, bagels and wraps; provided, however, that the term "Competitive Business" shall not apply to any business operated by you under a franchise agreement with us or our parent, subsidiary or affiliate. Notwithstanding the foregoing, the word "sandwich" in the preceding sentence does not include hot dogs, hamburgers or fried chicken sandwiches.

6. **Confidential Information**. We may disclose certain information to you regarding the System and the know-how related to its use; plans, specifications, size and physical characteristics of FIREHOUSE SUBS® Restaurants; site selection criteria, land use and zoning techniques and criteria; methods in obtaining licensing and meeting regulatory requirements; sources and design of equipment, furniture, forms, materials and supplies; marketing, advertising and promotional programs for FIREHOUSE SUBS® Restaurants; the selection, testing and training of personnel for FIREHOUSE SUBS® Restaurants; the recruitment, qualification and investigation methods to secure employment for employment candidates; any computer software we make available or recommend for FIREHOUSE SUBS® Restaurants; methods, techniques, formats, specifications, procedures, information and systems related to and knowledge of and experience in the development, operation and franchising of FIREHOUSE SUBS® Restaurants; knowledge of specifications for and suppliers of certain products, materials, supplies, furniture, furnishings and equipment; recipes, formulas, preparation methods and serving techniques; and knowledge of operating results and financial performance of FIREHOUSE SUBS® Restaurants. You acknowledge and agree that all of this information is confidential and proprietary (the "**Confidential Information**"). You will not acquire any interest in the Confidential Information. The use or duplication of any Confidential Information in any other business will constitute an unfair method of competition. You will not disclose, leak, divulge, disseminate, reveal, make available, replicate, duplicate (in any form, tangible or intangible) or otherwise communicate all or any portion of the Confidential Information to any other person or entity, or use it for any purpose other than good faith negotiations with us to obtain a Franchise Program, either directly or indirectly, unless given permission to do so in writing by us. You

will use the highest degree of care to safeguard the confidentiality of the Confidential Information and not make any copies or abstracts of the Confidential Information (intangible, printed or an intangible form) except where permitted to do so by us in writing. You will adopt and implement all reasonable procedures we may prescribe from time to time to prevent unauthorized use or disclosure of the Confidential Information.

7. **Return of Confidential Information**. If, for any reason whatsoever, you and we do not enter into a Franchise Agreement by within 60 days, you and we agree as follows:

(a) **Return**: You will immediately return to us all franchise Disclosure Documents, franchise agreements, prototypes, samples, brochures, copies, materials, duplicates, derivations, portions, extracts and any other aspects of the Confidential Information in your possession.

(b) **Copies**: You will immediately deliver to us all additional copies or other duplicates of the Confidential Information produced or created by you or us, including without limitation, all prototypes, documents, photocopies, notes, memoranda, extracts, excerpts, derivations, worksheets or other ancillary documentation containing, or derived from, Confidential Information, whether contained on paper, tangible material, tape or in computer memory banks or the storage devices including storage media that you may access from remote sites via the Internet or other shared system(s).

(c) **Destruction**. You will immediately destroy any Confidential Information or derivations which you may possess in computer memory or elsewhere in machine readable form that cannot be returned to us, thereby leaving no written evidence or intangible embodiment of the Confidential Information in your possession.

(d) **Certificate**. Within 10 days following notice from us of our demand that you return or destroy the Confidential Information, you will deliver to us a written certificate executed by a duly authorized officer on your behalf, stating that you have fully and completely discharged all of your obligations pursuant to the provisions of this Agreement and returning all of the Confidential Information not destroyed.

8. **Governing Law and Jurisdiction**. Florida law governs this Agreement. Jurisdiction and venue for any claims involving this Agreement is exclusively in the courts located in the state and in the judicial district in which we have our principal place of business. The parties irrevocably submit to the venue and jurisdiction in the state and judicial district in which we have our principal place of business.

9. **Litigation Expenses**. In any action or dispute, at law or in equity, that may arise under or otherwise relate to the terms of this Agreement, the prevailing party will be entitled to full reimbursement of its litigation expenses from the other party. Litigation expenses include attorneys' fees, defense costs, witness fees and other related expenses including paralegal fees, travel and lodging expenses and court costs. Reimbursement is due within 30 days of written notice after prevailing.

10. **Assignment**. This Agreement, and all rights and obligations of the parties, may not be assigned, subcontracted, or transferred by any party without the prior written consent of the other party.

11. **Background Information**. Both parties agree that the background information at the beginning of this Agreement is accurate.

12. **Effect**. This Agreement neither evidences, nor commits us to, an award of a Franchise to you. Any grant of a Franchise to you will be subject to a definitive Franchise Agreement mutually acceptable and signed by both you and us. However, in the meantime, you and we will naturally be expected

to investigate each others' qualifications, background and respective businesses. Thus, each of us will cooperate with each other to obtain further information in order to proceed on a mutually beneficial business basis. Neither party has any obligation to the other party other than as described in this Agreement.

13. **Effective Date**. The effective date of this Agreement is _____, 20___, regardless of the actual date of signature.

Intending to be bound, the parties sign below:

FIREHOUSE OF AMERICA, LLC

By:_____
Name:_____
Title:_____
Date:_____

By:_____
Name:_____
Date:_____

EXHIBIT "A" TO
APPLICATION AND DEPOSIT AGREEMENT

FIREHOUSE SUBS®
LIABILITY WAIVER AND RELEASE

I, _____, want to enroll in the observation and evaluation process and/or attend the training programs (the "**Observation Process**") offered by Firehouse of America, LLC ("**FOA**") in assess suitability to own, operate and/or manage a Firehouse Subs® Restaurant pursuant to a franchise agreement between FOA and either me, my employer, or a company with which I am affiliated. To induce FOA to allow me to participate in the Observation Process and/or training programs, I agree, attest and acknowledge the following:

(1) During the Observation Process and/or the training programs at a Firehouse Subs® Restaurant and through other training facilities during which I may handle or operate food service equipment and supplies and, therefore, there is a risk of injury and harm.

(2) I understand and acknowledge that I am not an employee of FOA or its affiliates for any purpose whatsoever.

(3) Since I am not an employee of FOA, I will not be entitled to any workers compensation coverage from FOA or any of its affiliates (although I may be entitled to such coverage from my own employer).

(4) I waive any right to sue for damages or other relief, and release any claim I may have against FOA and/or any of its affiliates, agents, officers and directors, for any claims, losses, damages, liabilities or obligations that arise out of any injury I suffer during and as a result of my participating in the foregoing programs with FOA.

(5) My participation in the Observation Process and/or training programs does not entitle me to a Firehouse Subs® franchise. Franchises are granted only by separate written agreements.

_____
Print Name:_____
Date:_____

_____
Witness Signature
Print Name:_____
Date:_____

EXHIBIT C1 TO THE DISCLOSURE DOCUMENT

FORM OF

FRANCHISE AGREEMENT

FIREHOUSE SUBS
FRANCHISE AGREEMENT

Between

FIREHOUSE OF AMERICA, LLC

and

_____

KEY CONTRACT DATA

RESTAURANT # _____

Effective Date of Franchise Agreement: _____, 20__

Franchisee: _____, a _____ *[corporation][limited liability company]*

Franchised Restaurant Number and Location of Franchised Restaurant (Section 1.01):

_____

Other Key Terms:

Term duration (Section 2.01):	☐ 10 years _____, 20__ (the "Commencement Date") and expire on _____, ____
Initial Franchise Fee (Section 3.01.A.):	$20,000
Renewal Fee (Section 2.02.G.):	Twenty-five percent (25%) of then-current initial franchise fee
Royalty (Section 3.01.B.):	Six percent (6%) of weekly Gross Sales
MIS Fee (Section 3.01.C.):	$1,200
System Fund Contribution (Section 3.02):	Five percent (5%) of weekly Gross Sales
Managing Owner (Section 6.04)	_____
Transfer Fee (Section 14.03.L):	Fifty percent (50%) of then-current Initial Franchise Fee
Address for Legal Notice to Franchisee (Section XX):	_____ _____ _____ _____ Attention: _____

FIREHOUSE SUBS
FRANCHISE AGREEMENT

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EXHIBIT "A" – FRANCHISEE'S MANAGING OWNER AND OWNERSHIP STRUCTURE

EXHIBIT "B" – LIABILITY WAIVER AND RELEASE

LIST OF ATTACHMENTS

The items checked below are hereby incorporated into and are made a part of this Franchise Agreement

- ☐ Deferred Renovation Addendum
- ☐ Amendment to Franchise Agreement for use in California
- ☐ Amendment to Franchise Agreement for use in Illinois
- ☐ Amendment to Franchise Agreement for use in Maryland
- ☐ Amendment to Franchise Agreement for use in Minnesota
- ☐ Amendment to Franchise Agreement for use in New York
- ☐ Amendment to Franchise Agreement for use in North Dakota
- ☐ Amendment to Franchise Agreement for use in Rhode Island
- ☐ Amendment to Franchise Agreement for use in Washington

FIREHOUSE SUBS
FRANCHISE AGREEMENT

THIS AGREEMENT (the **"Agreement"**) is made as of the effective date set forth on the Key Contract Data page, by and between **FIREHOUSE OF AMERICA, LLC**, a Florida limited liability company, having its principal place of business at 12735 Gran Bay Parkway, Suite 150, Jacksonville, Florida 32258, U.S.A. (**"Franchisor"** or **"Firehouse Subs"**), and the party identified as the franchisee on the Key Contract Data page (**"Franchisee"**).

WITNESSETH:

WHEREAS, Franchisor and its predecessor have developed, and Franchisor owns, a unique system for opening and operating restaurants specializing in the preparation, merchandising, advertising and sale of large portion submarine style sandwiches, and other quick-service menu items developed and owned by Franchisor, in a unique fire-fighting atmosphere and decorum (the **"Firehouse Subs System"** or **"System"**) and utilizing the Proprietary Marks (**"Firehouse Subs Restaurant(s)"**);

WHEREAS, the distinguishing characteristics of the Firehouse Subs System include the name "Firehouse Subs"; specially designed buildings, distinctive interior and exterior layouts, trade dress, decor, color schemes, and furnishings; confidential food and beverage formulas and recipes; specialized menus; and standards and specifications for equipment, equipment layouts, products, operating procedures, and training programs, all of which may be changed, improved, and further developed by Franchisor from time to time;

WHEREAS, Franchisor identifies the Firehouse Subs System by means of certain trade names, service marks, trademarks, logos, emblems, and other indicia of origin, including the marks "Firehouse Subs" and "Founded by Firemen" and such other trade names, service marks, trademarks and trade dress (including all forms of art displayed in the Franchised Restaurant, including murals, paintings, pictures, drawings, sculptures and photographs that Franchisor directs Franchisee to display, further including the firehouse-themed mural commissioned for the Franchised Restaurant (collectively, the **"Art"**)) as are now, or may hereafter, be designated by Franchisor for use in connection with the Firehouse Subs System (collectively referred to as the **"Proprietary Marks"**);

WHEREAS, Franchisor continues to develop, use, and control the use of such Proprietary Marks in order to identify for the public the source of services and products marketed thereunder in the Firehouse Subs System and to represent the System's high standards of quality, appearance, and service;

WHEREAS, Franchisee wishes to be assisted, trained, and licensed by Franchisor as a Firehouse Subs franchisee and licensed to use, in connection therewith, the Proprietary Marks;

WHEREAS, Franchisee understands the importance of the Firehouse Subs System and Franchisor's high and uniform standards of quality, cleanliness, appearance, and service, and the

necessity of opening and operating Firehouse Subs Restaurants in conformity with the Firehouse Subs System;

NOW, THEREFORE, the parties hereto agree as follows:

I. APPOINTMENT; OPENING OF FRANCHISED RESTAURANT

1.01. Franchisor grants to Franchisee a franchise to open and operate a Firehouse Subs Restaurant at the location set forth on the Key Contract Data page attached hereto and incorporated by reference herein (the **"Franchised Restaurant"**), only upon the terms and conditions herein contained, and a license to use the Proprietary Marks and the Firehouse Subs System in connection therewith.

1.02. Trade Area.

A. Subject to the terms and conditions of this Agreement and provided Franchisee is not otherwise in default of this Agreement and/or any other agreement between Franchisor (or any parent, subsidiary or affiliate of Franchisor) and Franchisee (or any parent, subsidiary or affiliate of Franchisee), Franchisor shall not establish, nor franchise another to establish a Firehouse Subs Restaurant, for the Term, that is physically located within a geographic area immediately surrounding the Franchised Restaurant equal to a one (1) mile radius around the Franchised Restaurant (the **"Trade Area"**), without Franchisee's prior written consent.

B. During the Term, Franchisor (and any parent, subsidiary or affiliate of Franchisor) retains the right, in its sole discretion:

1. to establish, or franchise another to establish Firehouse Subs Restaurants at Nontraditional Locations within the Trade Area. **"Nontraditional Locations"** means locations for which the majority of the persons entering the premises typically do so for purposes other than patronizing the Firehouse Subs Restaurant, including, but not limited to enclosed shopping malls, airports, military installations, hotels, railway stations and their direct surroundings, bus stations, service plazas established by governmental or quasi-governmental entities on motorways and highways, gas stations, convenience stores, universities and schools, amusement parks, cruise ships, hospitals and residences, stadiums, sports centers and clubs, and similar locations for distribution;

2. to operate, or permit others to operate, in the Trade Area: (a) Firehouse Subs Restaurants that are operating as of the effective date of this Agreement as set forth on the Key Contract Data page; (b) Firehouse Subs Restaurants that were previously operated and closed as of the effective date of this Agreement as set forth on the Key Contract Data page, provided that (i) the premises of such restaurants were most recently operated as a Firehouse Subs Restaurant and (ii) such restaurants reopen within three (3) years of their respective closing dates; and (c) Firehouse Subs Restaurants to be operated pursuant to franchise agreements already executed at the time of this Agreement;

3. to sell and provide the services authorized for sale by Firehouse Subs Restaurants under the Propietary Marks or other trade names, trademarks, service marks and commercial symbols through similar or dissimilar channels (like telephone, mail order, kiosk, co-branded sites and sites located within other retail businesses, Intranet, Internet, web sites, wireless, email or other forms of e-commerce) for distribution within the Trade Area and pursuant to such terms and conditions as Franchisor considers appropriate.

1.03 No Trade Area for Nontraditional Locations. The provisions of the above Section 1.02.A. shall not apply to Firehouse Subs Restaurants located at Nontraditional Locations. Firehouse Subs Restaurants located at Nontraditional Locations do not receive Trade Areas.

1.04. Limited Exclusivity. Except as expressly set forth herein: (i) the franchise granted to Franchisee under this Agreement is non-exclusive, and grants to Franchisee the rights to establish and operate the Franchised Restaurant at only the specific location set forth on the Key Contract Data page; (ii) no exclusive, protected or other territorial rights within or outside the market where the Franchised Restaurant is located are hereby granted or to be inferred; and (iii) Franchisor and/or its parents, subsidiaries or affiliates have the right to operate and grant as many other franchises for the operation of Firehouse Subs Restaurants, anywhere in the world, as they shall, in their sole discretion, elect.

1.05. Right to Open the Franchised Restaurant.

A. Prior to opening the Franchised Restaurant (or re-opening the Franchised Restaurant in the case of a transfer of an existing Franchised Restaurant), Franchisor reserves the right to conduct a final inspection of the Franchised Restaurant and its premises to determine if Franchisee has complied with this Agreement. Franchisor shall not be liable for delays or loss occasioned by its inability to complete its inspection prior to Franchisee's scheduled opening date. Franchisee shall not open the Franchised Restaurant for business without the express written authorization of Franchisor, which may be withheld unless Franchisee has satisfied the following conditions:

1. Franchisee is not in material default under this Agreement or any other agreements with Franchisor.

2. Franchisee is current on all monetary obligations due Franchisor and Franchisor's suppliers and has paid Franchisor the balance of the initial fees required by this Agreement and any amendment to this Agreement.

3. Franchisee has constructed the Franchised Restaurant substantially in accordance with plans approved by Franchisor and with applicable laws, ordinances and local codes.

4. Franchisee has decorated the interior of the Franchised Restaurant and purchased or leased and installed all specified and required fixtures, equipment, furnishings and signs substantially in accordance with Franchisor's standards and

specifications and only from suppliers designated or approved by Firehouse Subs, which may include Franchisor.

5. Franchisee has obtained a certificate of occupancy and all other required building, utility, health, sign, sanitation, safety or fire department certificates, and other permits and licenses applicable to the Franchised Restaurant. If requested by Franchisor, Franchisee shall submit a copy of the certificate of occupancy to Franchisor.

6. Franchisee has hired and trained a staff in accordance with the requirements of this Agreement.

7. Franchisee has purchased an opening inventory for the Franchised Restaurant of only authorized and approved products and other materials and supplies.

8. If Franchisee leases the location of the Franchised Restaurant, Franchisor has been furnished with a copy of a fully executed lease for the location of the Franchised Restaurant, and Franchisee is current on all monetary obligations due to Franchisee's landlord.

9. Franchisee has furnished to Franchisor copies of all insurance policies required by this Agreement or such other evidence of insurance coverage and payment of premiums as Franchisor reasonably may request.

II. TERM

2.01. Except as otherwise provided in this Agreement, the initial term of this Agreement (the **"Term"**) shall be for the period of time set forth on the Key Contract Data page, which shall commence on the date set forth on the Key Contract Data page (as determined by Franchisor). Franchisee agrees and shall be obligated to operate the Franchised Restaurant and perform hereunder for the full Term. Notwithstanding anything set forth below, if Franchisee continues to operate the Franchised Restaurant after the end of the Term without express written authorization from Franchisor to do so and does not renew this franchise in accordance with this Section, Franchisee shall be deemed to be operating such Franchised Restaurant on a month-to-month basis under the terms and conditions of this Agreement and Franchisor may terminate this Agreement at any time after the end of the Term upon thirty (30) days prior written notice.

2.02. Franchisee may, at its option, renew this franchise for one (1) additional period of ten (10) years (the **"Renewal Term"**), provided that, at the time of renewal:

A. Franchisee gives Franchisor written notice of such election to renew not less than six (6) months nor more than twelve (12) months prior to the end of the initial Term;

B. Franchisee executes Franchisor's then-current standard form of franchise agreement, which may differ from this Agreement as to ownership requirements and

include a higher royalty fee and a higher system fund contribution, if any, than that contained in this Agreement; and the term of which shall be the Renewal Term as specified in Section 2.02. hereof;

C. Franchisee executes a general release in a form prescribed by Franchisor of any and all claims against Franchisor and its parents, subsidiaries, and affiliates, and their respective officers, directors, agents, and employees;

D. Franchisee is in "good standing" and not otherwise in default of any provision of this Agreement, or any amendment hereof or successor hereto, or any other agreement between Franchisee and Franchisor, or any parent, subsidiary or affiliate of Franchisor, and Franchisee has fully and faithfully performed all of Franchisee's obligations throughout the Term. For the purposes of this Agreement, Franchisee shall be considered in "good standing" if Franchisee is in compliance with the terms and conditions of this Agreement and the following conditions:

1. Any and all amounts owed to Franchisor and/or its parent, subsidiaries or affiliates under any agreement between Franchisor and Franchisee, are current (*i.e.,* there are no amounts delinquent), including Royalty, System Fund Contribution, lease payments, promissory note payments, and all related documents, reports and financial statements have been provided as required by Franchisor;

2. Franchisee's operation of any and all restaurants and/or other businesses operated under any agreement between Franchisee and Franchisor (or any parent, subsidiary or affiliate of Franchisor) are in compliance with the standards set forth in the respective franchise agreements and manuals applicable to such restaurants and/or businesses, or as otherwise set forth in writing;

3. Franchisee does not, at such time, operate any franchised restaurant which has failed to meet Franchisor's quality, service and/or cleanliness standards applicable to such restaurant;

4. Franchisee is in compliance with all the material terms and conditions of any and all agreements between Franchisee and Franchisor, including any franchise agreement, development agreement, lease agreement, promissory note;

5. There is, at such time, no pending or threatened litigation between Franchisee and Franchisor (or any parent, subsidiary of affiliate of Franchisor); and

6. Franchisee meets all then-current financial ratios that Franchisor uses to evaluate new franchisees for financial approval.

E. Franchisee has paid or otherwise satisfied all monetary obligations owed by Franchisee to Franchisor and its parents, subsidiaries and affiliates and any indebtedness

of Franchisee which is guaranteed by Franchisor, and Franchisee has timely paid or otherwise satisfied these obligations throughout the Term;

F. Franchisee has, at its sole cost and expense, reimaged, renovated, refurbished and modernized the Franchised Restaurant, within three (3) years prior to the end of the Term, including the building design, parking lot, landscaping, equipment, signs, interior and exterior decor items, fixtures, furnishings, trade dress, color scheme, presentation of trademarks and service marks, supplies and other products and materials to meet Franchisor's then-current standards, specifications and design criteria for Firehouse Subs Restaurants, as contained in the then-current franchise agreement, the Manual, or otherwise communicated by Franchisor in writing, including such structural changes, remodeling and redecoration and such modifications to existing improvements as may be necessary to do so; and

G. Franchisee shall pay to Franchisor a renewal fee in an amount equal to twenty-five percent (25%) of Franchisor's then-current standard, initial franchise fee when Franchisee signs the franchise agreement for the Renewal Term.

III. FEES

3.01. In consideration of the franchise granted to Franchisee herein, Franchisee shall pay to Franchisor the following:

A. An initial franchise fee equal to the amount set forth as the "Initial Franchise Fee" on the Key Contract Data page (**"Initial Franchise Fee"**) payable prior to the opening of the Franchised Restaurant for business to the public. Such Initial Franchise Fee shall be fully earned by Franchisor upon payment by Franchisee.

B. A recurring, non-refundable royalty fee equal to the amount set forth as the "Royalty" on the Key Contract Data page (**"Royalty"**) during the Term, payable weekly (or on such other basis as may be set forth in the Manual or otherwise agreed to in writing by Franchisor) on the Gross Sales of the preceding week.

C. A recurring fee for the use of Franchisor's mandated management information system equal to the amount set forth as the "MIS Fee" on the Key Contract Data page (**"MIS Fee"**) during the Term, payable on or before the 1st day of January each year (or on such other basis as may be set forth in the Manual or otherwise agreed to in writing by Franchisor). Upon signing this Agreement, Franchisee shall pay a proportionate share of the MIS Fee to cover the period from the Effective Date as set forth on the Key Contract Data page through December 31 of that year and commence the annual MIS Fee on January 1 of the next year. Franchisor will maintain the management information system. The MIS Fee does not cover, and Franchisor will not perform, bookkeeping, reporting or tax return services.

3.02. In addition to the payments provided for in Section 3.01. hereof, Franchisee, recognizing the value of advertising and the importance of the standardization of advertising and

promotion to the goodwill and public image of the System, (i) acknowledges that Franchisor has established a system advertising fund (the **"System Fund"**) for such advertising, marketing and public relations programs and materials on a system-wide basis that Franchisor deems necessary or appropriate in its sole discretion, and (ii) agrees to pay to the System Fund a recurring, non-refundable system fund contribution in an amount to be determined by Franchisor, in its sole discretion, not to exceed the amount set forth as the "System Fund Contribution" on the Key Contract Data page **("System Fund Contribution")** for the preceding week, payable weekly (or on such other basis as may be set forth in the Manual or otherwise agreed to in writing by Franchisor). The System Fund Contribution shall be expended by Franchisor in accordance with the following conditions and limitations:

A. Franchisor will direct all programs financed by the System Fund, with sole discretion over the creative concepts, materials and endorsements, and the geographic, market and media placement and allocation. Franchisee agrees that the System Fund may be used to pay the costs of preparing and producing video, audio and written advertising materials; administering regional and multi-regional advertising programs, including, without limitation, purchasing direct mail and other media advertising and employing advertising, promotion and marketing agencies; marketing and advertising training programs and materials; and supporting public relations, market research and other advertising, promotion and marketing activities. The System Fund periodically will furnish Franchisee with samples of advertising, marketing and promotional formats and materials at no additional cost. Multiple copies of such materials will be furnished to Franchisee at Franchisor's direct cost of producing them, plus any related shipping, handling and storage charges.

B. The System Fund will be accounted for separately from other funds of Franchisor and will not be used to defray any of Franchisor's general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead, including rent and utilities, as Franchisor may incur in activities related to the administration of the System Fund and its programs, including, without limitation, conducting market research, preparing advertising, promotion and marketing materials and collecting and accounting for contributions to the System Fund. All interest earned on monies contributed to the System Fund will be used to pay advertising costs before other assets of the System Fund are expended. Franchisor may spend, on behalf of the System Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Firehouse Subs Restaurants to the System Fund in that year. The System Fund may borrow from Franchisor or others to cover deficits or invest any surplus for future use. If Franchisor lends money to the System Fund, Franchisor may charge interest at an annual rate one percent (1%) greater than the rates Franchisor pays its lenders. Franchisor will prepare an annual statement of monies collected and costs incurred by the System Fund and furnish the statement to Franchisee upon written request. Franchisor administers the System Fund through a separate incorporated Florida non-profit corporation, which has all of the rights and duties specified in this Agreement. Franchisor may change that arrangement at any time and either administer the System Fund directly or through another entity. If the System Fund is terminated, all unspent monies, less any outstanding accounts payable and other obligations, on the date of termination will be distributed to Firehouse Subs franchisees in proportion to their respective System Fund Contributions to the System Fund during the preceding twelve (12) weeks. Franchisor and its

affiliates will contribute to the System Fund on the same basis as franchise owners for any Firehouse Subs Restaurants they own and operate.

C. Franchisee acknowledges that the System Fund is intended to maximize recognition of the Proprietary Marks and patronage of Firehouse Subs Restaurants. Although Franchsor will endeavor to utilize the System Fund to develop advertising and marketing materials and programs and to place advertising that will benefit all Firehouse Subs Restaurants, Franchisor undertakes no obligation to ensure that expenditures by the System Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the System Fund by the Firehouse Subs Restaurants operating in that geographic area or that any Firehouse Subs Restaurant will benefit directly or in proportion to its contribution to the System Fund from the development of advertising and marketing materials or the placement of advertising. Except as expressly provided in this Section, Franchisor assumes no direct or indirect liability or obligation to Franchisee with respect to maintaining, directing, administering or collecting amounts due to the System Fund.

3.03. For the purposes of this Agreement, the term **"Gross Sales"** shall mean all revenues generated by Franchisee's business conducted upon, from or with respect to the Franchised Restaurant, whether such sales are evidenced by cash, check, credit, charge, account, barter or exchange. Gross Sales shall include monies or credit received from the sale of food and merchandise, from tangible property of every kind and nature, promotional or otherwise, and for services performed from or at the Franchised Restaurant, including such off-premises services as catering and delivery. Gross Sales shall not include the sale of food or merchandise for which refunds have been made in good faith to customers, the sale of equipment used in the operation of the Franchised Restaurant, nor shall it include sales, meals, use or excise tax imposed by a governmental authority directly on sales and collected from customers; provided that the amount for such tax is added to the selling price or absorbed therein, and is actually paid by Franchisee to such governmental authority.

3.04. Franchisee's payment of the Initial Franchise Fee, Royalty and System Fund Contributions shall be in accordance with the following terms and requirements:

A. Franchisee shall participate in Franchisor's then-current electronic funds transfer program authorizing Franchisor to utilize a pre-authorized bank draft system. All Royalty and System Fund Contributions applicable to the Gross Sales and other amounts owed under this Agreement, including interest charges must be received by Franchisor or credited to Franchisor's account by pre-authorized bank debit before 5:00 p.m. on the 12th day following the issuance of each invoice, or at a later point specified by Franchisor from time to time (**"Due Date"**). On each Due Date, Franchisor will transfer from the Franchised Restaurant's commercial bank operating account (**"Account"**) the amount reported to Franchisor in Franchisee's remittance report or determined by Franchisor by the records contained in the POS System and the BOH System (as defined below) of the Franchised Restaurant.

B. Franchisee shall: (i) comply with payment procedures specified by Franchisor in the Manual or otherwise in writing; (ii) a minimum of five (5) business days prior to the opening date, deliver to Franchisor an authorization in such form as Franchisor

may designate to initiate debit entries and/or credit correction entries to the Account for payments of the Royalty, System Fund Contributions and other amounts payable under this Agreement, including any interest charges; (iii) promptly upon request, perform those acts and sign and deliver those documents as may be necessary to accomplish payment by electronic funds transfer as described in this Section 3.04; and (iv) make sufficient funds available in the Account for withdrawal by electronic funds transfer no later than the Due Date for payment thereof.

C. Failure by Franchisee to have sufficient funds in the Account shall constitute a default of this Agreement pursuant to Section 15.03. Additionally, Franchisor may assess and debit from the Account a reasonable administrative charge for each notification of insufficient funds. Franchisee shall not be entitled to set off, deduct or otherwise withhold any Royalty, System Fund Contributions, interest charges or any other monies payable by Franchisee under this Agreement on grounds of any alleged non-performance by Franchisor of any of its obligations or for any other reason.

3.05. Notwithstanding the provisions of Section 3.04, Franchisor reserves the right to modify, at its option, the method by which Franchisee pays the Initial Franchise Fee, Royalty, System Fund Contributions and other amounts owed under this Agreement, including interest charges, upon receipt of written notice from Franchisor.

3.06. If any monetary obligations owed by Franchisee to Franchisor and/or its parents, subsidiaries and affiliates are more than seven (7) days overdue, Franchisee shall, in addition to such obligations, pay to Franchisor a sum equal to one and one-half percent (1.5%) of the overdue balance per month, or the highest rate permitted by law, whichever is less, from the date said payment is due.

3.07. All Royalties, System Fund Contributions, amounts due for purchases by Franchisee from Franchisor, and any interest accrued thereon, and any other amounts which Franchisee owes Franchisor, or Franchisor's subsidiaries, parents or affiliates, are subject to a late payment fee of $250 for payment or report received by Franchisor five (5) days after its due date. The late payment fee is due immediately on any delinquent payments and for dishonored checks. In the event that Franchisee is delinquent in providing payment or reports on such basis as may be set forth in the Manual or otherwise agreed to in writing by Franchisor, Franchisor may require Franchisee to pay all amounts due Franchisor by electronic transfer or cashier's check.

IV. ACCOUNTING AND RECORDS

4.01. Accurate Books and Records. During the Term and for seven (7) years following expiration or termination of this Agreement, Franchisee shall maintain and preserve, full, complete and accurate books, records and accounts in accordance with generally accepted accounting principles and in the form and the manner prescribed by Franchisor from time-to-time in the Manual or otherwise in writing. These records shall include daily and weekly sales records, daily and weekly sales mix records, meals, sales and other tax returns, duplicate deposit slips and other evidence of Gross Sales and all other business transactions.

4.02. Royalty Reports. Franchisee shall submit to Franchisor, no later than the date each weekly Royalty payment is due during the Term, a report on forms prescribed by Franchisor, accurately reflecting all Gross Sales during the preceding week and such other forms, reports, records, financial statements or information as Franchisor may reasonably require in the Manual, or otherwise in writing. Franchisor may require Franchisee to submit such written reports in addition to the Gross Sales information transmitted to Franchisor by Franchisee's POS and BOH Systems (as defined below).

4.03. Periodic Statements. Franchisee shall, at its expense, submit to Franchisor: (i) each Period (as defined below), month or quarter, as determined by Franchisor, within twenty (20) days following the end of each Period, month or quarter of the Term hereof, profit and loss statements with such detail and in a format as Franchisor may reasonably require; and (ii) quarterly, within twenty (20) days following the end of each quarter during the Term hereof, an unaudited financial statement including an income statement, balance sheet and statement of cash flow, with such detail and in a format as Franchisor may reasonably require (**"Quarterly Statement"**), together with a certificate executed by Franchisee stating that such financial statement is true and accurate. Upon Franchisor's request, Franchisee shall submit to Franchisor, with each Quarterly Statement, copies of any state or local sales tax returns (**"Sales Tax Returns"**) filed by Franchisee for the period included in the Quarterly Statement. In the event Franchisee prepares financial statements on the basis of thirteen (13), four (4) week periods (**"Periods"**), the Quarterly Statements shall be submitted within twenty (20) days following the end of the fourth (4^{th}), seventh (7^{th}), tenth (10^{th}) and thirteenth (13^{th}) Periods.

4.04. Annual Financial Statements. Franchisee shall, at its expense, submit to Franchisor within sixty (60) days following the end of each calendar or fiscal year during the Term, an unaudited financial statement for the preceding calendar or fiscal year, including an income statement, balance sheet and statement of cash flow, with such detail and in a format as Franchisor may reasonably require, together with a certificate executed by Franchisee certifying that such financial statement is true and accurate (**"Annual Financial Statements"**) and such other information in such form as Franchisor may reasonably require. Upon written request from Franchisor, the foregoing Annual Financial Statement shall include a profit and loss statement and balance sheet for the Franchised Restaurant, and shall be prepared in accordance with generally accepted accounting principles. In the event Franchisee defaults under this Agreement, including, but not limited to, by submitting late payments or late reports, or understating Gross Sales by over two percent (2%) twice or more duirng any eighteen-month (18-month) period, Franchisor may require, upon written notice to Franchisee, that all Annual Financial Statements submitted thereafter include a "Review Report" prepared by an independent Certified Public Accountant.

4.05. Other Reports. Franchisee shall also submit to Franchisor, for review or auditing, such other forms, financial statements, reports, records, information and data as Franchisor may reasonably designate, in the form and at the times and places reasonably required by Franchisor, upon request and as specified from time-to-time in the Manual or otherwise in writing. If Franchisee has combined or consolidated financial information relating to the Franchised Restaurant with that of any other business or businesses, including a business licensed by Franchisor, Franchisee shall simultaneously submit to Franchisor, for review or auditing, the forms, reports, records and financial statements (including the Quarterly Statements and Annual

Financial Statements) which contain the detailed financial information relating to the Franchised Restaurant, separate and apart from the financial information of such other businesses. Franchisee hereby authorizes all of its suppliers and distributors to release to Franchisor, upon Franchisor's request, any and all of its books, records, accounts or other information relating to goods, products and supplies sold to Franchisee and/or the Franchised Restaurant.

4.06. Franchisor's Right of Audit. Franchisor or its designated agents or auditors shall have the right at all reasonable times to audit, review and examine by any means, including electronically through the use of telecommunications devices or otherwise, at its expense, the books, records, accounts, and tax returns of Franchisee related to the Franchised Restaurant. If any such audit, review or examination reveals that Gross Sales have been understated in any report to Franchisor, Franchisee shall immediately pay to Franchisor the Royalty and System Fund Contribution due with respect to the amount understated upon demand, in addition to interest from the date such amount was due until paid, at the rate of one and one-half percent (1.5%) per month. If any such understatement exceeds two percent (2%) of Gross Sales as set forth in the report, Franchisee shall, in addition, upon demand, reimburse Franchisor for any and all costs and expenses connected with such audit, review or examination (including reasonable accounting and attorneys' fees). The foregoing remedies shall be in addition to any other rights and remedies Franchisor may have.

4.07 Reporting. Franchisee must report Gross Sales and other business information to Franchisor using the format, reporting system and accounting system (the "**Accounting System**") that Franchisor requires from time to time. The Accounting System resides at a location Francisor designates, and Franchisee must establish access to the Accounting System via the Internet at Franchisee's cost, with its own internet service provider, with access via IDSL or such other means or baud width Franchisor designates. Franchisor may periodically change the Accounting System and the suppliers of accounting services. Franchisor may require Franchisee to use approved computer hardware and software in order to maintain the Accounting System and other communication processes.

4.08 Financial Ratios. Franchisee shall at all times meet all then-current financial ratios Franchisor uses to evaluate Firehouse Subs franchisees for financial approval to expand in the System, and Franchisee's failure to meet such financial ratios shall constitute a default of this Agreement pursuant to Section 15.03.

V. PROPRIETARY MARKS AND ART

5.01. It is understood and agreed that the franchise granted herein to use Franchisor's Proprietary Marks applies only to use in connection with the operation of the Franchised Restaurant franchised in this Agreement at the location set forth on the Key Contract Data page, and includes only such Proprietary Marks as are now designated or which may hereafter be designated, in the Manual or otherwise in writing as a part of the System (which might or might not be all of the Proprietary Marks pertaining to the System owned by Franchisor), and does not include any other mark, name, or indicia of origin of Franchisor now existing or which may hereafter be adopted or acquired by Franchisor.

5.02. With respect to Franchisee's use of the Proprietary Marks pursuant to this Agreement, Franchisee acknowledges and agrees that:

A. Franchisee shall not use the Proprietary Marks as part of Franchisee's corporate or other business name;

B. Franchisee shall not hold out or otherwise use the Proprietary Marks to perform any activity or incur any obligation or indebtedness in such manner as might, in any way, make Franchisor liable therefore, without Franchisor's prior written consent;

C. Franchisee shall execute any documents and provide such other assistance deemed necessary by Franchisor or its counsel to obtain protection for the Proprietary Marks or to maintain the continued validity of such Proprietary Marks; and

D. Franchisor reserves the right to substitute different Proprietary Marks for use in identifying the System and the franchised businesses operating thereunder, and Franchisee agrees to immediately substitute Proprietary Marks upon receipt of written notice from Franchisor.

5.03. Franchisee expressly acknowledges Franchisor's exclusive right to use the mark "Firehouse Subs" for restaurant services, submarine style sandwiches, and other related food products; the building configuration; and the other Proprietary Marks of the System. Franchisee agrees not to represent in any manner that it has any ownership in the Proprietary Marks or the right to use the Proprietary Marks except as provided in this Agreement. Franchisee further agrees that its use of the Proprietary Marks shall not create in its favor any right, title, or interest in or to the Proprietary Marks, and that all of such use shall inure to the benefit of Franchisor.

5.04. Franchisee acknowledges that the use of the Proprietary Marks outside the scope of this license, without Franchisor's prior written consent, is an infringement of Franchisor's exclusive right to use the Proprietary Marks, and during the Term and after the expiration or termination hereof, Franchisee covenants not to, directly or indirectly, commit an act of infringement or contest or aid in contesting the validity or ownership of Franchisor's Proprietary Marks, or take any other action in derogation thereof.

5.05. Franchisee shall promptly notify Franchisor of any suspected infringement of, or challenge to, the validity of the ownership of, or Franchisor's right to use, the Proprietary Marks licensed hereunder. Franchisee acknowledges that Franchisor has the right to control any administrative proceeding or litigation involving the Proprietary Marks. In the event Franchisor undertakes the defense or prosecution of any litigation relating to the Proprietary Marks, Franchisee agrees to execute any and all documents and to do such acts and things as may, in the opinion of counsel for Franchisor, be necessary to carry out such defense or prosecution. Except to the extent that such litigation is the result of Franchisee's use of the Proprietary Marks in a manner inconsistent with the terms of this Agreement, Franchisor agrees to reimburse Franchisee for its out-of-pocket costs in doing such acts and things, except that Franchisee shall bear the salary costs of its employees.

5.06. Franchisee understands and agrees that its license with respect to the Proprietary Marks is non-exclusive to the extent that Franchisor has and retains the right under this Agreement:

A. To grant other licenses for the Proprietary Marks, in addition to those licenses already granted to existing franchisees;

B. To develop and establish other franchise systems for the same, similar, or different products or services utilizing proprietary marks not now or hereafter designated as part of the System licensed by this Agreement, and to grant licenses thereto, without providing Franchisee any right therein; and

C. To develop and establish other systems for the sale, at wholesale or retail, of similar or different products utilizing the same or similar Proprietary Marks, without providing Franchisee any right therein.

5.07. Franchisee acknowledges and expressly agrees that any and all goodwill associated with the Art and the System and identified by the Proprietary Marks used in connection therewith shall inure directly and exclusively to the benefit of Franchisor and is the property of Franchisor, and that upon the expiration or termination of this Agreement or any other agreement, no monetary amount shall be assigned as attributable to any goodwill associated with any of Franchisee's activities in the operation of the Franchised Restaurant granted herein, or Franchisee's use of the Proprietary Marks or the Art.

5.08. Franchisee understands and acknowledges that each and every detail of the Firehouse Subs System is important to Franchisee, Franchisor, and other franchisees in order to develop and maintain high and uniform standards of quality and services, and hence to protect the reputation and goodwill of Firehouse Subs Restaurants. Accordingly, Franchisee covenants:

A. To operate and advertise the Franchised Restaurant, at Franchisee's own expense, under the name "Firehouse Subs", without prefix or suffix;

B. To adopt and use the Proprietary Marks licensed hereunder solely in the manner prescribed by Franchisor; and

C. To observe such reasonable requirements with respect to trademark registration notices as Franchisor may from time to time direct in the Manual or otherwise in writing.

5.09. In order to preserve the validity and integrity of the Proprietary Marks licensed herein and to assure that Franchisee is properly employing the same in the operation of the Franchised Restaurant, Franchisor or its agents shall at all reasonable times have the right to inspect Franchisee's operations, premises, and Franchised Restaurant and make periodic evaluations of the services provided and the products sold and used therein. Franchisee shall cooperate with Franchisor's representatives in such inspections and render such assistance to the representatives as may reasonably be requested.

5.10. Franchisor owns all intellectual property rights (including copyrights) in and to the Art. Franchisee's license to use the Art is strictly limited to use in connection with the operation of the Franchised Restaurant franchised under this Agreement at the location designated in Section 1.01 hereof, and Franchisee shall not assign such license without the prior written consent of Franchisor. Franchisee acknowledges and agrees that Franchisee will not allow any of the Art to become a fixture of the Franchised Restaurant and Franchisee will not display or use the Art in any Disqualifying Restaurant or restaurant of any kind, other than the Franchised Restaurant.

5.11 If Franchisee commissions any Art for the Franchised Restaurant or for any use in connection with the operation of the Franchised Restaurant, Franchisee will be responsible for requiring the artist and any other person who may claim copyrights, moral rights, privacy rights, publicity rights or any other intellectual property rights in or to that Art (including any aspect of the content or composition of it), to assign to Franchisor all rights, title and interest in and to the Art. To the extent such assignment is not possible or obtainable, Franchisee must require that such persons failing to grant to Franchisor such assignment grant to Franchisor an unconditional, royalty free, world-wide, multi-site, multi user, irrevocable, freely assignable license to use, license, modify, reproduce, make commercial use of, and make derivative works from or of, the Art and all attributes of and to the Art. Franchisee agrees to, prior to commissioning, utilizing, purchasing or licensing any Art, require all persons who claim intellectual property, privacy, publicity or moral rights in or to the Art (other than Franchisor) sign such assignments or licenses as Franchisor may designate from time to time. Franchisor may also hire artists to commission the Art and Franchisee will be required to pay to Franchisor the then current fees for commissioning shipment or installation of the Art, which will be due, at Franchisor's option, prior to commencement of the work by the artist, or prior to shipment, upon delivery or otherwise in accordance with applicable policies and procedures Franchisor may establish from time to time. Franchisee's payment to Franchisor of fees for commissioning the Art will not be deemed Franchisee's purchase of the Art and only constitutes payment to Franchisor to help, in whole or in part, offset Franchisor's cost to commission the Art.

5.12 Franchisee will not (i) make any express or implied representations to any person that Franchisee owns the Art or has rights in or to it that are superior to Franchisor's rights in and to it, (ii) grant or purport to grant any security interest or lien in or on any of the Art to any other person, or (iii) permit or suffer to exist any lien on any of the Art in favor of any other person. Franchisee must discharge at Franchisee's expense any lien asserted against the Art (other than liens imposed thereon by Franchisor's acts or omissions) and to take such steps as may be necessary, from time to time, to preserve all of Franchisor's rights in the Art against third parties.

VI. ORGANIZATION OF FRANCHISEE

6.01. Franchisee makes the following representations, warranties and covenants to Franchisor:

A. If Franchisee is a legal entity such as a business corporation, partnership, limited liability company or other legal entity, Franchisee represents, warrants and agrees that: (i) Franchisee is duly organized, in good standing, and validly existing under the laws of the state of its organization; (ii) Franchisee is duly qualified to transact business in (and

is in good standing in) the state in which the Franchised Restaurant is located; (iii) Franchisee's governing documents permit execution of this Agreement and the development and operation of the Franchised Restaurant; (iv) unless waived in writing by Franchisor, Franchisee's governing documents shall at all times provide that Franchisee's activities are restricted to those necessary solely for the development, ownership and operation of the Franchised Restaurant in accordance with this Agreement and any other agreements entered into with Franchisor or its parent, subsidiaries or affiliates; and (v) one owner of Franchisee is and shall be the chief executive officer or managing member of Franchisee, holding such office or offices as may be necessary to maintain and exercise the actual power and authority actively to direct the affairs of Franchisee.

B. If Franchisee is an individual, a group of individuals or a partnership comprised solely of individuals, Franchisee makes the following additional representations and warranties: (i) each individual has executed this Agreement; (ii) each individual shall be jointly and severally bound by, and personally liable for the timely and complete performance and a breach of, each and every provision of this Agreement; and (iii) notwithstanding any transfer to a business entity formed for convenience of ownership, each individual shall continue to be jointly and severally bound by, and personally liable for the timely and complete performance and a breach of, each and every provision of this Agreement.

6.02. Franchisee shall furnish to Franchisor, upon execution or any subsequent transfer of this Agreement, as applicable, true and complete copies of the articles or certificate of incorporation, articles of organization, membership agreement, partnership agreement, bylaws, subscription agreements, buy-sell agreements, voting trust agreements and all other documents relating to the ownership, organization, capitalization, management and control of Franchisee and all amendments thereto and a list of shareholders, members or owners showing the percentage interest of each. When any of these governing documents are modified or changed, Franchisee promptly shall provide copies to Franchisor. Franchisee may not change the form of its entity unless Franchisor mutually agrees in writing that such a change is warranted. Franchisee shall promptly furnish Franchisor, on a regular basis, with certified copies of such business records material to the Franchised Restaurant as Franchisor may require from time to time in the Manual or otherwise in writing.

6.03. Restrictive Legend.

A. If Franchisee is a corporation, Franchisee shall maintain stop-transfer instructions against the transfer, on its records, of any securities with voting rights, subject to the restrictions of this Agreement, and each stock certificate of the corporate Franchisee representing each share of stock, shall have conspicuously endorsed upon it the following legend: "Any assignment or transfer of this stock is subject to the restrictions imposed on assignment by the Firehouse Subs Franchise Agreement with Firehouse of America, LLC dated [INSERT AGREEMENT DATE] to which the corporation is a party."

B. If Franchisee is a limited liability company, each membership or management certificate shall have conspicuously endorsed upon its face the following

statement: "Any assignment or transfer of an interest in this limited liability company is subject to the restrictions imposed on assignment by the Firehouse Subs Franchise Agreement with Firehouse of America, LLC dated [INSERT AGREEMENT DATE] to which the limited liability company is a party."

C. If Franchisee is a partnership, Franchisee's written partnership agreement shall provide that ownership of an interest in the partnership is held, and that further assignment or transfer thereof, is subject to all restrictions imposed on assignment by this Agreement.

6.04. Franchisee represents, warrants, and covenants to Franchisor that the information set forth on **Exhibit "A"** is and will be, true, correct, and complete at all times during the Term (including the identity of all of the individuals with an ownership interest in Franchisee, the amount of such ownership interest, and other information specified). Without limiting the generality of the foregoing, Franchisee acknowledges its understanding of Franchisor's requirement that an individual "Managing Owner" be named and be granted the authority by Franchisee to bind Franchisee in any dealings with Franchisor and its parents, subsidiaries, and affiliates and to direct any action necessary to ensure compliance with this Agreement and any other agreements relating to the Franchised Restaurant. The Managing Owner shall, at all times, (a) own ten percent (10%) or more of the legal or beneficial interest in Franchisee (or alternatively, have the right to receive ten percent (10%) or more of the operating profits of the Franchised Restaurant), and (b) meet Franchisor's then current criteria for Managing Owners. Clause (a) of the immediately preceding sentence of this Section 6.04 shall not apply if Franchisee was a publicly held entity or a wholly-owned subsidiary of a publicly held entity as of the date of the first franchise related agreement between Franchisee and Franchisor. Franchisee represents, warrants, and covenants to Franchisor that the Managing Owner designated on the Key Contract Data page and in **Exhibit "A"** has, and will have throughout the Term, the authority to bind Franchisee in any dealings with Franchisor and its parents, subsidiaries, and affiliates and to direct any action necessary to ensure compliance with this Agreement and any other agreements relating to the Franchised Restaurant. Franchisee agrees to furnish Franchisor with such evidence as Franchisor may request from time to time for the purpose of assuring Franchisor that the Managing Owner's authority remains as represented in this Agreement. Franchisee shall promptly advise Franchisor in writing of any proposed change to the information set forth on the Key Contract Data page and in **Exhibit "A"** and thereafter comply with the applicable provisions of this Agreement. No change in the Managing Owner may be made without the prior written consent of Franchisor. If Franchisor provides consent to a change in Managing Owner, such new Managing Owner shall execute an Owner's Guaranty unless waived by Franchisor in its sole discretion or unless otherwise provided in accordance with Section 6.05 herein. If the Managing Owner dies or becomes incapacitated, then within sixty (60) days thereafter, Franchisee shall name a new Managing Owner approved by Franchisor pursuant to Franchisor's then current criteria for approving Managing Owners.

6.05. Unless Franchisee is a publicly-held entity, all of Franchisee's officers, directors and all holders of a legal or beneficial interest in Franchisee of ten percent (10%) or more shall jointly and severally guarantee Franchisee's payment and performance under this Agreement and also shall bind themselves to the terms of this Agreement pursuant to an Owner's Guaranty, in a form acceptable to Franchisor. Franchisor reserves the right, in its sole discretion, from time to

time upon consideration of certain circumstances presented by Franchisee such as for family estate planning purposes, to waive the requirement that some or all of the previously described individuals execute the Owner's Guaranty. Franchisor reserves the right to require any guarantor to provide personal financial statements to Franchisor from time to time.

6.06 Unless waived in writing by Franchisor, the Managing Owner shall also meet all of the following qualifications:

A. The Managing Owner shall, at all times, have the authority to direct full control over the day-to-day activities, including operations, of the Franchised Restaurant and those other Firehouse Subs Restaurants operated by Franchisee in the same geographic area as the Franchised Restaurant, including, without limitation, control over the standards of operation and financial performance and authority to ensure compliance with the Manual, this Agreement, and the terms of any lease or other agreements related to the Franchised Restaurant.

B. The Managing Owner shall devote full-time and best efforts to supervising the operation of the Franchised Restaurant and those other Firehouse Subs Restaurants operated by Franchisee in the same geographic area as the Franchised Restaurant and shall not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility.

C. The Managing Owner shall maintain his or her primary residence within a reasonable driving distance of the Franchised Restaurant.

VII. CONFIDENTIAL OPERATING STANDARDS MANUAL

7.01. In order to protect the reputation and goodwill of Franchisor and the Firehouse Subs System and to maintain uniform standards of operation under Franchisor's Proprietary Marks, Franchisee shall operate the Franchised Restaurant in accordance with Franchisor's System Standards (as defined below) and such other operating standards, specifications, procedures and techniques prescribed by Franchisor from time to time (collectively, whether made available to Franchisee via electronic communication (including the internet) or via hard copy, and all amendments and updates thereto, the **"Manual"**). The Manual includes mandatory and suggested specifications, standards, methods, operating procedures and rules that Franchisor prescribes from time to time for the operation of a Firehouse Subs Restaurant (**"System Standards")** and information relating to Franchisee's other obligations under this Agreement and related agreements.

7.02. Franchisee shall at all times treat the Manual, and the information contained therein, as confidential, and shall use all reasonable efforts to keep such information secret and confidential. Franchisee shall not, at any time, without Franchisor's prior written consent, copy, duplicate, record, or otherwise make the Manual available to any unauthorized person or entity.

7.03. The Manual shall at all times remain the sole property of Franchisor.

7.04. In order for Franchisee to benefit from new knowledge, information, methods and technology adopted and used by Franchisor in the operation of the System, Franchisor may from

time to time revise the Manual by bulletin, video, the Internet, electronic mail or by other written or electronic communication (including an online learning management system designated by Franchisor). Franchisee shall review, understand, adhere to and abide by all such revisions. Franchisee acknowledges and agrees that (i) Franchisor retains the right to modify, add to, or rescind any requirement, standard, or specification set forth in the Manual in order to adapt the Firehouse Subs System to changing conditions, competitive circumstances, business strategies, business practices, and technological innovations and other changes that Franchisor deems appropriate in its business judgment, and (ii) Franchisee shall comply with such modifications, additions, or rescissions. Notwithstanding the foregoing, no new requirement, standard or specification set forth in the Manual or otherwise, may act as a unilateral amendment to any express term, condition, or provision of this Agreement.

7.05. If Franchisee desires to print a physical copy of the Manual (subject to Franchisor's prior written consent, as provided above), Franchisee agrees at all times to keep such copy current and up-to-date, and in the event of any dispute as to the contents of such copy, the terms of the Manual maintained by Franchisor shall be controlling.

7.06. The Manual is intended to further the purposes of this Agreement, and is specifically incorporated, by reference, into this Agreement. Except as otherwise set forth in this Agreement, in the event of a conflict between the terms of this Agreement and the terms of the Manual, the terms of this Agreement shall control. Franchisee acknowledges and agrees that any required standards set forth in this Agreement and the Manual exist to protect Franchisor's interests in the Firehouse Subs System and the Proprietary Marks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to Franchisee (including the day-to-day operation of the Franchised Restaurant and the conduct and management of Franchisee's employees).

VIII. TRAINING

8.01 Before the Franchised Restaurant opens, Franchisor will furnish initial training on the operation of a Firehouse Subs Restaurant to Franchisee, its Managing Owner and one (1) additional employee or owner. If space is available at such training session, Franchisor will furnish initial training for up to three (3) additional employees or owners at no additional charge. The training lasts for six (6) to eight (8) weeks and will be furnished at Franchisor's designated training facility and/or at an operating Firehouse Subs Restaurant, as Franchisor specifies. Franchisee and Managing Owner are required to complete the initial training to Franchisor's satisfaction. Successful completion of the initial training program by Franchisee and Managing Owner is a condition to the opening of the Franchised Restaurant to the public. Franchisee is also required to participate in all other activities required to operate the Franchised Restaurant. Although Franchisor will furnish initial training to Franchisee and Managing Owner, at no additional fee or other charge, Franchisee will be responsible for all travel and living expenses which such persons incur in connection with training. Franchisee agrees to replace any manager if Franchisor determines that he or she is not qualified to manage the Restaurant. If Franchisor determines that Franchisee or Managing Owner is unable to complete initial training to Franchisor's satisfaction, Franchisor has the right to terminate this Agreement and retain all amounts paid by Franchisee to

Franchisor. All persons attending initial training are required to sign Franchisor's standard Liability Waiver and Release, a copy of which is attached as Exhibit "B."

8.02. Franchisor may require Franchisee and Managing Owner to attend periodic refresher training courses at such times and locations that Franchisor designates, and Franchisor may charge fees for such courses. Franchisee agrees to give Franchisor reasonable assistance in training other Firehouse Subs Restaurant franchisees. Franchisor will reimburse Franchisee for Franchisee's reasonable out-of-pocket expenses in providing such assistance. All persons attending periodic training are required to sign Franchisor's standard Liability Waiver and Release, a copy of which is attached as Exhibit "B."

IX. DUTIES OF THE FRANCHISOR

9.01. Franchisor will make available to Franchisee such continuing advisory assistance in the operation of the Franchised Restaurant, in person or by electronic or written bulletins made available from time to time, as Franchisor may deem appropriate.

9.02. Franchisor, in its sole discretion, may provide opening assistance to Franchisee at the Franchised Restaurant.

9.03. Franchisor will make available to Franchisee standard plans and specifications to be utilized only in the development of Franchisee's Construction Plans for the Franchised Restaurant. Franchisee may not modify or deviate from such standard plans and specifications or Franchisee's approved equipment plan (including any modifications or deviations that may be required by local or state laws, regulations or ordinances) without Franchisor's prior written consent.

9.04. Franchisor will make the Manual available to Franchisee electronically via electronic mail, the internet or other electronic format.

9.05. Franchisor will continue its efforts to maintain high and uniform standards of quality, cleanliness, appearance and service at all Firehouse Subs Restaurants, to protect and enhance the reputation of the Firehouse Subs System and the demand for the products and services of the System. Franchisor will establish uniform criteria for approving suppliers; and may conduct periodic inspections of the premises and evaluations of the products used and sold at the Franchised Restaurant and in all other Firehouse Subs Restaurants.

9.06. Franchisor will provide training to Franchisee as set forth in Section VIII hereof.

9.07. Franchisee may request additional guidance and assistance from Franchisor. Franchisor, in its sole discretion, may provide such additional guidance or assistance, but is under no obligation to do so, and may charge the per diem fees and charges which Franchisor shall establish from time to time. If Franchisee requests additional or special training for Franchisee's employees, the fees, costs, and expenses of conducting such additional or special training programs (including instruction, required materials and travel and living expenses for Franchisor's training personnel) shall be borne by Franchisee. Franchisee agrees that Franchisee is solely responsible

for training all Franchisee employees and ensuring that such employees are fully trained to perform their duties.

X. DUTIES OF THE FRANCHISEE

Franchisee understands and acknowledges that every detail of the System is important to Franchisor, Franchisee and other franchisees in order to develop and maintain high and uniform operating standards, to increase the demand for Firehouse Subs products and services, and to protect the reputation and goodwill of Franchisor. Accordingly, Franchisee agrees that:

10.01. Franchisee shall maintain, at all times during the Term, at Franchisee's expense, the premises of the Franchised Restaurant and all fixtures, furnishings, Art, signs, systems and equipment thereon or therein, in conformity with Franchisor's high standards and public image and to make such additions, alterations, repairs, and replacements thereto (but no others, without Franchisor's prior written consent) as may be required by Franchisor, including the following:

A. Franchisee agrees to keep the Franchised Restaurant in the highest degree of sanitation and repair (including such periodic repainting, repairs or replacement of impaired equipment, and replacement of obsolete signs, all as Franchisor may direct);

B. Franchisee agrees to meet and maintain the highest governmental standards and ratings applicable to the operation of the Franchised Restaurant;

C. Nothing in this Section 10.01. shall be deemed to limit Franchisee's other obligations, during the Term, to operate the Franchised Restaurant in accordance with Franchisor's standards and specifications for the Firehouse Subs System, including the obligations set forth in this Section X.

10.02. Franchisee agrees to abide by all System Standards prescribed from time to time in the Manual. All references to compliance with this Agreement include compliance with all System Standards as periodically modified.

10.03. Franchisee or, if Franchisee is owned by more than one individual, the Managing Owner shall remain active in overseeing the operations of the Franchised Restaurant, including regular, periodic visits to the Franchised Restaurant and sufficient communications with Franchisor to ensure that the Franchised Restaurant's operations comply with the System Standards as promulgated by Franchisor from time to time in the Manual or otherwise in written or oral communications. Following reasonable advance notice from Franchisor, from time to time, Franchisee shall attend in-person meetings with Franchisor's representatives to (among other things) review and discuss the operations and performance of the Franchised Restaurant and other Firehouse Subs Restaurants operated by Franchisee and its parents, subsidiaries and affiliates, which meetings shall be at a location designated by Franchisor (which location may include Franchisor's corporate headquarters).

10.04. Franchisee shall have sole authority and control over the day-to-day operations of the Franchised Restaurant. Without limiting the generality of the foregoing, Franchisee shall be

solely responsible for (i) recruiting and hiring all employees of the Franchised Restaurant, (ii) the terms of such employees' employment and compensation, (iii) the proper training of such employees in the operation of the Franchised Restaurant (including in human resources and customer relations), and (iv) Franchisee's compliance with all applicable employment and workplace-related laws (including with respect to such employees' wages, taxes, benefits, safety, work schedules, work conditions, assignments, discipline, and termination). Franchisee is an independent contractor and is not an agent, partner, joint venture, joint employer, or employee of Franchisor, and no fiduciary relationship between the parties exists. Franchisee shall be the sole and exclusive employer of its employees with the sole right to hire, discipline, discharge, and establish wages, hours, benefits, employment policies, and other terms and conditions of employment of Franchisee's employees. Franchisee shall have no right to bind or obligate Franchisor in any way nor shall Franchisee represent that it has any right to do so. At no time shall Franchisee's employees be deemed to be Franchisor's employees or agents, and Franchisor shall have no right or obligation to direct Franchisee's employees or oversee Franchisee's employment policies or practices.

10.05. Franchisee shall post a sign in a conspicuous location at the Franchised Restaurant that contains Franchisee's name and states that the Franchised Restaurant is independently owned and operated by Franchisee under a franchise agreement with Franchisor.

10.06. Franchisee shall operate the Franchised Restaurant in conformity with the System Standards as Franchisor may from time to time prescribe in the Manual or otherwise in writing, to insure that the highest degree of quality, service and cleanliness is uniformly maintained and to refrain from any deviation therefrom and from otherwise operating in any manner which reflects adversely on Franchisor's name and goodwill or on the Proprietary Marks, and in connection therewith:

A. Shall maintain in sufficient supply, and use at all times, only such ingredients, products, materials, supplies, and paper goods as conform to Franchisor's standards and specifications, and to refrain from deviating therefrom by using non-conforming items, without Franchisor's prior written consent;

B. Shall sell or offer for sale only such products and menu items that have been expressly approved for sale in writing by Franchisor, meet Franchisor's uniform standards of quality and quantity and as have been prepared in accordance with Franchisor's methods and techniques for product preparation; shall sell or offer for sale the minimum menu items specified in the Manual or otherwise in writing; shall refrain from any deviation from Franchisor's standards and specifications for serving or selling the menu items, without Franchisor's prior written consent; and shall discontinue selling or offering for sale such items as Franchisor may, in its discretion, disapprove in writing at any time;

C. Shall use the premises of the Franchised Restaurant solely for the purpose of conducting the business franchised hereunder, and to conduct no other business or activity thereon, whether for profit or otherwise, without Franchisor's prior written consent;

D. Shall keep the Franchised Restaurant open and in normal operation during such business hours as Franchisor may prescribe in the Manual or otherwise in writing;

E. Shall permit Franchisor or its agents, at any time during ordinary business hours, to remove from the Franchised Restaurant samples of any ingredients, products, materials, supplies, and paper goods used in the operation of the Franchised Restaurant, without payment therefore, in amounts reasonably necessary for testing by Franchisor or an independent laboratory, to determine whether such samples meet Franchisor's then-current standards and specifications. In addition to any other remedies it may have under this Agreement, Franchisor may require Franchisee to bear the cost of such testing if any such ingredient, products, materials, supplier or paper goods have been obtained from a supplier not approved by Franchisor, or if the sample fails to conform to Franchisor's specifications;

F. Shall purchase, install and construct, at Franchisee's expense, all improvements, furnishings, Art, signs and equipment specified in the approved standard plans and specifications, and such other furnishings, Art, signs or equipment as Franchisor may reasonably direct from time to time in the Manual or otherwise in writing; and to refrain from installing or permitting to be installed on or about the premises of the Franchised Restaurant, without Franchisor's written consent, any improvements, furnishings, Art, signs or equipment not first approved in writing as meeting Franchisor's standards and specifications;

G. Shall comply with all applicable federal, state and local laws, regulations and ordinances pertaining to the operation of the Franchised Restaurant. Franchisee shall notify Franchisor if the Franchised Restaurant is closed by order of the health department or other governmental authority within twenty-four (24) hours of such closure;

H. Shall grant Franchisor and its agents the right to enter upon the premises of the Franchised Restaurant at any time during ordinary business hours for the purpose of conducting inspections; cooperate with Franchisor's representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from Franchisor or its agents, and without limiting Franchisor's other rights under this Agreement, take such steps as may be necessary immediately to correct the deficiencies detected during any such inspection, including immediately desisting from the further use of any equipment, promotional materials, products, or supplies that do not conform with Franchisor's then-current specifications, standards, or requirements. As part of an inspection, Franchisor may observe, photograph and videotape the operations of the Franchised Restaurant for such consectuive or intermittent periods as the Franchisor may deem necessary; and

I. Shall operate the Franchised Restaurant using the bookkeeping, accounting, data processing and record keeping systems, including software, and forms required by Franchisor.

10.07. Franchisee shall purchase all ingredients, products, materials, supplies, and other items required in the operation of the Franchised Restaurant which are or incorporate trade-secrets

of Franchisor, as designated by Franchisor (**"Trade-Secret Products"**) only from Franchisor or suppliers designated by Franchisor, and these Trade-Secret Products shall only be purchased for, used or sold, directly or indirectly, at the Franchised Restaurant.

10.08. Franchisee shall purchase all ingredients, products, materials, supplies, including cleaning supplies, paper goods, and other items required for the operation of the Franchised Restaurant (including items required for limited time offers), except Trade-Secret Products, solely from suppliers who demonstrate, to the continuing reasonable satisfaction of Franchisor, the ability to meet Franchisor's reasonable standards and specifications for such items; who possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably; whose approval would not adversely impact the overall efficiencies of the Firehouse Subs System; and who have been approved in writing by Franchisor and such approval has not thereafter been revoked. Franchisor may negotiate group or volume purchasing arrangements with approved suppliers and Franchisee must participate in the arrangements. Franchisor will be entitled to retain all rebates, bonuses and other benefits associated with those programs. If Franchisee desires to purchase any items from an unapproved supplier, Franchisee shall submit to Franchisor a written request for approval, or shall request the supplier itself to seek approval. Franchisor shall have the right to require, as a condition of its approval, that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered, at Franchisor's option, either to Franchisor or to an independent laboratory designated by Franchisor for testing prior to granting approval. A charge not to exceed the cost and expenses actually incurred by Franchisor to conduct any inspection, including the actual cost of testing, shall be paid by the supplier or Franchisee. In addition, if the proposed supplier lacks its own current and approved form of third-party audit, Franchisor's reasonable cost of third-party audit fees shall also be paid by the supplier or Franchisee. Franchisor reserves the right, at its option, to reinspect the facilities and products of any such approved supplier from time to time and to revoke its approval upon failure of such supplier to continue to meet any of the foregoing criteria. Nothing in the foregoing shall be construed to require Franchisor to approve any particular supplier, nor to require Franchisor to make available to prospective suppliers, standards and specifications for formulas that Franchisor, in its sole discretion, deems confidential.

10.09. Franchisor has established an association of Firehouse Subs Restaurant franchisees to advise Franchisor on advertising, marketing and promotion (the **"Co-op**"). Franchisee must join and actively participate in the Co-op and sign such membership documents and agreements the Co-Op requires from time to time.

A. From time to time, the management of the Co-Op may require all members, including Franchisee, to make a special contribution to the Co-Op, which amount shall be a specific percentage of weekly Gross Sales, for the purpose of supplementing the System Fund Contributions (**"Special Co-Op Contribution"**). The Special Co-Op Contribution, if any, shall be in addition to the System Fund Contribution Franchisee must pay under this Agreement. Franchisee shall contribute to the Co-op any amount of Special Co-Op Contributions required by the Co-op, which shall be due and payable in the same manner as the Royalty. Franchisee will remain responsible to the Co-op for all Special Co-Op Contributions due through the date of the closing of any transfer of this Agreement. Franchisee understand and agrees that the Co-op will remit all Special Co-Op

Contributions to Franchisor and Franchisor may deposit such amounts into, and such amounts shall become a part of, the System Fund.

B. The Co-op will adopt its own rules, regulations and procedures, which Franchisee must follow. Advertising to be utilized by the Co-op may not be used unless and until Franchisor has reviewed and approved it.

10.10. Franchisee shall conduct a market introduction program for the Franchised Restaurant after its opening, and expend at least five thousand dollars ($5,000) for such purpose, exclusive of the cost of food that Franchisor may specifiy for use in the market introduction program. The market introduction program may be conducted over an approximate twelve (12) month period determined by Franchisor. Such advertising and promotion will utilize the marketing and public relations programs and media and advertising materials Franchisor has developed or approved.

10.11. All local advertising by Franchisee shall be in such media, and of such type and format as Franchisor may approve; shall be conducted in a dignified manner; and shall conform to such standards and requirements as Franchisor may specify. Franchisee shall not use any advertising or promotional plans or materials unless and until Franchisee has received written approval from Franchisor, pursuant to the procedures and terms set forth in Section 10.12 hereof.

10.12. All advertising and promotional plans proposed to be used by Franchisee, except such plans and materials that have been previously approved by Franchisor, shall be submitted to Franchisor for Franchisor's written approval prior to any use thereof. Franchisor shall use reasonable efforts to complete its review of Franchisee's proposed advertising and promotional plans within fifteen (15) days after Franchisor receives such plans. If written approval is not received by Franchisee from Franchisor within fifteen (15) days after receipt by Franchisor of such plans, Franchisor shall be deemed to have disapproved such plans.

10.13. The Franchised Restaurant shall not be operated by any party other than Franchisee, without Franchisor's prior written consent.

10.14. Technology; POS and BOH Systems; Other Systems.

Franchisee shall comply with all technology requirements of Franchisor as set forth in this Agreement or in the Manual from time to time, and agrees that Franchisor may charge upfront and/or ongoing fees for any technology, software, apps or any related services that Franchisor owns, licenses, provides or otherwise makes available to Franchisee in Franchisor's sole discretion. Such technology requirements include, but are not limited to:

A. Franchisee shall purchase, install and use a point-of-sale system (**"POS System"**) and a back-of-house system (**"BOH System"**), in each case, that has been approved in writing by Franchisor and that meets Franchisor's specifications. Franchisee agrees that Franchisor (or Franchisor's designated vendor) shall have the right to retrieve any data and information from Franchisee's POS System and its BOH System as Franchisor, in its sole discretion, deems appropriate, including electronically polling sales,

menu mix, transaction-level data, inventory, labor and other data of the Franchised Restaurant; provided, however, Franchisor shall take necessary precautions to preserve and protect Franchisee's security and privacy rights in exercising its right hereunder. Franchisee shall subscribe to Franchisor's approved polling solution. Franchisee shall use and adhere to a standardized set of menu sales item price look-up codes (PLUs) and descriptors for every menu sales item in Franchisee's POS System and BOH System, including limited time offers. Franchisor may revise its specifications for the POS System and the BOH System periodically. Consequently, Franchisee must upgrade, update or add new features or components to Franchisee's POS System and its BOH System at such time(s) as such specifications are revised. In addition to the foregoing, Franchisor may poll data and information from other systems installed at the Franchised Restaurant, including speed of service data from drive-thru timer systems. Further, Franchisee shall, at its sole cost and expense, integrate or otherwise permit the integration of the POS System and/or BOH System with such technological platforms designated by Franchisor from time to time (including websites and mobile applications designated by Franchisor).

B. Franchisee must also, at its sole cost and expense: (a) maintain, use and/or operate a centralized or technology based method of taking, processing, routing, and delivering orders or receiving payment for such orders that may be mandated by Franchisor at any time during the Term in addition to the methods and technology Franchisor currently uses or authorizes (individually an **"Additional Ordering System"** and collectively **"Additional Ordering Systems"**); and (b) add or replace equipment, wiring, hardware and software in connection with the Additional Ordering Systems. To the extent any products and services related to an Additional Ordering System are owned, licensed or facilitated by Franchisor or provided to Franchisee by Franchisor, Franchisor may charge up front and/or ongoing fees. Franchisor shall be the sole owner of all direct and related rights and assets, including software and hardware, intellectual property and all data generated by the Additional Ordering Systems, but excluding hardware or equipment Franchisee purchases directly for the purpose of gaining access to the Additional Order System. If Franchisor requires Franchisee to use an Additional Ordering System, then Franchisee shall comply with Franchisor's requirements for connecting to and utilizing such technology in connection with Franchisee's operation of the Franchised Restaurant. Franchisee will install and implement any Additional Ordering System required by Franchisor within the reasonable time specified by Franchisor.

C. Franchisee must also, at its sole cost and expense: (a) maintain, use and/or operate technology for the purpose of communicating with customers of Firehouse Subs Restaurants and the collection, processing, storage and use of Firehouse Subs Restaurant customer data that may be mandated by Franchisor at any time during the Term in addition to the methods and technology Franchisor currently uses or authorizes (individually an "**Additional Digital System**" and collectively, the "**Additional Digital Systems**"); and (b) add or replace equipment, wiring, hardware and software in connection with the Additional Digital Systems. To the extent any products and services related to an Additional Digital System are owned, licensed or facilitated by Franchisor or provided to Franchisee by Franchisor, Franchisor may charge up front and/or ongoing fees. Franchisor shall be the sole owner of all direct and related rights and assets, including software and hardware,

intellectual property and all data generated by the Additional Digital Systems, but excluding hardware or equipment Franchisee purchases directly for the purpose of gaining access to an Additional Digital System. Franchisor may provide the data to third parties and use the data generated by the Additional Digital Systems (1) to analyze customer trends, (2) to market Franchisor-developed goods and products to all customers or specific customer(s), (3) to reward loyal or repeat customers, (4) to provide the data to third parties, and (5) for such other purposes as Franchisor deems appropriate in its sole discretion. Franchisee acknowledges and agrees that any amounts received by Franchisor from providing the data generated by the Additional Digital Systems to third parties shall be the sole property of Franchisor. If Franchisor requires Franchisee to use an Additional Digital System, then Franchisee shall comply with Franchisor's requirements for connecting to and utilizing such technology in connection with Franchisee's operation of the Franchised Restaurant. Franchisee will install and implement any Additional Digital System required by Franchisor within the reasonable time specified by Franchisor.

D. Franchisee shall purchase, install and maintain a computer system, separate from the POS System and the BOH System, at the Franchised Restaurant that meets Franchisor's current standards and specifications for training, communications and access to Internet-based resources provided by Franchisor (**"Computer System"**). Franchisor may periodically revise its specifications for the Computer System requiring Franchisee to promptly upgrade or update as necessary to meet Franchisor's then current standards and specifications.

E. Franchisor may charge Franchisee a reasonable systems fee for modifications of and enchancements made to any software that Franchisor licenses to Franchisee and any other maintenance and support services that Franchisor, or its parents, subsidiaries or affiliates, furnish to Franchisee in relation to the POS System or BOH System, including access to and use of the Firehouse Subs intranet system.

10.15. Franchisee shall, in accordance with such requirements as Franchisor may from time to time prescribe in the Manual, participate in a guest feedback program offered through a third party service provider designated by Franchisor. Components of the program may, among other things, require Franchisee to offer (or reimburse Franchisor for offering) such guest incentives for guest participation in the program as Franchisor may reasonably require.

10.16. Franchisee shall not promote, offer or sell any products or other services related to the Franchised Restaurant through the internet or use the Proprietary Marks or any marks similar thereto in any internet domain name, electronic mail address or home page address, or in the operation of any internet web site without Franchisor's prior written consent. In connection with any such consent, which Franchisor may grant or withhold, in Franchisor's sole discretion, Franchisor may establish such requirements as Franchisor deems appropriate, including, among others: (i) Franchisor may require Franchisee to submit to Franchisor for Franchisor's prior written approval, a sample of any proposed internet web site used for or in connection with the Franchised Restaurant or the business of Franchisee (**"Web Site"**), domain name, home page address, format and visible (including proposed screen shots and any text, video clips, photographs, images, sound bites or other materials in which any party other than Franchisor has any ownership interest) and

non-visible content (including meta-tags) in the form and manner that Franchisor may reasonably require; (ii) Franchisor may require Franchisee to establish hyperlinks to Franchisor's web site and others as Franchisor may require, and to obtain Franchisor's prior written approval of Franchisee's use of any other hyperlinks and/or other links; (iii) Franchisor may require Franchisee to submit to Franchisor for Franchisor's prior written approval any modifications to Franchisee's Web Site. Franchisor may revoke Franchisor's approval of Franchisee's Web Site at any time and require Franchisee to discontinue Franchisee's use of it and any domain names associated with it. In addition to any other applicable requirements, Franchisee must comply with any standards and specifications Franchisor develops that are applicable to Web Sites as set forth in the Manual or otherwise in writing, which standards and specifications Franchisor may modify from time to time. Franchisor may designate the form and content of Franchisee's Web Site and may require that any such Web Site be hosted by Franchisor or a third party whom Franchisor designates. Franchisor also may charge Franchisee a fee for developing, reviewing and approving Franchisee's Web Site and/or hosting it. In addition to the foregoing, Franchisee shall not use or permit any third party to use any of the Proprietary Marks in connection with any internet web site and/or as part of any internet domain name or electronic mail or home page address, unless such use is expressly approved by Franchisor in writing. Franchisee shall not, directly or indirectly, nor shall Franchisee instruct or authorize any third party to, engage in any online advertising for the Franchised Restaurant or the business of Franchisee, including but not limited to the purchase of keywords consisting of, containing or similar to any of the Proprietary Marks through any paid search program, without Franchisor's prior written consent, which Franchisor may grant or withhold, in Franchisor's sole discretion.

10.17. Franchisee shall not, without Franchisor's prior written consent, operate, create, register or use any domain name, website, Internet site or presence, avatar, online account or username, social media site, page, account, profile or group containing the Proprietary Marks or referencing the Restaurant, including, but not limited to, personal blogs, common social networks like Facebook, Instagram, TikTok, Twitter, Snapchat, and Pinterest; professional networks, business profiles, or online review or opinion sites like LinkedIn, Google Business Profile, or Yelp; live-blogging tools like Twitter and Snapchat; virtual worlds, metaverses, file, audio and video-sharing sites, and other similar social networking or media sites or tools, or social channels. Franchisor may, at any time, require any unapproved page, site, account, profile, group or other Internet presence be discontinued and deleted or transferred to Franchisor.

10.18. To the extent Franchisee opens or operates a Franchised Restaurant located on a military base, in a public educational institution, or in another government building or facility, or otherwise opens or operates a Franchised Restaurant in furtherance of a contract between Franchisor and the federal government, the following requirements shall apply to Franchisee:

A. Franchisee will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Franchisee will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training,

including apprenticeship. Franchisee agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

B. Franchisee will, in all solicitations or advertisements for employees, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, sexual preference, age, disability, gender identity, genetic information, veteran status, national origin or other categories as provided by law.

C. Franchisee will send to any labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice advising the labor union or workers' representative of the Franchisee's commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

D. Franchisee will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

E. Franchisee will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

F. In the event of the Franchisee's non-compliance with the nondiscrimination clauses of this Agreement or with any of such rules, regulations, or orders, this Agreement may be canceled, terminated or suspended in whole or in part and the Franchisee may be declared ineligible for Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

G. Franchisee will include the provisions of paragraphs (A) through (G) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Franchisee will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the Franchisee becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Franchisee may request the United States to enter into such litigation to protect the interests of the United States.

10.19. Franchisee shall comply with all applicable legal, regulatory, credit card brand requirements and brand standards regarding the use of information technology in Franchisee's business and restaurants. Franchisee shall honor all credit, charge, courtesy or cash cards or other credit devices specified by Franchisor. Franchisee shall also comply with the then current Payment Card Industry Data Security Standards (PCI/DSS) as those standards may be revised by the PCI Security Standards Council, LLC or successor organization, including (i) implementing (at Franchisee's expense) all security requirements that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards, and (ii) participating in (at Franchisee's expense) a standardized PCI/DSS compliance program that is provided by a PCI/DSS vendor, in each case, approved by Franchisor in its discretion. Franchisee shall, at its expense, demonstrate full compliance through means which may include having an independent third party Qualified Security Assessor (QSA) conduct a PCI/DSS audit. In the event Franchisee is unable to demonstrate full compliance, Franchisor may require Franchisee to engage the services of an approved vendor to assist Franchisee to demonstrate full compliance on an ongoing basis. Additionally, Franchisor may require Franchisee to use, and directly contract with, certain approved third-party vendors, and in some cases a single approved third-party vendor, for some or all of Franchisee's managed firewall, other technology security compliance and/or card brand or government requirements related to the transmission/processing of credit card transactions and information. Franchisee shall immediately notify Franchisor if Franchisee becomes aware of any breach, or suspected breach, of card holder data, Personally Identifiable Information (PII), confidential information, or trade secrets related to its business or restaurants, whether notice is provided by Franchisee's credit card processor, law enforcement or any other party.

10.20. Franchisee shall comply with all other requirements set forth in this Agreement.

XI. INSURANCE

11.01. Insurance Program. Franchisee shall be responsible for all loss or damage arising from or related to Franchisee's development and operation of the Franchised Restaurant, and for all demands or claims with respect to any loss, liability, personal injury, death, property damage or expense whatsoever occurring upon the premises of, or in connection with the development or operation of, the Franchised Restaurant. Franchisee shall procure, prior to commencement of construction of the Franchised Restaurant, and shall maintain in full force and effect during the Term, at Franchisee's expense, an insurance policy or policies protecting Franchisee and Franchisor, and their officers, directors, agents and employees, against any loss, liability, or expense whatsoever from personal injury, death or property damage or casualty, including, fire, lightning, theft, vandalism, malicious mischief, and other perils normally included in an extended coverage endorsement arising from, occurring upon or in connection with the construction, operation or occupancy of the Franchised Restaurant, as Franchisor may reasonably require for its own and Franchisee's protection.

11.02. Insurance Requirements. Such policy or policies shall be written by an insurance company satisfactory to Franchisor and Franchisee shall maintain in full force and effect throughout the Term that insurance which Franchisee determines is necessary or appropriate for

liabilities caused by or occurring in connection with the development or operation of the Franchised Restaurant, which insurance shall include, at a minimum the following coverage:

A. Workers' Compensation Insurance, with statutory limits as required by the laws and regulations applicable to the employees of Franchisee who are engaged in the performance of their duties relating to the Franchised Restaurant, including any pre-opening training programs, as well as such other insurance as may be required by statute or regulation of the state in which the Franchised Restaurant is located.

B. Comprehensive General Liability Insurance, including products liability coverage in the minimum amount of $1,000,000 and contents coverage in the minimum amount of $125,000.

C. Commercial Automobile Liability Insurance for all owned, hired and non-owned vehicles with minimum coverage limites of $1,000,000.

11.03. All such policies of insurance shall provide that the same shall not be canceled, modified or changed without first giving thirty (30) days' prior written notice thereof to Franchisor. No such cancellation, modification or change shall affect Franchisee's obligation to maintain the insurance coverages required by this Agreement. Except for Workers' Compensation Insurance, Franchisor shall be named as an Additional Insured on all such required policies. All liability insurance policies shall be written on an "occurrence" policy form. Franchisee shall be responsible for payment of any and all deductibles from insured claims under its policies of insurance. Franchisee shall not satisfy the requirements of this Section XI unless and until certificates of such insurance, including renewals thereof, have been delivered to and approved by Franchisor. Franchisee shall not self-insure any of the insurance coverages required by this Agreement, or non-subscribe to any state's applicable workmen's compensation laws without the prior written consent of Franchisor. Franchisor shall have the right, at any time during the Term to increase the minimum limits of insurance coverage or otherwise modify the insurance requirements of this Agreement upon written notice in the Manual or as otherwise prescribed by Franchisor in writing. If Franchisee shall fail to comply with any of the insurance requirements herein, upon written notice to Franchisee by Franchisor, Franchisor may, without any obligation to do so, procure such insurance and Franchisee shall pay Franchisor, upon demand, the cost thereof plus interest at the maximum rate permitted by law, and a reasonable administrative fee designated by Franchisor.

11.04. Insurance Obtained by Franchisee Shall Be Primary to Franchisor's Own Insurance. Franchisee agrees that all insurance policies obtained by Franchisee shall be primary coverage, the applicable limits of which shall be exhausted before any benefits (defense or indemnity) may be obtained under any other insurance (including self-insurance) providing coverage to Franchisor. Franchisee shall notify its insurers of this Agreement and shall use best efforts to obtain an endorsement on each policy it obtains pursuant to Sections 11.01. and 11.02. stating as follows:

> The applicable limits of this policy shall be applied and exhausted before any benefits may be obtained (whether for defense or indemnity) under any other insurance (including self-insurance) that may provide coverage to

Franchisor. All insurance coverage obtained by Franchisor shall be considered excess insurance with respect to this policy, the benefits of which excess insurance shall not be available until the applicable limits of this policy are exhausted.

11.05. No Limitation on Coverage. Franchisee's obligation to obtain and maintain the foregoing policy or policies of insurance in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section XVIII of this Agreement.

11.06. Issuance of Insurance. Franchisee must obtain the insurance required by this Agreement no later than fifteen (15) days before the date on which any construction is commenced. The Franchised Restaurant shall not be opened for business prior to Franchisor's receipt of satisfactory evidence that all insurance required by this Agreement is in effect. Upon obtaining such insurance, and on each policy renewal date thereafter, Franchisee shall promptly submit evidence of satisfactory insurance and proof of payment therefore to Franchisor, together with, upon request, copies of all policies and policy amendments. The evidence of insurance shall include a statement by the insurer that the policy or policies will not be canceled or materially altered without at least thirty (30) days' prior written notice to Franchisor.

11.07. No Representations. Franchisee acknowledges that no requirement for insurance contained in this Agreement constitutes advice or a representation by Franchisor that only such policies, in such amounts, are necessary to protect Franchisee from losses in connection with its business under this Agreement. Maintenance of the insurance required by this Agreement, and the performance by Franchisee of its obligations under this Section of the Agreement shall not relieve Franchisee of liability under the indemnification provisions or any other provisions of this Agreement.

XII. CONFIDENTIAL INFORMATION

12.01. Franchisee shall not, during the Term or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association, corporation or other entity, any confidential information, knowledge or know-how concerning the construction and methods of operation of the Franchised Restaurant which may be communicated to Franchisee, or of which Franchisee may be apprised, by virtue of Franchisee's operation under the terms of this Agreement. Such confidential information may be provided to Franchisee through a variety of resources, including the following: (a) the Manual (including Franchisor's System Standards), (b) Franchisor's intranet site, (c) Franchisor's online training solution and learning management system, and (d) such other resources provided by Franchisor in its discretion from time to time. Franchisee shall divulge such confidential information only to: (i) such employees of Franchisee as must have access to it in order to exercise the franchise rights granted hereunder and to establish and operate the Franchised Restaurant pursuant hereto; (ii) Franchisee's attorneys and certified public accountants on an as needed basis for legitimate business purposes of the Franchisee; and (iii) as Franchisee may be required by law, provided Franchisee shall give Franchisor prior written notice of any such required disclosure immediately upon receipt of notice by Franchisee in order

for Franchisor to have the opportunity to seek a protective order or take such other actions as it deems appropriate under the circumstances.

12.02. Without limiting the generality of the foregoing, Franchisee acknowledges that Franchisor possesses certain confidential information relating to the development and operation of Firehouse Subs Restaurants, which includes without limitation:

A. the System and the know-how related to its use;

B. plans, specifications, size and physical characterists of Firehouse Subs Restaurants;

C. site selection criteria and site development methods;

D. sources and design of equipment, furniture, forms, materials and supplies;

E. marketing, advertising and promotional programs for Firehouse Subs Restaurants;

F. any computer software Franchisor makes available or recommends for Firehouse Subs Restaurants;

G. methods, techniques, formats, specifications, procedures, information and systems related to and knowledge of and experience in the development, operation and franchising of Firehouse Subs Restaurants;

H. knowledge of specifications for and suppliers of certain products, materials, supplies, furniture, furnishings and equipment;

I. recipes, formulas, preparation methods and serving techniques;

J. knowledge of operating results and financial performance of Firehouse Subs Restaurants other than those operated by Franchisee or Franchisee's parents, subsidiaries or affiliates;

K. e-commerce related data, such as customer data, click-stream data, cookies, user data, hits and the like; and

L. patents and copyrights secured by Franchisor or Franchisor's parents, subsidiaries or affiliates.

XIII. COVENANTS

13.01. Franchisee acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and confidential information, including information regarding the operational, sales, promotional, and marketing methods, procedures and techniques of Franchisor

and the System. Franchisee covenants that, during the Term, Franchisee (who, unless otherwise specified, shall include, for purposes of this Section XIII, collectively and individually: (i) all officers, directors and holders of a legal or beneficial interest of ten percent (10%) or more of the securities with voting rights of Franchisee and of any corporation, directly or indirectly controlling Franchisee, if Franchisee is a corporation; (ii) the general partner and any limited partners of Franchisee, including any corporation, and the officers, directors and holders of a legal or beneficial interest of ten percent (10%) or more of the securities with voting rights of a corporation which controls, directly or indirectly, any general or limited partner of Franchisee, if Franchisee is a partnership, (iii) any members and managers and holders of a legal or beneficial interest of ten percent (10%) or more of the securities with voting rights of Franchisee and/or any corporation directly or indirectly controlling Franchisee, if Franchisee is a limited liability company), and (iv) any spouses or children of previously listed individuals shall not, either directly or indirectly, for itself, or on behalf of, or in conjunction with, any person, persons, partnership, limited liability company, association, corporation, or other entity:

A. Divert or attempt to divert any actual or potential business or customer of any Firehouse Subs Restaurant, including the Franchised Restaurant, to any Disqualifying Restaurant by direct or indirect inducements or otherwise, or disparage the Firehouse Subs brand, the Firehouse Subs System, or any of Franchisor's or its parents, subsidiaries or affiliates' directors, officers, employees, owners or franchisees, or to do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Franchisor's Proprietary Marks and the System; or

B. Own, maintain, operate, engage in, acquire or have any interest (whether of record, beneficial or otherwise) in any Disqualifying Restaurant wherever located or operating; or

C. Perform services as a director, officer, manager, employee, consultant or agent for a Disqualifying Restaurant, wherever located or operating; or

D. Act as a franchisee for any Disqualifying Restaurant, wherever located or operating.

A "**Disqualifying Restaurant**" is any restaurant or food service facility that offers any type of sandwich, including submarine, hoagie, hero-type, deli-style, panini, steamed, wrapped or rolled, on any type of bread, including sub rolls and other bread rolls or buns, sliced bread, pita bread, flat bread, bagels and wraps; provided, however, that the term "Disqualifying Restaurant" shall not apply to any business operated by Franchisee under a franchise agreement with Franchisor or a parent, subsidiary or affiliate of Franchisor. Notwithstanding the foregoing, the word "sandwich" in the preceding sentence does not include hot dogs, hamburgers or fried chicken sandwiches.

13.02. Franchisee covenants that Franchisee shall not, regardless of the cause for termination, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, association, corporation or other entity, for a period of two (2) years following the termination or expiration of this Agreement, own, maintain, engage in, or have any interest in any Disqualifying Restaurant that is located within a radius of two (2) miles of the

location of the Franchised Restaurant specified on the Key Contract Data page or within a radius of ten (10) miles of the location of any Firehouse Subs Restaurant in operation or under construction, other than the Franchised Restaurant.

13.03. At Franchisor's request, Franchisee shall require and obtain execution of a confidentiality and non-competition agreement containing (i) confidentiality obligations similar to those set forth in Section XII of this Agreement (including a prohibition against communicating, divulging or using for the benefit of any person, persons, partnership, association, corporation, or any other entity, any confidential information, knowledge, or know-how concerning the methods of operation of the Franchised Restaurant), and (ii) covenants similar to those set forth in this Section XIII (including covenants applicable upon the termination of a person's relationship with Franchisee), in each case, in a form satisfactory to Franchisor, including specific identification of Franchisor as a third party beneficiary of such obligations and covenants with the independent right to enforce them, from all officers, directors, and holders of a direct or indirect legal or beneficial ownership interest of ten percent (10%) or more in Franchisee.

A duplicate original of each such confidentiality and non-competition agreement shall be provided by Franchisee to Franchisor immediately upon execution.

13.04. Upon demand or termination of this Agreement, Franchisee shall (and shall instruct each officer and employee of Franchisee to) (a) return to Franchisor all of the Franchisor's confidential information in Franchisee's possession, or (b) certify to Franchisor in writing that Franchisee has purged all confidential and proprietary information from Franchisee's computers and other data storage systems.

13.05. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section XIII, is held unreasonable or unenforceable by a court or agency having jurisdiction in a final decision, Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant was separately stated in and made a part of this Section XIII.

A. Right to Reduce Covenants. Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Sections 13.01 and 13.02 of this Agreement, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees that it shall comply with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section XXII hereof.

B. Injunctive Relief. The parties acknowledge that it will be difficult to ascertain with any degree of certainty the amount of damages resulting from a breach by Franchisee of any of the covenants contained in this Section XIII. It is further agreed and acknowledged that any violation by Franchisee of any of said covenants will cause irreparable harm to Franchisor. Accordingly, Franchisee agrees that upon proof of the existence of a violation of any of said covenants, Franchisor will be entitled to injunctive relief against Franchisee in any court of competent jurisdiction having authority to grant

such relief, together with all costs and reasonable attorneys' fees incurred by Franchisor in bringing such action.

XIV. TRANSFERABILITY OF INTEREST

14.01. Transfer by Franchisor. This Agreement shall inure to the benefit of the successors and assigns of Franchisor. Franchisor shall have the right to transfer or assign its interest in this Agreement, in whole or in part, to any person, persons, partnership, association, corporation, or other entity. If Franchisor's assignee assumes all the obligations of Franchisor hereunder and sends Franchisee written notice of the assignment so attesting, Franchisee agrees promptly to execute a general release of Franchisor and its parents, subsidiaries, and affiliates from claims or liabilities of Franchisor under this Agreement. Franchisor may designate another party to perform, or delegate to another party the performance of, its duties and obligations under this Agreement or authorize that party to act on its behalf.

14.02. Transfer by Franchisee. Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that Franchisor has granted this Agreement in reliance on Franchisee's business skill and financial capacity. Accordingly, neither (i) Franchisee, nor (ii) any immediate or remote successor to Franchisee, nor (iii) any individual, partnership, corporation or other legal entity which directly or indirectly owns any interest in Franchisee or in this Agreement, shall sell, assign, transfer, convey, donate, pledge, mortgage, or otherwise encumber any direct or indirect interest in this Agreement or in any legal entity which owns the Franchised Restaurant without the prior written consent of Franchisor. Acceptance by Franchisor of any Royalty, System Fund Contribution or any other amount accruing hereunder from any third party, including any proposed transferee, shall not constitute Franchisor's approval of such party as a transferee or the transfer of this Agreement to such party. Any purported assignment or transfer, by operation of law or otherwise, not having the written consent of Franchisor, shall be null and void.

14.03. Conditions for Consent. Franchisor may grant or withhold its consent to any transfer referred to in Section 14.02., when requested, in its sole discretion. Franchisor may, in its sole discretion, condition its consent to any transfer referred to in Section 14.02 on satisfaction of any or all of the following:

A. That all of Franchisee's accrued monetary obligations to Franchisor and its parents, subsidiaries and affiliates have been satisfied;

B. That Franchisee (including any transferring owners, officers, directors, partners, members, managers and any of their spouses or children) has agreed to remain obligated under the covenants contained in Section XIII hereof as if this Agreement had been terminated on the date of the transfer;

C. That transferee (or, if applicable, such owners of the transferee as Franchisor may request) is a person of good moral character and reputation, in the reasonable judgment of Franchisor;

D. That Franchisor has determined, to its satisfaction, that the transferee's qualifications meet Franchisor's then-current criteria for new franchisees;

E. That Franchisee and the transferee execute a written agreement, in a form satisfactory to Franchisor, pursuant to which the transferee assumes all of the obligations of Franchisee under this Agreement and any additional commitments of Franchisee.

F. That Franchisee unconditionally releases any and all claims Franchisee might have against Franchisor and its parents, subsidiaries, and affiliates as of the date of the transfer;

G. That transferee execute the then-current form of franchise agreement and such other then-current ancillary agreements as Franchisor may reasonably require. The then-current form of franchise agreement may have significantly different provisions including but not limited to a higher royalty fee and system fund contribution than that contained in this Agreement. The then-current form of franchise agreement will expire on the expiration date of this Agreement and will contain the same renewal rights, if any, as are available to Franchisee under Section 2.02. hereof;

H. That transferee agree at its sole cost and expense, to (i) complete a renovation of the Franchised Restaurant, within the time frame required by Franchisor, and (ii) perform such other scope of work as may be determined by Franchisor;

I. That transferee and such other individuals as may be designated by Franchisor in the Manual or otherwise in writing, have successfully completed the training course then in effect for new franchisees, at Franchisee's expense;

J. If the transferee is a partnership, that the partnership agreement provide that further assignments or transfers of any interest in the partnership are subject to all restrictions imposed upon assignments and transfers in this Agreement;

K. That Franchisee, at Franchisor's option and request, execute a written guaranty of the transferee's obligations with respect to the Franchised Restaurant, which guaranty shall not exceed a period of three (3) years from the date of transfer; and

L. That Franchisee pay to Franchisor the transfer fee in the amount set forth on the Key Contract Data page (the **"Transfer Fee"**), however, no additional initial franchise fee or development fee shall be charged by Franchisor for a transfer. If the transferee is a corporation or other business entity formed by Franchisee for the convenience of ownership and Franchisee is the sole shareholder or member of such business entity, the Transfer Fee shall be one thousand and five hundred dollars ($1,500).

14.04. Grant of Security Interest. Franchisee shall grant no security interest in this Agreement unless the secured party agrees: (i) that in the event of any default by Franchisee under any documents related to the security interest, (A) Franchisor shall be provided with notice of default and given a reasonable time within which to cure said default, and (B) Franchisor shall

have the right and option to be substituted as obligor to the secured party and to cure any default of Franchisee or to purchase the rights of the secured party upon payment of all sums then due to such secured party, except such amounts which may have become due as a result of any acceleration of the payment dates based upon Franchisee's default; and (ii) to such other requirements as Franchisor, in its sole discretion, deems reasonable and necessary to protect the integrity of the Proprietary Marks and the Firehouse Subs System. Notwithstanding the above paragraph 14.04, in no event shall any secured party be entitled to (i) use or assign Franchisee's rights with respect to Franchisor's Proprietary Marks or (ii) use, assign, possess or have access to any trade secrets or confidential information of Franchisor.

14.05. Transfer on Death or Disability. Upon Franchisee's death or disability or, the death or disability of the owner of a controlling interest in Franchisee, Franchisor may require Franchisee (or such owner's executor, administrator, conservator, guardian or other personal representative) to transfer Franchisee's interest in this Agreement (or such owner's interest in Franchisee) to a third party. Such disposition (including, without limitation, transfer by bequest or inheritance) must be completed within the time Franchisor designates, not less than one (1) month but not more than six (6) months from the date of death or disability. Such disposition will be subject to all of the terms and conditions applicable to transfers contained in this Section. A failure to transfer Franchisee's interest in this Agreement or the ownership interest in Franchisee within this period of time constitutes a breach of this Agreement. For purposes of this Agreement, the term **"disability"** means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent Franchisee or an owner of a controlling interest in Franchisee from managing and operating the Restaurant.

14.06. Right of First Refusal. Any party holding an interest in this Agreement, the Franchised Restaurant or in Franchisee, and who desires to accept a bona fide offer from a third party to purchase such interest, shall notify Franchisor in writing of such offer within five (5) days of receipt of such offer, and shall provide such information and documentation relating to the offer as Franchisor may require. Franchisor shall have the right and option, exercisable within thirty (30) days after receipt of the notice of offer and the furnishing of all reasonably requested information, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party. In the event that Franchisor elects to purchase the seller's interest, closing on such purchase must occur within sixty (60) days from the date of notice to the seller of the election to purchase by Franchisor. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of an initial offer. Failure of Franchisor to exercise the option afforded by this Section 14.06. shall not constitute a waiver of any other provisions of this Agreement, including all of the requirements of this Section XIV, with respect to a proposed transfer. In the event the consideration, terms, and/or conditions offered by a third party are such that Franchisor may not reasonably be required to furnish the same consideration, terms, and/or conditions, then Franchisor may purchase the interest in this Agreement, Franchisee, or the Franchised Restaurant proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time as to the reasonable equivalent in cash of the consideration, terms, and/or conditions offered by the third party, an independent appraiser shall be designated by Franchisor, and his or her determination shall be binding upon the parties. If the sale to a third party is not completed within one hundred and twenty (120) days after the delivery of such offer

to Franchisor, or if there is a material change in the terms of the sale, Franchisor shall have an additional right of first refusal during the thirty (30) day period following either the expiration of such one hundred and twenty (120) day period or notice to Franchisor of the material change(s) in the terms of the sale, either on the terms originally offered or the modified terms, at Franchisor's option.

14.07. Offerings by Franchisee. Securities or partnership interests in Franchisee may be offered to the public, by private offering or otherwise, only with the prior written consent of Franchisor, which consent shall not be unreasonably withheld. All materials required for such offering by federal or state law shall be submitted to Franchisor for review prior to their being filed with any governmental agency; and any materials to be used in any exempt offering shall be submitted to Franchisor for review prior to their use. No offering of such securities shall imply (by use of the Proprietary Marks or otherwise) that Franchisor is participating in the underwriting, issuance, or offering of securities by Franchisee; and Franchisor's review of any offering shall be limited solely to the subject of the relationship between Franchisee and Franchisor. Franchisee and the other participants in the offering shall fully indemnify Franchisor in connection with the offering. For each proposed offering, Franchisee shall pay to Franchisor a non-refundable fee of Five Thousand Dollars ($5,000), or such greater amount as is necessary to reimburse Franchisor for its reasonable costs and expenses associated with reviewing the proposed offering, including legal and accounting fees. Franchisee shall give Franchisor written notice at least thirty (30) days prior to the date of commencement any offering or other transaction covered by this Section 14.07.

XV. TERMINATION

15.01. Franchisee shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by Franchisee or such a petition is filed against Franchisee and not opposed by Franchisee; or if Franchisee is adjudicated bankrupt or insolvent; or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under the applicable law of any jurisdiction should be instituted by Franchisee or against Franchisee and not opposed by Franchisee; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed); or if Franchisee is dissolved; or if execution is levied against Franchisee's property or business; or if suit to foreclose any lien or mortgage against the premises or equipment of any Franchised Restaurant developed hereunder is instituted against Franchisee and not dismissed within thirty (30) days; or if the real or personal property of any Restaurant developed hereunder shall be sold after levy thereon by any sheriff, marshal, or constable.

15.02. Franchisee shall be deemed to be in default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder without affording Franchisee any opportunity to cure the default upon the occurrence of any of the following events:

A. If Franchisee, at any time, ceases to operate the Franchised Restaurant or otherwise abandons the Franchised Restaurant, or loses the right to possess the premises of the Franchised Restaurant, or otherwise forfeits the right to do or transact business in

the jurisdiction where the Franchised Restaurant is located; provided, however, that if, through no fault of Franchisee, the premises are damaged or destroyed by an event not within the control of Franchisee such that repairs or reconstruction cannot be completed within one-hundred eighty (180) days thereafter, then Franchisee shall have thirty (30) days after such event in which to apply for Franchisor's approval to relocate and/or reconstruct the premises, which approval shall not be unreasonably withheld, but may be conditioned upon the payment of an agreed minimum royalty to Franchisor during the period in which the Franchised Restaurant is not in operation;

B. If Franchisee (or any of its owners) is convicted of or pleads guilty to a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or Franchisor's interest therein;

C. (i) If a threat or danger to public health or safety results from the construction, maintenance, or operation of the Franchised Restaurant or from the material violation of any health and safety laws, rules, or regulations, or (ii) if the Franchised Restaurant is closed as a result of a failed inspection by the health department and in the event of such a closure, Franchisor determines, in its sole discretion, that the failed inspection is the result of repeated or a material failure by Franchisee to comply with the requirements of this Agreement or the health department. Notwithstanding anything herein to the contrary, in the event of a default described in this Section 15.02(C), Franchisor shall have the right, in addition to any other right or remedy available hereunder, to require, upon verbal notice from Franchisor to Franchisee, that the Franchised Restaurant be closed to the public and/or remain closed until the applicable food, health, or safety matters are cured. Failure to close the Franchised Restaurant upon such verbal notice shall be a default under this Agreement, and, if this default shall occur, Franchisor shall have the right to immediately terminate this Agreement, such termination to be effective immediately and with no opportunity to cure;

D. If Franchisee, or any partner, member or shareholder of Franchisee purports to transfer any rights or obligations under this Agreement or any interest in Franchisee without Franchisor's prior written consent, contrary to the terms of Section XIV hereof;

E. If Franchisee fails to comply with the in-term covenants in Section 13.01 hereof or fails to obtain execution of the covenants required under Section 13.03 hereof;

F. If, contrary to the terms of Section VII hereof, Franchisee discloses or divulges the contents of the Manual or any other confidential information provided to Franchisee by Franchisor;

G. If an approved transfer is not effected as required by Section 14.05 hereof, following Franchisee's death or mental incapacity;

H. If Franchisee knowingly maintains false books or records, or submits any false reports to Franchisor;

I. If Franchisee or any individual, group, association, limited or general partnership, corporation or other business entity which directly or indirectly controls, is controlled by, or is under common control with Franchisee; or which directly or indirectly owns, controls, or holds power to vote ten percent (10%) or more of the outstanding voting securities of Franchisee; or which has in common with Franchisee one or more partners, officers, directors, trustees, branch managers, or other persons occupying similar status or performing similar functions (**"Affiliate"**) commits any act of default under any other franchise agreement, development agreement (except for failure to meet the development schedule thereunder), asset purchase agreement, promissory note or any other agreement entered into by Franchisee or an Affiliate of Franchisee, and Franchisor, or any parent, subsidiary, or affiliate of Franchisor;

J. If Franchisee defaults more than once in any twelve (12) month period, or more than five (5) times during the Term, for failure to substantially comply with any of the requirements imposed by this Agreement, whether or not cured after notice;

K. If Franchisee refuses to permit Franchisor or its agents to enter upon the premises of the Franchised Restaurant to conduct any periodic inspection as set forth in Sections 5.09. and 10.06.H. hereof;

L. If Franchisee uses any of Franchisor's Proprietary Marks in any unauthorized manner or makes an unauthorized assignment of the Art or is otherwise in default of the provisions of Section V hereof;

M. If Franchisee fails to meet the requirements of Section 10.19 hereof, including demonstrating full PCI/DSS compliance through means requested by Franchisor, as Franchisor may elect in its reasonable discretion;

N. If Franchisee sells or offers for sale any products and menu items that have not been expressly approved for sale in writing by Franchisor, contrary to the terms of Section 10.06.B. hereof;

O. If Franchisee sells any approved products or menu items that deviate from Franchisor's standards and specifications for serving or selling such items, without Franchisor's prior written consent, contrary to the terms of Section 10.06.B. hereof;

P. If Franchisee continues to sell or offer for sale any products or menu items that Franchisor disapproves in writing at any time, contrary to the terms of Section 10.06.B.;

Q. If Franchisee or the Managing Owner engages in conduct which is deleterious to or reflects unfavorably on Franchisee, the Franchisor's Proprietary Marks or the System by exhibiting a reckless disregard for the physical and mental well-being of employees, customers, Franchisor representatives or the public at large including, but not limited to, battery, assault, sexual harassment or other forms of threatening, outrageous,

willfully discriminatory or unacceptable behavior. An act of default under this Section 15.02.Q. does not require any criminal action to be brought against Franchisee;

R. If Franchisee, Managing Owner or any other management personnel designated by Franchisor in the Manual fails to successfully complete initial or any other training to Franchisor's satisfaction; or

S. If neither Franchisee nor Managing Owner are present at the Franchised Restaurant during open hours.

15.03. Except as provided in Sections 15.01. and 15.02. of this Agreement, upon any default by Franchisee which is susceptible of being cured, Franchisor may terminate this Agreement only by giving written Notice of Termination stating the nature of such default to Franchisee: (i) at least five (5) days prior to the effective date of termination if the default is for failure to comply with the requirements of Sections XI or 17.02 hereof, or for the failure to sell or offer for sale the minimum menu items specified in the Manual or otherwise in writing, as required by Section 10.06.B hereof; (ii) at least ten (10) days prior to the effective date of termination if the default is due to any of the following events: (A) failure to pay the Initial Franchise Fee, Royalty, or System Fund Contributions (including Special Co-Op Contributions, if any) when due and/or failure to pay any other financial obligations owed to Franchisor by Franchisee or (B) failure to timely submit required reports to Franchisor; and (iii) at least thirty (30) days prior to the effective date of termination upon the occurrence of any other default under this Agreement not previously enumerated; provided, however, that Franchisee may avoid termination by curing such default to Franchisor's satisfaction within the aforementioned five (5) day, ten (10) day or thirty (30) day period, as applicable. If any such default is not cured within the specified time, this Agreement shall terminate without further notice to Franchisee effective immediately upon the expiration of the aforementioned five (5) day, ten (10) day, or thirty (30) day period, or such longer period as applicable law may require.

15.04. If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement requires a notice or cure period prior to termination longer than set forth in this Section XV, this Agreement will be deemed amended to conform to the minimum notice or cure period required by the applicable law or regulation.

15.05. Franchisee shall indemnify and hold Franchisor harmless for all costs, expenses and any losses incurred by Franchisor in enforcing the provisions hereof, or in upholding the propriety of any action or determination by Franchisor pursuant to this Agreement, or in defending any claims made by Franchisee against Franchisor, or arising in any manner from Franchisee's breach of or failure to perform any covenant or obligation hereunder, including reasonable litigation expenses and attorneys' fees incurred by Franchisor in connection with any threatened or pending litigation relating to any part of this Agreement, unless Franchisee shall be found, after due legal proceedings, to have complied with all of the terms, provisions, conditions and covenants hereof. For the avoidance of doubt, the indemnification provisions of this Section 15.05. shall survive the expiration or termination of this Agreement and be fully binding and enforceable as though such expiration or termination had not occurred.

XVI. EFFECT OF TERMINATION OR EXPIRATION

16.01. Upon termination or expiration of this Agreement, all rights granted herein shall forthwith terminate, and:

A. Franchisee shall immediately cease to operate the Franchised Restaurant as a Firehouse Subs Restaurant, and shall not thereafter, directly or indirectly, represent to the public that the restaurant is a Firehouse Subs Restaurant;

B. Franchisee shall immediately and permanently cease to use, by advertising or in any manner whatsoever, any menus, recipes, confidential food formulas, equipment, methods, procedures, and the techniques associated with the System, Franchisor's Proprietary Marks, and Franchisor's other trade names, trademarks and service marks associated with the Firehouse Subs System. In particular, and without limitation, Franchisee shall cease to use all signs, furniture, fixtures, equipment, advertising materials, the Web Site, stationery, forms, packaging, containers and any other articles which display the Proprietary Marks and make such removals or changes in the premises as Franchisor shall request, so as to effectively distinguish the premises and the Franchised Restaurant from its former appearance and from any other Firehouse Subs Restaurant. In the event Franchisee fails to comply with this Section, Franchisee consents to Franchisor entering the premises (which includes the Franchised Restaurant) to make nonstructural changes at Franchisee's expense. Franchisee shall obtain, on behalf of itself and Franchisor, the right to enter the premises to effectuate the purposes of this Section;

C. Franchisee agrees, in the event Franchisee continues to operate or subsequently begins to operate restaurants or other businesses, not to use any reproduction, counterfeit, copy, or colorable imitation of the Proprietary Marks in conjunction with such other business which is likely to cause confusion or mistake or to deceive, and further agrees not to utilize any trade dress, designation of origin, description, or representation which falsely suggests or represents an association or connection with Franchisor;

D. Franchisee agrees, upon termination or expiration of this Agreement or upon ceasing to operate the Franchised Restaurant at the location specified in Section I hereof for any reason, whether or not Franchisee continues to operate any business at such location, and whether or not Franchisee owns or leases the location, to make such modifications or alterations to the Franchised Restaurant premises immediately upon termination or expiration of this Agreement or cessation of operation of the Franchised Restaurant as may be necessary to prevent the operation of any businesses thereon by Franchisee or others in derogation of this Section XVI, and shall make such specified additional changes thereto as Franchisor may reasonably request for that purpose. The modifications and alterations required by this Section XVI shall include removal of all trade dress, Proprietary Marks and other indicia of the Firehouse Subs System;

E. Franchisee shall immediately pay all sums owing to Franchisor and its parents, subsidiaries and affiliates. In the event of termination for any default by Franchisee, such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the default;

F. To the extent applicable, Franchisee shall immediately turn over to Franchisor (or, at Franchisor's direction, shall destroy) the Manual, all other manuals, records, files, instructions, correspondence and any and all other materials relating to the operation of the Franchised Restaurant in Franchisee's possession and all copies thereof (all of which are acknowledged to be Franchisor's property) and shall retain no copy or record of any of the foregoing, with the exception of such materials possessed by Franchisee pursuant to a separate valid and enforceable franchise agreement and Franchisee's copy of this Agreement, any correspondence between the parties, and any other documents which Franchisee reasonably needs for compliance with any provision of law;

G. Franchisee shall immediately notify the telephone company and all telephone directory publishers of the termination or expiration of Franchisee's right to use any telephone, telecopy or other numbers and any regular, classified or other telephone directory listings associated with any Proprietary Mark, authorize the transfer of such numbers and directory listings to Franchisor or at Franchisor's direction and/or instruct the telephone company to forward all calls made to Franchisee's telephone numbers to numbers Franchisor may specify; and

H. Franchisee shall immediately delete or cause to be deleted the Web Site (if not within Franchisor's control) and transfer to Franchisor (if not already registered to Franchisor) the registration of all domain names used in connection with the Web Site, as well as any other domain names registered by or on behalf of Franchisor in connection with the Franchised Restaurant. Any rights granted by Franchisor to Franchisee with respect to the Web Site, or any other website associated with the Franchised Restaurant, including any domain names, shall immediately cease upon termination or expiration of this Agreement, and Franchisor may, at any time upon or after termination or expiration of this Agreement, delete the Web Site (if within Franchisor's control) and cease or reassign usage of any domain names within Franchisor's control that may have benefited Franchisee.

I. Franchisee shall reimburse Franchisor for all expenses and other costs incurred by Franchisor, if Franchisor chooses, with or without notice to Franchisee, to enter the Franchised Restaurant and remove the Art.

16.02. Franchisor shall have the right (but not the duty) to be exercised by notice of intent to do so within sixty (60) days after termination or expiration of this Agreement, to purchase any and all improvements, equipment, advertising and promotional materials, ingredients, products, materials, supplies, paper goods and any items bearing Franchisor's Proprietary Marks at current fair market value. If the parties cannot agree on a fair market value within a reasonable time, an independent appraiser shall be designated by Franchisor, and his or her determination of fair market value shall be binding. If Franchisor elects to exercise any option to purchase herein

provided, it shall have the right to set-off all amounts due from Franchisee under this Agreement and the cost of the appraisal, if any, against any payment therefor.

16.03. In the event the premises are leased to Franchisee, Franchisee shall, upon termination of this Agreement and upon request by Franchisor, immediately assign, set over and transfer unto Franchisor, at Franchisor's sole option and discretion, said lease and the premises, including improvements. Any such lease entered into by Franchisee shall contain a clause specifying the landlord's consent to assign such lease to Franchisor or its assignee in the event this Agreement is terminated. In the event the premises are owned by Franchisee or its affiliate, and this Agreement is terminated or expires without renewal, Franchisor shall have the right to require Franchisee or its affiliate, as applicable, to promptly enter into a lease with Franchisor or its designee for the Restaurant premises, which lease shall be on commercially reasonable terms, including then-current market rates, and shall be for a term of ten (10) years, unless the parties to the proposed lease agree otherwise.

16.04. Franchisee shall pay to Franchisor all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor in seeking recovery of damages caused by any action of Franchisee in violation of, or in obtaining injunctive relief for the enforcement of, any portion of this Section XVI. Further, Franchisee acknowledges and agrees that any failure to comply with the provisions of this Section XVI, shall result in irreparable injury to Franchisor.

16.05. All provisions of this Agreement which, by their terms or intent, are designed to survive the expiration or termination of this Agreement, shall so survive the expiration and/or termination of this Agreement.

16.06. Franchisee shall comply with the covenants contained in Section XIII of this Agreement.

16.07. Franchisee shall execute such documents as Franchisor may reasonably require to effectuate termination of the franchise and Franchisee's rights to use the trademarks and systems of Franchisor.

XVII. TAXES, PERMITS, AND INDEBTEDNESS

17.01. Franchisee shall promptly pay when due all taxes, accounts and other indebtedness of every kind incurred by Franchisee in the conduct of Franchisee's business and operation of the Franchised Restaurant under this Agreement (the **"Indebtedness"**). If Franchisee fails to promptly pay when due any Indebtedness, Franchisor may, but is not required to, pay any and all such amounts and perform such obligations on Franchisee's behalf. If Franchisor elects to do so, Franchisee must reimburse Franchisor for any such amounts. Franchisee agrees to repay Franchisor immediately upon reciept of an invoice for Indebtedness costs paid by Franchisor. Franchisor may set-off the amount of any such reimbursement obligations against all amounts which Franchisor may owe Franchisee.

17.02. Franchisee, in the conduct of Franchisee's business and operation of the Franchised Restaurant, shall comply with all applicable laws and regulations, and shall timely obtain any and

all permits, certificates, or licenses necessary for the full and proper conduct of the businesses operated under this Agreement, including licenses to do business, trade name registrations, sales tax permits and fire clearances.

17.03 Notwithstanding the foregoing or anything else herein, the amount of all fees payable pursuant to this Agreement by the Franchisee does not include Indirect Tax and, in the event Indirect Tax applies on the fees payable pursuant to this Agreement, Franchisee will be responsible for such Indirect Tax either (i) through payment of the Indirect Tax to Franchisor or (ii) if Franchisee is required by law to deduct and pay the applicable Indirect Tax to the relevant Tax Authority, Franchisee will gross up the fees by the applicable Indirect Tax and remit payment of the applicable Indirect Tax amount to the relevant Tax Authority, without any deduction from fees payable under this Agreement. If there is an exemption in the state of the Franchised Restaurant for the application of Indirect Taxes to any payments made by Franchisee to Franchisor or its designee, Franchisee will cooperate in good faith with Franchisor and take all reasonable steps necessary to ensure that Franchisor or its designee will be eligible for such exemption, including by applying for the exemption with the applicable Tax Authority. If there is an exemption in the state of the Franchised Restaurant for the application of Indirect Taxes to any payments made by Franchisee to Franchisor or its designee, Franchisee will cooperate in good faith with Franchisor and take all reasonable steps necessary to ensure that Franchisor or its designee will be eligible for such exemption, including by applying for the exemption with the applicable Tax Authority. **"Indirect Tax"** or **"Indirect Taxes"** means sales and use tax, goods and services tax, value added tax, ad valorem tax, excise tax, duty, levy or other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing (together with any penalties, interest, or other similar amounts thereon) levied by a Tax Authority. **"Tax"** or **"Taxes"** means all taxes, however denominated, including any interest, penalties, or other additions that may become payable in respect thereof, imposed by any Taxing Authority. **"Tax Authority"** means any governmental authority having or purporting to have power to impose, administer or collect any Tax.

XVIII. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

18.01. This Agreement does not make Franchisee an agent, legal representative, joint venturer, partner, employee or servant of Franchisor for any purpose whatsoever. It is understood and agreed that Franchisee shall be an independent contractor and is in no way authorized to make any contract, agreement, warranty, or representation on behalf of Franchisor or to incur any debt or any other obligation in Franchisor's name, and that Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action or by reason of any act or omission of Franchisee, or any claim or judgment arising therefrom. Neither this Agreement nor Franchisor's course of conduct is intended, nor may anything in this Agreement (nor Franchisor's course of conduct) be construed, to state or imply that Franchisor is the employer of Franchisee's employees and/or independent contractors, nor vice versa. The parties further agree that this Agreement does not create any fiduciary or special relationship between them. In all public records, in relationships with other persons, and on letterhead and business forms, Franchisee shall indicate its independent ownership of the Franchised Restaurant and that Franchisee is a franchisee of Franchisor.

18.02. During the Term and any extensions hereof, Franchisee agrees to take such action as Franchisor deems reasonably necessary for Franchisee to inform and hold itself out to the public as an independent contractor operating the Franchised Restaurant pursuant to a franchise from Franchisor (including exhibiting a notice of that fact at the Franchised Restaurant in form and substance satisfactory to Franchisor), subject only to the conditions and covenants set forth in this Agreement. Franchisee shall have no right or power to, and shall not, bind or obligate Franchisor in any way or manner, nor shall Franchisee represent at any time that Franchisee has any right to do so. Without limiting the generality of the foregoing, Franchisee acknowledges that (i) Franchisor has no responsibility or obligation to ensure that the Franchised Restaurant is developed and operated in compliance with all applicable laws, ordinances, and regulations, and (ii) Franchisor shall have no liability in the event the development or operation of the Franchised Restaurant violates any applicable law, ordinance, or regulation.

18.03. Franchisee agrees to defend, indemnify and hold harmless Franchisor, its parent, subsidiaries and affiliates, and their respective officers, directors, employees, agents, successors and assigns from all claims, demands, losses, damages, liabilities, cost and expenses (including attorneys' fees and litigation expenses) resulting from, or alleged to have resulted from, or in connection with Franchisee's operation of the Franchised Restaurant, including any claim or actions based on or arising out of (i) Franchisee's violation of any applicable laws, rules, or regulations (including any applicable employment or workplace-related laws, rules, or regulations), (ii) the acts or omissions of Franchisee or any of its employees, or (iii) any injuries, including death to persons or damages to or destruction of property, sustained or alleged to have been sustained in connection with or to have arisen out of or incidental to the Franchised Restaurant, Franchisee's business and/or the performance of this Agreement by Franchisee, its agents, employees, and/or its subcontractors, their agents and employees, or anyone for whose acts they may be liable, regardless of whether or not such claim, demand, damage, loss, liability, cost or expense is caused in whole or in part by the negligence of Franchisor, Franchisor's representative, or the employees, agents, invitees, or licensees thereof. For the avoidance of doubt, the provisions of this Section 18.03. shall survive the expiration or termination of this Agreement and be fully binding and enforceable as though such expiration or termination had not occurred.

18.04. Franchisor shall advise Franchisee in the event Franchisor receives notice that a claim has been or may be filed with respect to a matter covered by this Agreement, and Franchisee shall immediately assume the defense thereof at Franchisee's sole cost and expense. In any event, Franchisor will have the right, through counsel of its choice, to control any matter to the extent it could directly or indirectly affect Franchisor and/or its parent, subsidiaries or affiliates or their officers, directors, employees, agents, successors or assigns. If Franchisee fails to assume such defense, Franchisor may defend, settle, and litigate such action in the manner it deems appropriate and Franchisee shall, immediately upon demand, pay to Franchisor all costs (including attorneys' fees and litigation expenses) incurred by Franchisor in affecting such defense, in addition to any sum which Franchisor may pay by reason of any settlement or judgment against Franchisor.

18.05. Franchisor's right to indemnity hereunder shall exist notwithstanding that joint or several liability may be imposed upon Franchisor by statute, ordinance, regulation or judicial decision.

18.06. Franchisee agrees to pay Franchisor all expenses attorneys' fees and court costs, incurred by Franchisor, its parent, subsidiaries, affiliates, and their successors and assigns to remedy any defaults of or enforce any rights under this Agreement, effect termination of this Agreement or collect any amounts due under this Agreement.

XIX. APPROVALS AND WAIVERS

19.01. Whenever this Agreement requires the approval of Franchisor, Franchisee shall make a timely written request to Franchisor therefore, and such approval or consent shall be in writing. Whenever this Agreement or any related agreement grants, confers or reserves to Franchisor the right to take action, refrain from taking action, or grant or withhold Franchisor's consent or approval, unless the provision specifically states otherwise, Franchisor may take into consideration Franchisor's good faith assessment of the long term interests of all stakeholders in the Firehouse Subs System. When the terms of this Agreement specifically require that Franchisor not unreasonably withhold Franchisor's approval or consent, if Franchisee is in material default of this Agreement (after applicable notice and cure period), any withholding of Franchisor's approval or consent will be considered reasonable.

19.02. Franchisor makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee or any third party to which Franchisor would not otherwise be subject, by providing any waiver, approval, advice, consent, or suggestions to Franchisee in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefore.

19.03. No failure of Franchisor to exercise any power reserved to it in this Agreement, or to insist upon compliance by Franchisee with any obligation or condition in this Agreement, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms of this Agreement. Waiver by Franchisor of any particular default shall not affect or impair Franchisor's right in respect to any subsequent default of the same or of a different nature, nor shall any delay, forbearance, or omission of Franchisor to exercise any power or rights arising out of any breach or default by Franchisee of any of the terms, provisions, or covenants of this Agreement, affect or impair Franchisor's rights, nor shall such constitute a waiver by Franchisor of any rights, hereunder or right to declare any subsequent breach or default. Subsequent acceptance by Franchisor of any payments due to it shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants, or conditions of this Agreement.

XX. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by registered mail, or by other means which will provide evidence of the date received to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor:	Firehouse of America, LLC 12735 Gran Bay Parkway, Suite 150 Jacksonville, Florida 32258
Notices to Franchisee:	See Key Contract Data page

All written notices and reports permitted or required to be delivered by the provisions of this Agreement shall be addressed to the party to be notified at its most current principal business address of which the notifying party has been notified and shall be deemed so delivered: (i) at the time delivered by hand; or (ii) if sent by registered or certified mail or by other means which affords the sender evidence of delivery, on the date and time of receipt or attempted delivery if delivery has been refused or rendered impossible by the party being notified.

XXI. SEVERABILITY AND CONSTRUCTION

21.01. Except as expressly provided to the contrary herein, each section, paragraph, part, term, and/or provision of this Agreement shall be considered severable; and if, for any reason, any section, part, term, and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation, or have any other effect upon, such other portions, sections, parts, terms, and/or provisions of this Agreement as may remain otherwise intelligible, and the latter shall continue to be given full force and effect to bind the parties hereto; and said invalid portions, sections, parts, terms, and/or provisions shall be deemed not to be part of this Agreement.

21.02. Except as has been expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, Franchisor's officer, directors, and employees, and Franchisee's permitted and Franchisor's respective successors and assigns, any rights or remedies under or by reason of this Agreement.

21.03. All captions in the Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof. In this Agreement, the words "include", "includes", and "including" shall be deemed to be followed by the phrase "without limitation".

21.04. All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable, and all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by Franchisee shall be deemed jointly and severally undertaken by all the parties hereto on behalf of Franchisee.

21.05. This Agreement may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute but one and the same agreement. By entering into this Agreement, Franchisee expressly consents to transact business with Franchisor electronically and that, consistent with the Uniform Electronic Transactions Act and all other applicable state and federal laws, this Agreement may be executed by electronic signatures. The parties to this Agreement agree that (i) the parties' electronic

signatures are intended to authenticate this writing and to have the same force and effect as the use of manual signatures, and (ii) an electronically signed version of this Agreement shall constitute an original for all purposes.

XXII. ENTIRE AGREEMENT: SURVIVAL

22.01. This Agreement, the Key Contract Data page to this Agreement, the documents referred to herein, and the exhibits hereto, constitute the entire, full and complete agreement between Franchisor and Franchisee concerning the subject matter hereof and supersede any and all prior agreements. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, modification or variance of this Agreement shall be binding on either party unless in writing and executed by Franchisor and Franchisee. Representations by either party, whether oral, in writing, electronic or otherwise, that are not set forth in this Agreement (other than those set forth in the Franchise Disclosure Document provided by Franchisor to Franchisee) shall not be binding upon the party alleged to have made such representations and shall be of no force or effect. However, and notwithstanding the foregoing, no provision in this Agreement is intended to disclaim any representation made by Franchisor in the Franchise Disclosure Document provided by Franchisor to Franchisee.

Franchisee has read this Section 22.01., and Franchisee acknowledges and agrees that neither it nor any of its owners, directors, officers, or employees has been induced by (and none of the foregoing are relying upon) any representation not contained in this Agreement or the Franchise Disclosure Document provided by Franchisor at least 14 days prior to the execution of any agreement with Franchisor or any parent, subsidiary or affiliate or the payment of any money to Franchisor or any parent, subsidiary or affiliate.

22.02. Notwithstanding anything herein to the contrary, upon the termination of this Agreement for any reason whatsoever (including the execution of a subsequent franchise agreement pursuant to the provisions of Sections 2.02.B. and 14.03.G.), or upon the expiration of the Term hereof, any provisions of this Agreement which, by their nature, extend beyond the expiration or termination of this Agreement, shall survive termination or expiration and be fully binding and enforceable as though such termination or expiration had not occurred.

XXIII. ACKNOWLEDGMENTS

23.01. Franchisee acknowledges that Franchisee has conducted an independent investigation of the Firehouse Subs franchise and recognized that the business venture contemplated by this Agreement involves business risks and Franchisee's success will be largely dependent upon the ability of Franchisee as an independent business entity. By signing below, Franchisee hereby acknowledges and certifies to Franchisor each of the following:

A. FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND FRANCHISEE ACKNOWLEDGES THAT FRANCHISEE HAS NOT RECEIVED, ANY WARRANTY OR GUARANTY, EXPRESSED OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT;

B. FRANCHISEE ACKNOWLEDGES THAT FRANCHISEE HAS READ AND

UNDERSTOOD THIS AGREEMENT, THE EXHIBITS HERETO, IF ANY, AND AGREEMENTS RELATING THERETO, IF ANY, AND THAT FRANCHISOR HAS ACCORDED FRANCHISEE AMPLE TIME AND OPPORTUNITY AND HAS ENCOURAGED FRANCHISEE TO CONSULT WITH ADVISORS OF FRANCHISEE'S OWN CHOOSING ABOUT THE POTENTIAL BENEFITS AND RISKS OF ENTERING INTO THIS AGREEMENT; AND

C. FRANCHISEE RECOGNIZES AND UNDERSTANDS THAT IT MAY INCUR OTHER EXPENSES AND/OR OBLIGATIONS AS PART OF THE INITIAL INVESTMENT IN THE FRANCHISED RESTAURANT WHICH THE TERMS OF THIS AGREEMENT MAY NOT ADDRESS, AND WHICH INCLUDE: OPENING ADVERTISING, EQUIPMENT, FIXTURES, OTHER FIXED ASSETS, CONSTRUCTION, LEASEHOLD IMPROVEMENTS AND DECORATING COSTS AS WELL AS WORKING CAPITAL NECESSARY TO COMMENCE OPERATIONS.

XXIV. APPLICABLE LAW; VENUE

24.01. Applicable Law. This Agreement takes effect upon its acceptance and execution by Franchisor and shall be interpreted and construed under the laws of the State of Florida which laws shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of Florida choice of law or conflict of law rules) except to the extent governed by the U. S. Trademark Act of 1946, 15 U.S.C. § 1051, et seq. (the **"Lanham Act"**) as amended; provided, however, that if the covenants in Section XIII of this Agreement would not be enforceable under the laws of Florida, and the Franchised Restaurant is located outside of Florida, then such covenants shall be interpreted and construed under the laws of the state in which the Franchised Restaurant is located. Nothing in this Section XXIV is intended by the parties to subject this Agreement to any franchise or similar law, rule, or regulation of the State of Florida to which this Agreement would not otherwise be subject.

24.02. The parties agree that any action brought by Franchisee against Franchisor in any court, whether federal or state, shall be brought within such state and in the judicial district in which Franchisor has its principal place of business. Any action brought by Franchisor against Franchisee in any court, whether federal or state, may be brought within the state and in the judicial district in which Franchisor has its principal place of business. Franchisee hereby consents to personal jurisdiction and venue in the state and judicial district in which Franchisor has its principal place of business.

24.03. No right or remedy herein conferred upon or reserved to Franchisor is exclusive of any other right or remedy herein, or by law or equity provided or permitted; but each shall be cumulative of any other right or remedy provided in this Agreement.

24.04. Nothing herein contained shall bar Franchisor's right to obtain injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

24.05. Any and all claims and actions arising out of or relating to this Agreement (including the offer and sale of this franchise), the relationship of Franchisee and Franchisor, or Franchisee's operation of the Franchised Restaurant, brought by Franchisee shall be commenced within eighteen (18) months from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred.

24.06. Franchisor and Franchisee hereby waive to the fullest extent permitted by law any right to or claim of any consequential, punitive, or exemplary damages against the other, and agree that in the event of a dispute between them each shall be limited to the recovery of any actual damages sustained by it.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed, sealed, and delivered this Agreement in multiple originals on the day and year first above-written.

FRANCHISOR:

FIREHOUSE OF AMERICA, LLC

By:_____
Name:_____
Title:_____

FRANCHISEE:

ENTITY

By:_____
Name:_____
Title: Managing Owner

[SIGNATURE PAGE TO FRANCHISE AGREEMENT]

EXHIBIT "A"

FIREHOUSE SUBS
FRANCHISE AGREEMENT

FRANCHISEE'S MANAGING OWNER, AND OWNERSHIP STRUCTURE

Franchisee represents, warrants, and covenants that the following information is true, correct, and complete at all times during the Term:

1. The Managing Owner, who is authorized to sign this Agreement any other agreements between Franchisee and Franchisor, is as follows:

MANAGING OWNER	PHONE NUMBER AND ADDRESS

2. All of the owners of all issued and outstanding shares, membership interests, or other equity of Franchisee are set forth below (including the number and type of shares, membership interests, or equity held by such owner):

OWNER	NUMBER AND CATEGORY

EXHIBIT "B"

FIREHOUSE SUBS
FRANCHISE AGREEMENT

LIABILITY WAIVER AND RELEASE

I, _____, want to enroll in the observation and evaluation process and/or attend the training programs (the **"Observation Process"**) offered by Firehouse of America, LLC (**"FOA"**) in assessing suitability to own, operate and/or manage a Firehouse Subs® Restaurant pursuant to a franchise agreement between FOA and either me, my employer, or a company with which I am affiliated. To induce FOA to allow me to participate in the Observation Process, I agree, attest and acknowledge the following:

(1) During the Observation Process at a Firehouse Subs Restaurant and through other training facilities I may handle or operate food service equipment and supplies and, therefore, there is a risk of injury and harm;

(2) I understand and acknowledge that I am not an employee of FOA or its affiliates for any purpose whatsoever;

(3) Since I am not an employee of FOA, I will not be entitled to any workers compensation coverage from FOA or any of its affiliates (although I may be entitled to such coverage from my own employer);

(4) I waive any right to sue for damages or other relief, and release any claim I may have against FOA and/or any of its affiliates, agents, officers and directors, for any claims, losses, damages, liabilities or obligations that arise out of any injury I suffer during and as a result of my participation in the Observation Process with FOA; and

(5) My participation in the Obervation Process does not entitle me to a Firehouse Subs franchise. Franchises are granted only by separate written agreements.

_____

Print Name: _____
Date: _____

_____
Witness Signature
Print Name: _____
Date: _____

EXHIBIT C2 TO THE DISCLOSURE DOCUMENT

FORM OF

DEFERRED RENOVATION ADDENDUM
TO
FRANCHISE AGREEMENT

DEFERRED RENOVATION ADDENDUM
FIREHOUSE SUBS FRANCHISE AGREEMENT

This Deferred Renovation Addendum ("Addendum") is made as of the ____ day of _____, 20___ by and between the undersigned parties.

This Addendum modifies and is a part of the franchise agreement entered into by the parties on the same date herewith (the "Franchise Agreement") under which Franchisee is licensed to own and operate the Firehouse Subs Restaurant to be located at the location of the franchised restaurant on the Key Contract Data page of the Franchise Agreement, and commonly referred to as FHS# _____ (the "Franchised Restaurant").

1. **Background and Purpose**. This Addendum is being executed in order to modify certain provisions of the Franchise Agreement as necessary to reflect accurately the terms on which a franchise is being granted to Franchisee. Franchisee acknowledges that, as of the date of this Addendum, the Renovation (as defined below) of the Franchised Restaurant has not been completed, and that this Addendum reflects material conditions to the grant of the franchise to Franchisee.

2. **Renovation Requirements**. Franchisee acknowledges and agrees that Franchisee is required to complete certain reimagings, renovations, refurbishments, and modernizations of the Franchised Restaurant that will meet Franchisor's then-current standards, specifications and design criteria for Firehouse Subs Restaurants (the "**Renovation**"). Franchisee acknowledges and agrees that completion of the Renovation is a material consideration for and inducement to Franchisor to enter into the Franchise Agreement and this Addendum. Franchisee agrees to complete the Renovation in a professional, workmanlike manner in accordance with Franchisor and industry standards, and to complete the Renovation in its entirety no later than _____ (**the "Renovation Completion Date**"). Franchisee further agrees that equitable relief requiring the performance of Franchisee's obligations under this Addendum would be appropriate in the event that Franchisee fails to comply with its obligations herein, and that in the event of Franchisee's noncompliance, Franchisor shall be entitled to such relief without bond and to recover all costs of enforcement of Franchisee's obligations under this Addendum, including without limitation its attorneys' fees and costs. Equitable relief will be in addition to and will not preclude other remedies. Failure to complete the Renovation in its entirety, as determined by Franchisor, by the Renovation Completion Date shall be a material default under and cause for termination of the Franchise Agreement.

3. **Royalty.** The following paragraphs replace Section 3.01.B. of the Agreement:

> A recurring, non-refundable royalty fee equal to the amount set forth as the "Royalty" on the Key Contract Data page ("**Royalty**") during the Term, payable weekly (or on such other basis as may be set forth in the Manual or otherwise agreed to in writing by Franchisor) on the Gross Sales of the preceding week.

Notwithstanding the foregoing, if Franchisor determines that Franchisee failed to complete the Renovation by the Renovation Completion Date, Franchisee shall pay Franchisor a Royalty equal to ___% of Gross Sales commencing ninety (90) days after Franchisor provides written notice of such increase to Franchisee and ending on the date that Franchisor has confirmed, in writing, that the Renovation has been completed. Thereafter, Franchisee shall pay Franchisor a Royalty equal to the amount set forth on the Key Contract Data page for the remainder of the Term. For the avoidance of doubt, the increased Royalty provided herein does not preclude Franchisor from exercising any rights and remedies for Franchisee's failure to timely complete the Renovation, including without limitation the right to terminate the Franchise Agreement.

4. Effect and Construction. The Franchise Agreement, as modified by this Addendum, replaces and supersedes all previous licenses and franchise agreements entered into by the parties or their predecessors in interest with respect to the Franchised Restaurant. Terms used in this Addendum have the same meanings given to them in the Franchise Agreement except as this Addendum may otherwise provide. Paragraph captions in this Addendum are for convenience only and do not affect the construction of its provisions. In the event of any inconsistency between the provisions of the Franchise Agreement and the provisions of this Addendum, the provisions of this Addendum shall govern.

By entering into this Addendum, Franchisee expressly consents to transact business with Franchisor electronically and that, consistent with the Uniform Electronic Transactions Act, and all other applicable state and federal laws, this Addendum may be executed by electronic signatures. The parties to this Addendum agree that the parties' electronic signatures are intended to authenticate this writing and to have the same force and effect as the use of manual signatures and an electronically signed version of this Addendum shall constitute an original for all purposes.

This Addendum is hereby executed by the parties effective on the date indicated above.

FIREHOUSE OF AMERICA, LLC

By:_____
Print Name:_____
Its:_____

FRANCHISEE:

*
By:_____
*, Managing Owner

OR

_____
Owners

_____

EXHIBIT D1 TO THE DISCLOSURE DOCUMENT

FORM OF

TARGET RESERVATION AGREEMENT

TARGET RESERVATION AGREEMENT
(NON-EXCLUSIVE)

This Target Reservation Agreement ("Agreement") is made and entered into in Jacksonville, Florida as of the _____ day of _____, 20___ (the "Effective Date"), by and between **FIREHOUSE OF AMERICA, LLC** ("FOA"), a Florida limited liability company having its principal place of business at 12735 Gran Bay Parkway, Suite 150, Jacksonville, Florida 32258, and _____ _____ ("Developer").

INTRODUCTION

In consideration of the mutual undertakings and covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE I: GRANT

1.1 Restaurant Site. Subject to the terms and conditions of this Agreement, FOA grants Developer the right to develop a Firehouse Subs® restaurant (the "Franchised Restaurant") at the specific address set forth on Exhibit A ("Site"), and the development of a Franchised Restaurant at the Site.

1.2 No Territorial or Other Rights. The development rights granted to Developer in this Agreement are for the Site set forth in Exhibit A only, and: (a) Developer has no express or implied territorial rights in any area to develop Firehouse Subs® restaurants; (b) FOA has the unconditional right to directly or indirectly develop, establish and/or approve a franchisee to develop Firehouse Subs® restaurants at all locations other than the Site; (c) the development rights specifically exclude the right to obtain approval for development of a Firehouse Subs® restaurant at any nontraditional locations for which the majority of persons entering the premises typically do so for purposes other than patronizing the Firehouse Subs® restaurants, including, but not limited to, enclosed shopping malls, airports, military installations, hotels, railway stations and their direct surroundings, bus stations, service plazas established by governmental or quasi-governmental entities on motorways and highways, gas stations, convenience stores, universities and schools, amusement parks, cruise ships, hospitals and residences, stadiums, sports centers and clubs, and similar locations for distribution; and (d) rights or approvals previously granted by FOA to other persons or entities are not affected by this Agreement. This Agreement shall not limit FOA's ability to renew or extend existing agreements or enter into new agreements for any Firehouse Subs® restaurant whether previously approved and under development or otherwise.

1.3 Success or Viability of a Site or Franchised Restaurant. The Developer agrees that neither FOA's approval of the Site nor any site selection assistance, site identification or other assistance by FOA prior to such approval, shall be construed or interpreted as a representation or warranty relating directly or indirectly to the success or viability of the Site or Franchised Restaurant and no reliance shall be placed on any warranty, representation or advice that may be given by any person by or on behalf of FOA directly or indirectly relating to the success or viability of the Site or Franchised Restaurant. Developer represents and warrants that it has conducted its own independent investigation and due diligence with respect to the viability and success of the Site or Franchised Restaurant and acknowledges that there are risks associated with the development of a Franchised Restaurant at the Site and that there are no guarantees that the Site or Franchised Restaurant will be successful or viable.

ARTICLE II: OPENING DEADLINE SCHEDULE

Opening Deadline Schedule. Developer shall, in accordance with the terms and conditions hereof, construct, open and operate the new Franchised Restaurant at the Site no later than the date three hundred sixty five (365) days after the Effective Date (the "Opening Deadline").

ARTICLE III: TERM

Unless terminated earlier or extended, as provided herein, this Agreement shall commence as of the Effective Date and expire on the date of the Opening Deadline. Except as provided herein, Developer has no right to any extension or renewal of this Agreement.

ARTICLE IV: DEVELOPMENT PROCEDURE

4.1 Nature of Agreement. Developer understands and agrees that this Agreement is not a franchise agreement and does not grant Developer a franchise for the operation of a Firehouse Subs® restaurant or any right to use the FOA's trademarks, service marks or other FOA intellectual property, but is merely intended by the parties to set forth the terms and conditions which, if fully satisfied, would entitle the Developer to obtain an individual Franchise Agreement for the Site to be developed under this Agreement.

4.2 Franchise Approval. Notwithstanding any provision in this Agreement to the contrary, the Developer understands and agrees that, as a condition precedent to the development of the Franchised Restaurant, the Developer must apply for, meet and maintain FOA's then-current operational, financial, credit, legal and other criteria for developing and operating a new Firehouse Subs® restaurant as set forth in the then-current FOA Franchise Approval and Expansion Policy ("Franchise Approval"). Developer understands and accepts that FOA may change its criteria for Franchise Approval as it applies to all Franchisees in the U.S. during the term of this Agreement. Failure to meet the requirements for operational, financial, credit and/or legal approval shall constitute grounds for, among other things, FOA refusing to grant Franchise Approval or withdrawing an approval already granted. Any failure by Developer to qualify for Franchise Approval for any period of time shall not extend, modify or reduce the development obligations of Developer under this Agreement and if such failure results in Developer defaulting on its development obligations under this Agreement, FOA may, in its sole discretion, exercise its right to terminate this Agreement under Section 5.1.2 and the provisions of Section 5.2(ii) shall not apply.

4.3 Site Approval. Upon execution of this Agreement, Developer shall be deemed to have obtained site approval ("Site Approval") from FOA for the Franchised Restaurant to be developed at the Site. Developer understands and acknowledges that in addition to Site Approval, Developer shall obtain all permits required to construct, open and operate the Franchised Restaurant at the Site. Site Approval automatically expires (without any requirement of FOA to provide Developer any written notification of its expiration) on the date of the Opening Deadline (subject to any applicable cure period granted herein).

4.4 Site Acquisition, Construction Approval and Construction.

4.4.1 Within ninety (90) days following the Effective Date, Developer shall submit, in writing to FOA, satisfactory proof that Developer:

4.4.1.1 owns the Site;

4.4.1.2 has leased the Site for a term which, with renewal options, is not less than the initial term of the Franchise Agreement for the Franchised Restaurant; or

4.4.1.3 has entered into a written agreement to purchase or to lease the Site on terms provided herein, subject only to obtaining necessary governmental approvals.

The proof required by this Section 4.4.1 includes submission of executed copies of all leases and deeds, as well as all governmental approvals if effectiveness of leases or deeds is conditioned thereon. Failure to provide FOA with the proof required by this Section 4.4.1 within the 90-day period set forth in this Section 4.4.1 shall constitute a default of this Agreement with no opportunity to cure.

4.4.2 FOA assumes no liability or responsibility for: (a) evaluation of the Site's soil for hazardous substance; (b) inspection of any structure on the Site for asbestos or other toxic or hazardous materials; (c) compliance with the Americans With Disabilities Act (the "ADA"); or (d) compliance with any other applicable law. It is Developer's sole responsibility to obtain satisfactory evidence and/or assurances that the Site (and any structures thereon) is free from environmental contamination and in compliance with the requirements of the ADA.

4.4.3 If Developer proposes to lease or sublease the Site, the lease or sublease shall not contain any covenants, use clauses or other obligations that would prevent Developer from performing its obligations under the Franchise Agreement for the Franchised Restaurant. Additionally, before entering into such a lease, or renewal of a lease, Developer and the lessor must sign FOA's then-current form of Addendum to Lease Agreement (the "Lease Addendum"). Developer must give the lessor FOA's form of the Lease Addendum when Developer begins discussions with the prospective lessor.

4.4.4 The Franchised Restaurant must be constructed, equipped and furnished in accordance with FOA approved plans and specifications (the "Construction Plans"). Prior to construction, Developer must obtain from FOA written architectural and design approval of Developer's plans as indicated by issuance of a restaurant number. Developer must obtain FOA's approval of the type of facility, site layout, and equipment configuration for the Franchised Restaurant, including the building design, style, size, interior decor, type of equipment, service format and equipment arrangement ("Construction Approval"). For the avoidance of doubt, Construction Approval solely indicates FOA's approval of the Franchised Restaurant design in accordance with the Construction Plans.

4.4.5 FOA assumes no liability for the adequacy of any Construction Plan. Developer assumes all cost, liability and expense for developing, constructing and equipping the Franchised Restaurant. It shall be Developer's responsibility to have prepared Construction Plans to suit the shape and dimensions of the Site, and Developer shall ensure that the Construction Plans comply with applicable ordinances, ADA requirements, building codes and permit requirements and with lease requirements and restrictions. Developer shall obtain and use only registered architects, registered engineers, and professional and licensed contractors who demonstrate to FOA's reasonable satisfaction the ability to meet FOA's reasonable quality standards (as determined by FOA in its reasonable discretion), in each case, to prepare the Construction Plans (including surveys and site and foundation plans), to adapt the Construction Plans to applicable local or state laws, regulations or ordinances, and to construct the Franchised Restaurant. Developer shall bear all costs and expenses incurred in connection with the preparation of all Construction Plans, including the costs and expenses incurred for any plans containing deviations or modifications from FOA's standard plans and specifications. For the avoidance of any doubt, the Franchised Restaurant may

not open if construction has not been performed in substantial compliance with the Construction Plans as approved by FOA. FOA may terminate this Agreement if such non-compliance is not cured within a commercially reasonable amount of time.

4.4.6 Developer shall give FOA notice of commencement of construction within ten (10) days of the date construction began, with progress reports supporting the findings at least every two (2) weeks thereafter.

4.4.7 Developer shall complete the construction of the Franchised Restaurant and commence operation of the Franchised Restaurant (the "Opening Date") by no later than the Opening Deadline.

4.4.8 Right to Open a Franchised Restaurant. At least forty-five (45) days prior to the proposed Opening Date of the Franchised Restaurant, Developer shall notify FOA in writing of such proposed opening. Upon receipt of such notice, FOA may provide a representative to be present at the opening of the Franchised Restaurant. The Franchised Restaurant shall not open until Developer has received FOA's prior written approval to open. Should commencement of operation of the Franchised Unit be delayed by the failure of FOA to provide such a representative, the date upon which commencement of operation of the Franchised Restaurant is required pursuant to this Agreement shall be extended until such time as such assistance is provided by FOA. Should Developer reschedule the Opening Date of the Franchised Restaurant less than thirty (30) days prior to the date scheduled with FOA, Developer shall reimburse FOA for any out-of-pocket expenses incurred by FOA in connection with the reschedule, unless such delay was caused solely by FOA or as otherwise agreed to by FOA in writing.

4.4.9 MIS System Fee. Developer shall pay to FOA a recurring fee for the use of FOA's mandated management information system equal to FOA's current "MIS System Fee" ("MIS Fee"), payable on or before the 1st day of January each year (or on such other basis as may be set forth in the Manual (as defined in the Franchise Agreement) or otherwise agreed to in writing by Franchisor). Upon demand from FOA, Developer shall pay a proportionate share of the MIS Fee to cover the period from the invoice date through December 31 of that year and commence the annual MIS Fee on January 1 of the next year. Franchisor will maintain the management information system. The MIS Fee does not cover, and Franchisor will not perform, bookkeeping, reporting or tax return services.

ARTICLE V: DEFAULT

5.1 Events of Default. Each of the following events shall constitute an "Event of Default" under this Agreement, which, unless otherwise specified, shall entitle FOA to immediately terminate this Agreement upon written notice to Developer:

5.1.1 Developer fails to provide proof of property control of the Site in accordance with Section 4.4.1 of this Agreement;

5.1.2 Developer fails to develop and open for business the Franchised Restaurant by the Opening Deadline (a "Development Default");

5.1.3 Developer breaches or otherwise fails to timely comply with any provision of this Agreement;

5.1.4 Developer fails to cure any default within the time specified by FOA in any notice to Developer, under any franchise agreement, lease, or any other agreement with FOA; or

5.1.5 The knowing and intentional submission by Developer of any application which contains false or misleading statements or omission of any material fact.

5.2 Cure. In the event of a Development Default, Developer may cure such Development Default as follows: (i) open the Franchised Restaurant within thirty (30) days from the Opening Deadline (the "Cure Period"); or (ii) pay to FOA at the time of the Development Default an amount equal to the then-current franchise fee for the Franchised Restaurant, which will be applied to payment of franchise fees for the Franchised Restaurant and is deemed fully earned and non-refundable. In the event Developer elects to cure the Development Default as described in this Section 5.2(ii), FOA shall extend the Opening Deadline for the Franchised Restaurant to a date which shall be ninety (90) days from the original Opening Deadline (the "Extended Opening Deadline"). FOA shall also extend the Site Approval and Construction Approval for the Franchised Restaurant to be developed at the Site until the Extended Opening Deadline. Further, failure to open the Franchised Restaurant by the Extended Opening Deadline shall result in the immediate termination of this Agreement by FOA without further notice, in which event Developer shall forfeit all amounts paid under this Agreement.

5.3 Termination. Upon termination of this Agreement by FOA or if at the time of expiration of this Agreement Developer has not developed and opened the Franchised Restaurant, any rights granted to Developer pursuant to this Agreement shall terminate and Developer shall forfeit all amounts paid under this Agreement.

ARTICLE VI: INDEMNIFICATION/INSURANCE

6.1 Indemnification. Developer is responsible for all losses, damages and/or contractual liabilities to third parties arising out of or relating to any of the obligations, undertakings, promises and representations of Developer under this Agreement, and for all claims or demands for damages to property or for injury, illness or death of persons directly or indirectly resulting therefrom. Developer agrees to defend, indemnify and save FOA and FOA's officers, directors, agents, employees, attorneys, accountants, subsidiaries, affiliates and parent company harmless of, from and with respect to any such claims, demands, losses, obligations, costs, expenses, liabilities, debts or damages (including, without limitation, reasonable attorney's fees). FOA shall notify Developer of any such claims, and Developer shall be given the opportunity to assume the defense of the matter. If Developer fails to assume the defense, FOA may defend the action in the manner it deems appropriate, and Developer shall pay to FOA all costs, including attorney fees, incurred by FOA in effecting such defense. FOA's right to indemnity under this Agreement shall arise and be valid notwithstanding that joint or concurrent liability may be imposed on FOA by statute, ordinance, regulation or other law.

6.2 Insurance. Developer shall procure the insurance coverage provided for in FOA's standard form of Franchise Agreement as disclosed in FOA's then-current Franchise Disclosure Document (a) if Developer owns the Site, prior to the commencement of construction of a Franchised Restaurant; or (b) if Developer leases the Site, prior to entering into a written agreement to lease the Site. Developer shall maintain such insurance coverage throughout the term of the Franchise Agreement.

ARTICLE VII: SEVERABILITY

If any of the provisions of this Agreement may be construed in more than one way, one of which would render the provision illegal or otherwise void, voidable or unenforceable, such provision shall have the meaning which renders it valid and enforceable. This Agreement shall be construed according to its fair meaning and not strictly against any party. If any court or other government authority determines that any provision is not enforceable as written, the parties agree that the provision shall be amended so that it is enforceable to the fullest extent permissible under the laws and public policies of the jurisdiction in which enforcement is sought and affords the parties the same basic rights and obligations and has the same economic effect. If any provision is held invalid or otherwise unenforceable, such findings shall not invalidate the remainder of the agreement unless, in the reasonable opinion of FOA, the effect of such determination frustrates the purpose of this Agreement whereupon FOA shall have the right by written notice to the other party to immediately terminate this Agreement.

ARTICLE VIII: ENTIRE AGREEMENT

This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and cancels and supersedes all prior negotiations, understandings and agreements, written or oral, relating to the Site and development of a Franchised Restaurant thereon. The parties acknowledge that they are not relying upon any representation, warranty, condition, agreement or understanding, written or oral, except as herein specified. Nothing in this Section, however, is intended to disclaim any representations FOA made in the Franchise Disclosure Document that it furnished to Developer. Neither this Agreement nor any term or provision of it may be changed, waived, discharged, or modified orally. The only changes, waivers, discharges or modifications that will be effective will be those which are in writing and signed by the parties to this Agreement.

ARTICLE IX: MISCELLANEOUS

9.1 Notice. Any notice shall be in writing and shall be delivered or sent by registered or certified mail postage fully prepaid, or a nationally recognized courier service and if to FOA to: Firehouse of America, LLC, 12735 Gran Bay Parkway, Suite 150, Jacksonville, Florida 32258, Attn: General Counsel, if to Developer:_____. All such notices shall be deemed delivered on the earlier of actual receipt or the third (3rd) day after being deposited in the US Mail.

9.2 Assignment. This Agreement may not be directly or indirectly assigned, transferred or encumbered by Developer. FOA may assign this Agreement, in whole or in part, at any time in its sole discretion. FOA may designate another party to perform, or delegate to another party the performance of, its duties and obligations under this Agreement or authorize that party to act on its behalf.

9.3 Non-Waiver. Failure of FOA to insist upon strict performance of any terms of this Agreement shall not be deemed a waiver of any subsequent breach or default. Acceptance by FOA of any money paid by Developer under this Agreement or under any Franchise Agreement shall not constitute a waiver by FOA of any breach or default of this Agreement or any Franchise Agreement.

9.4 Relationship of Parties. The parties to this Agreement are not partners, joint venturers, or agents of each other and there is no fiduciary relationship between the parties. Developer has no right to bind or obligate FOA in any way and Developer shall not represent that it has any such right. This Agreement is not a franchise for the operation of a Firehouse Subs® restaurant.

9.5 Governing Law/Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida. The parties hereto acknowledge and agree that any action brought by Developer against FOA in any court, whether federal or state, shall be brought within such state and in the judicial district in which FOA has its principal place of business. Any action brought by FOA against Developer in any court, whether federal or state, may be brought within the state and in the judicial district in which FOA has its principal place of business. Developer hereby consents to personal jurisdiction and venue in the state and judicial district in which FOA has its principal place of business.

9.6 **GENERAL RELEASE**. For and in consideration of FOA entering into this Agreement, and other good and valuable consideration received from or on behalf of FOA, the receipt of which is hereby acknowledged, Developer hereby remises, releases, acquits, satisfies, and forever discharges FOA, its officers, directors, agents, employees, affiliates, subsidiaries, parent corporation, and all of their assignees (collectively, "FOA Parties"), of and from all manner of action and actions, cause and causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims, and demands whatsoever, in law or in equity, which Developer ever had, now has, or which any successor or assign of Developer hereafter can, shall, or may have, whether known or unknown, against FOA Parties for, upon, or by reason of any matter, cause, or thing whatsoever, from the beginning of the world to the day of these presents. [DEVELOPER, EXPRESSLY AND INTENTIONALLY, AND WITH FULL KNOWLEDGE AND ADVICE OF COUNSEL, DOES HEREBY WAIVE THE PROVISIONS AND PROTECTIONS OF THE CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."]

9.7 No Representations or Warranties. Developer agrees that FOA approvals are not a representation or warranty of the potential success or viability of a Site or Franchised Restaurant. Developer shall not rely on any warranty, representation or advice given by or on behalf of FOA directly or indirectly relating to the success or viability of a Site or Franchised Restaurant.

9.8 Franchise Agreement. Developer understands and agrees that as a condition precedent to FOA granting a franchise to operate a Franchised Restaurant, Developer must meet the requirements for Franchise Approval. Developer must sign and return to FOA, no less than seven (7) days prior to the opening of the Franchised Restaurant, the then-current form of Firehouse Subs® restaurant franchise agreement as disclosed in FOA's then-current Franchise Disclosure Document ("Franchise Agreement"), together with the then-current franchise fee, less only the Franchise Fee Deposit, if any, for the Franchised Restaurant. Developer shall not open the Franchised Restaurant prior to the execution of a Franchise Agreement, payment of the franchise fee, and receipt of FOA approval.

9.9 Survival. Article VI and all other provisions which must survive in order to give effect to their intent and meaning shall survive the termination or expiration of this Agreement.

9.10 Time is of the Essence. Time is of the essence with respect to Developer's obligations under this Agreement.

[SIGNATURE PAGE FOLLOWS]

By entering into this Agreement, Developer expressly consents to transact business with FOA electronically and that, consistent with the Uniform Electronic Transactions Act, and all other applicable state and federal laws, this Agreement may be executed by electronic signatures. The parties to this Agreement agree that the parties' electronic signatures are intended to authenticate this writing and to have the same force and effect as the use of manual signatures and an electronically signed version of this Agreement shall constitute an original for all purposes.

THIS AGREEMENT is executed by the parties as of the day and year indicated on the first page of this Agreement.

FIREHOUSE OF AMERICA, LLC

By: _____
Print Name: _____
Its: _____

DEVELOPER:

_____,
a _____

By: _____
Print Name: _____
Its: Managing Owner

OR

_____, individually

EXHIBIT A

The Site

Site:

EXHIBIT D2 TO THE DISCLOSURE DOCUMENT

FORM OF

AREA DEVELOPMENT AGREEMENT

AREA DEVELOPMENT AGREEMENT
(Non-Exclusive)

THIS AREA DEVELOPMENT AGREEMENT (this "**Agreement**") is made as of _____ ___, 20___ ("**Commencement Date**") by and among:

(1) **FIREHOUSE OF AMERICA, LLC**, a limited liability company organized under the laws of Florida, having its principal place of business at 12735 Gran Bay Parkway, Suite 150, Jacksonville, Florida 32258 ("**FOA**" or "**Firehouse Subs**").

(2) **[_____]**, a **[_____]** organized under the laws of **[_____]** having its principal place of business at _____ ("**Area Developer**").

(3) **[_____],** an individual ("**Principal 1**"),[**[_____],** a [_____] organized under the laws of [_____] having its principal place of business at [_____] ("**Principal 2**"), (each, a "**Principal**," and Principal 1 and Principal 2 collectively, the "**Principals**").

For the purposes of this Agreement, the above parties shall be individually referred to as a "**Party**" and collectively referred to as the "**Parties**".

In consideration of the mutual undertakings and covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I: GRANT OF RIGHTS

1.1 Non-Exclusive Development Rights. Subject to the terms and conditions of this Agreement, FOA hereby grants to Area Developer the non-exclusive right to, and Area Developer hereby accepts the obligation to, develop, open and operate Firehouse Subs Restaurants (each, a "**Franchised Restaurant**") in the geographic area described in Exhibit A hereto (the "**Territory**") pursuant to the Development Schedule attached hereto as Schedule 1 (the "**Development Schedule**") during the Term (the "**Development Rights**").

1.2 This Agreement is not a franchise agreement and does not grant Area Developer a franchise for the operation of a Franchised Restaurant, nor any right to use the Proprietary Marks (as defined below) or Firehouse Subs System (as defined below), but merely sets forth the terms and conditions under which, if fully satisfied, Area Developer will be entitled to obtain an individual Franchise Agreement (as hereinafter defined) for each Franchised Restaurant to be developed under this Agreement. As used herein, (i) "**Firehouse Subs System**" means the unique restaurant format and operating system developed and/or owned by Firehouse Subs, its predecessor, and/or their Affiliates for the development and operation of quick service or fast food restaurants specializing in the preparation, merchandising, advertising and sale of large portion hot submarine style sandwiches, and other quick-service menu items developed and owned by Firehouse Subs, including specially designed buildings, distinctive interior and exterior layouts, trade dress, decor, color schemes, and furnishings; confidential food and beverage formulas and recipes; specialized menus; and standards and specifications for equipment, equipment layouts, products, operating procedures, and training programs; the term "**Firehouse Subs System**" also includes the Proprietary Marks and all Confidential Information (as hereinafter defined), other proprietary information, copyrights and other intellectual property rights relating to the system, and any modifications, amendments, improvements and/or other changes Firehouse Subs or any of its Affiliates may make to the system from time to time, in their sole discretion; (ii) "**Proprietary Marks**" means the trademarks, service marks, trade names, trade dress, logos, slogans, designs and other commercial symbols and indicia of origin (and the goodwill associated

therewith) used in the operation of Firehouse Subs restaurants ("**Firehouse Subs Restaurants**") and to identify the Firehouse Subs System, whether registered, applied for or unregistered, including without limitation, the marks "Firehouse Subs", and "Founded by Fireman" and such other trade names, service marks, trademarks and trade dress as are now, or may hereafter, be designated by Firehouse Subs for use in connection with the Firehouse Subs System; (iii) "**Affiliate**" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with the Person specified; (iv) "**Person**" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, limited partnership, governmental authority, statutory organization or other entity; and (v) "**Control**" or "**Controlled**" means the direct or indirect ownership, whether by ownership of securities, contract, proxy or otherwise, of shareholding or contractual rights of a Person that assures (A) the majority of the votes in the resolutions of such Person, (B) the power to appoint the majority of the managers or directors of such Person, or (C) the power to direct or cause the direction of the management or policies of such Person, and the related terms "Controlled by" "Controlling" or "under common Control with" shall be read accordingly.

1.3 Prior to the opening of each Franchised Restaurant, Area Developer must enter into a Franchise Agreement (as hereinafter defined) for such Franchised Restaurant.

1.4 No Territorial or other Rights; Reservation of Rights. For the avoidance of doubt,

1.4.1 Area Developer has no express or implied territorial rights in any area to develop Firehouse Subs Restaurants;

1.4.2 The right to develop, open and operate Franchised Restaurants at Nontraditional Locations (as defined below) are specifically excluded from the Development Rights set forth in Section 1.1. "**Nontraditional Locations**" are defined as are locations for which the majority of the persons entering the premises typically do so for the purposes other than patronizing the Firehouse Subs Restaurant, including, but not limited to enclosed shopping malls, airports, military installations, hotels, railway stations and their direct surroundings, bus stations, service plazas established by governmental or quasi-governmental entities on motorways and highways, gas stations, convenience stores, universities and schools, amusement parks, cruise ships, hospitals and residences, stadiums, sports centers and clubs, and similar locations for distribution.

1.4.3 The "**Trade Area**" (as such term is defined in the applicable franchise agreement) granted by FOA or any predecessor to any franchisee pursuant to a franchise agreement entered into prior to, on or after the Commencement Date shall be excluded from, and not considered a part of, the Territory;

1.4.4 FOA may itself or through another party as franchisee develop and operate Firehouse Subs Restaurants within and/or outside the Territory;

1.4.5 Rights or approvals granted by FOA to franchisees or other Persons are not affected by this Agreement, including without limitation, rights or approvals granted pursuant to any agreements between FOA and franchisees granting development rights to such franchisees in the Territory ("**Existing Development Agreements**"); and

1.4.6 This Agreement shall not limit FOA's ability to renew or extend franchise agreements or Existing Development Agreements within or outside the Territory, or to enter into new agreements for Firehouse Subs Restaurants within or outside the Territory, including new development agreements, whether previously approved and under development or otherwise.

1.5 FOA (on behalf of itself, its Affiliates and its designees) reserves all rights not expressly granted to Area Developer under this Agreement, and Area Developer and Principals hereby accept and acknowledge such reserved rights of FOA. Furthermore, FOA reserves the right to own and/or operate Firehouse Subs Restaurants or other means of distribution in any location, regardless of geographic proximity to or impact on the Territory or any Franchised Restaurants now or in the future owned by Area Developer. FOA reserves the right to distribute, offer

for sale and/or to acquire, convert, develop and establish other license systems for the same or similar products or services, utilizing the same, similar or different trademarks as Firehouse Subs Restaurants and to grant franchises and licenses therefor, either through Firehouse Subs Restaurants or other channels (including without limiting the generality of the foregoing, delivery units, kiosks, grocery or convenience stores, express units, catering, home delivery, food trucks and other mobile means of product or service delivery, mail order, television, catalogue sales, internet websites or other means of electronic advertising and sales), without providing Area Developer any rights therein.

1.6 Area Developer must obtain FOA's prior written approvals to develop a Franchised Restaurant in accordance with the development procedures set forth in Article IV.

1.7 In the event of conflict or confusion as to the exact boundaries of the Territory, the sole discretion of FOA will prevail.

ARTICLE II: TERM

Unless terminated earlier as provided herein, this Agreement shall commence on the Commencement Date and expire on the earlier of: (i) _____ ___, 20___; (ii) the last day of the Development Schedule; or (iii) the opening of the last Franchised Restaurant specified in the Development Schedule (the "**Term**").

ARTICLE III: DEVELOPMENT OBLIGATIONS

Area Developer shall develop and open for business and keep open pursuant to the terms of the applicable Franchise Agreements a minimum number of new Firehouse Subs Restaurants in the Territory in strict compliance with the Development Schedule. All of the Cumulative Opening Targets set forth in the Development Schedule are expressed net of closures, without distinction as to the reason for such closure (i.e., expiration, early termination or otherwise).

ARTICLE IV: DEVELOPMENT PROCEDURE

4.1 Franchise Approval. Notwithstanding any provision in this Agreement to the contrary, Area Developer understands and agrees that, as a condition precedent to the development of a Franchised Restaurant, Area Developer must apply for, meet, and continuously maintain FOA's then-current operational, financial, credit, legal and other criteria for developing and operating a new Franchised Restaurant as set forth in the then-current Firehouse Subs Franchise Approval and Expansion Policy (herein, "**Franchise Approval**") applicable to all franchisees of FOA in the U.S. Area Developer understands and accepts that FOA may change its criteria for Franchise Approval as it applies to all franchisees of FOA during the Term. Failure to meet the requirements for operational, financial, credit and/or legal approval shall constitute grounds for, among other things, FOA refusing to grant Franchise Approval, Site Acceptance (as hereinafter defined), or withdrawing an approval already granted. Any failure by Area Developer to qualify for Franchise Approval for any period of time shall not extend, modify or reduce the development obligations of Area Developer under Article III, and if such failure results in Area Developer defaulting on its development obligations under Article III, FOA may, in its sole discretion, exercise its rights under Section 6.1.

4.2 Site Acceptance.

4.2.1 Area Developer must apply for and obtain Site Acceptance from FOA for each Franchised Restaurant to be developed under this Agreement. Area Developer understands and acknowledges that Site Acceptance must be obtained in addition to the permits required to construct, open and operate the Franchised Restaurants. For each proposed Site, Area Developer must submit a complete "**Site Acceptance Request Package**" in the form specified by FOA, together with such site information as required by FOA to evaluate the proposed Site, with a request for written FOA site acceptance ("**Site Acceptance**"). Site Acceptance is indicated by FOA's issuance of a "**Conditional Site Approval Letter**". Site Acceptance automatically expires (without any requirement of notice from FOA to Area Developer regarding such expiration) upon the earlier of (i) Area Developer's failure to

comply with any of the interim deadlines set forth in the Conditional Site Approval Letter, and (ii) eighteen (18) months following the date of the Conditional Site Approval Letter.

4.2.2 Area Developer agrees that FOA may, in its sole discretion, refuse to accept a site if, in FOA's sole discretion, the site does not meet FOA's criteria for Site Acceptance. If Area Developer enters into any legally binding commitment with respect to a potential site before FOA has granted Site Acceptance, then Area Developer shall bear the entire risk of loss or damage resulting from a subsequent decision of FOA not to grant Site Acceptance. The denial of Site Acceptance by FOA shall not extend, modify or reduce the development obligations of Area Developer under Article III.

4.2.3 Area Developer agrees that any site selection assistance, site identification, or offer to develop a Site by or on behalf of FOA shall not be construed or interpreted as a representation or warranty relating directly or indirectly to the success or viability of a Site or Franchised Restaurant and no reliance shall be placed on any warranty, representation or advice that may be given by any Person by or on behalf of FOA directly or indirectly relating to the success or viability of a Site or Franchised Restaurant. Area Developer agrees to conduct its own independent investigation and due diligence with respect to the viability and success of a Site or Franchised Restaurant and acknowledges that there are risks associated with the development of a Franchised Restaurant at any Site and that there are no guarantees that any Site or Franchised Restaurant will be successful or viable.

4.3 Property Control, Construction Approval and Construction.

4.3.1 Within ninety (90) days following notice of Site Acceptance, Area Developer shall submit, in writing to FOA, that Area Developer has acquired the Site ("**Property Control**") by providing satisfactory proof to FOA that Area Developer:

4.3.1.1 owns the Site;

4.3.1.2 has leased the Site for a term which, with renewal options, is not less than the initial term of the Franchise Agreement for the applicable Franchised Restaurant; or

4.3.1.3 has entered into a written agreement to purchase or to lease the Site on terms provided herein, subject only to obtaining necessary governmental approvals.

The proof required by this Section 4.3.1 includes submission of executed copies of all leases and deeds, as well as all governmental approvals if effectiveness of leases or deeds is conditioned thereon. Failure to provide FOA with the proof required by this Section 4.3.1 within the 90-day period set forth in this Section 4.3.1 shall result in automatic and immediate revocation of the relevant Site Acceptance without any requirement of notice from FOA to Area Developer.

4.3.2 For the avoidance of doubt, if Area Developer obtains Property Control or enters into any legally binding commitment with respect to a potential site before FOA has granted Site Acceptance, then Area Developer shall bear the entire risk of loss or damage resulting from a subsequent decision of FOA not to grant Site Acceptance.

4.3.3 FOA assumes no liability or responsibility for: (a) evaluation of an approved Site's soil for hazardous substance; (b) inspection of any structure on the approved Site for asbestos or other toxic or hazardous materials; (c) compliance with the Americans With Disabilities Act (the "**ADA**"); or (d) compliance with any other applicable law. It is Area Developer's sole responsibility to obtain satisfactory evidence and/or assurances that the approved Site (and any structures thereon) is free from environmental contamination and in compliance with the requirements of the ADA.

4.3.4 If Area Developer proposes to lease or sublease the Site, the lease or sublease shall not contain any covenants, use clauses or other obligations that would prevent Area Developer from performing its obligations

under the applicable Franchise Agreement for the applicable Franchised Restaurant. Additionally, before entering into such a lease, or renewal of a lease, Developer and the lessor must sign FOA's then-current form of Addendum to Lease Agreement (the "**Lease Addendum**"). Developer must give the lessor FOA's form of the Lease Addendum when Developer begins discussions with the prospective lessor.

4.3.5 All Franchised Restaurants must be constructed, equipped and furnished in accordance with FOA approved plans and specifications (the "**Construction Plans**"). Prior to construction, Area Developer must obtain from FOA written architectural and design approval of Area Developer's plans as indicated by issuance of a restaurant number. Area Developer must obtain FOA's approval of the type of facility, site layout, and equipment configuration for each Franchised Restaurant, including the building design, style, size, interior decor, type of equipment, service format and equipment arrangement ("**Construction Approval**"). For the avoidance of doubt, Construction Approval solely indicates FOA's approval of the Franchised Restaurant design in accordance with the Construction Plans. The failure to obtain Construction Approval in accordance with this Section 4.3.5 is an Event of Default under Section 6.1.9 below.

4.3.6 FOA assumes no liability for the adequacy of any Construction Plans. Area Developer assumes all cost, liability and expense for developing, constructing and equipping the Franchised Restaurant. It shall be Area Developer's responsibility to have prepared Construction Plans to suit the shape and dimensions of the Site, and Area Developer shall ensure that the Construction Plans comply with applicable ordinances, ADA requirements, building codes and permit requirements and with lease requirements and restrictions. Area Developer shall obtain and use only registered architects, registered engineers, and professional and licensed contractors who demonstrate to FOA's reasonable satisfaction the ability to meet FOA's reasonable quality standards (as determined by FOA in its reasonable discretion), in each case, to prepare the Construction Plans (including surveys and site and foundation plans), to adapt the Construction Plans to applicable local or state laws, regulations or ordinances, and to construct the Franchised Restaurant. Area Developer shall bear all costs and expenses incurred in connection with the preparation of all Construction Plans including the costs and expenses incurred for any plans containing deviations or modifications from FOA's standard plans and specifications. For the avoidance of any doubt, the Franchised Restaurant may not open if construction has not been performed in substantial compliance with the Construction Plans as approved by FOA. FOA may terminate this Agreement if such non-compliance is not cured within a commercially reasonable amount of time.

4.4 Notice of Franchised Restaurant. At least forty-five (45) days prior to the proposed opening date of each Franchised Restaurant, Area Developer shall notify FOA in writing of such proposed opening. Upon receipt of such notice, FOA may provide a representative to be present at the opening of the first Franchised Restaurant. At FOA's option, the first Franchised Restaurant shall not be opened unless such representative is present. Thereafter, each Franchised Restaurant shall not open until Area Developer has received FOA's prior written approval to open. Should commencement of operation of the first Franchised Restaurant be delayed by the failure of FOA to provide such a representative, the date upon which commencement of operation of such Franchised Restaurant is required pursuant to this Agreement shall be extended until such time as such assistance is provided by FOA. Should Area Developer reschedule the opening date of Area Developer's first Franchised Restaurant less than thirty (30) days prior to the date scheduled with FOA, Area Developer shall reimburse FOA for any out-of-pocket expenses incurred by FOA in connection with the reschedule, unless such delay was caused solely by FOA or as otherwise agreed to by FOA in writing.

ARTICLE V: GRANT OF FRANCHISE

5.1 Area Developer understands and agrees that as a condition precedent to FOA granting a franchise to operate a Franchised Restaurant, Area Developer must meet the requirements for Franchise Approval. Area Developer must sign and return to FOA, no less than seven (7) days prior to the opening of each Franchised Restaurant, the then-current form of the Firehouse Subs franchise agreement as disclosed in FOA's then-current Franchise Disclosure Document ("**Franchise Agreement**"), together with the then-current franchise fee, subject to Section 5.7 below. Area Developer shall not open a Franchised Restaurant prior to the execution of a Franchise Agreement, payment of the franchise fee, and receipt of FOA approval. In addition to other conditions precedent

set forth in this Agreement, Area Developer further acknowledges and agrees that prior to FOA's granting a Franchise Agreement for each respective Franchised Restaurant, Area Developer must satisfy the following conditions precedent:

5.1.1 Area Developer, its Affiliates, and the Principals are in full compliance with the requirements of this Agreement and all franchise agreements for Developer Restaurants (as hereinafter defined) (collectively, the "**Developer Franchise Agreements**"), in force at the time a grant of a franchise is requested;

5.1.2 Area Developer has obtained and continues to hold all relevant approvals, permits and licenses required by applicable law to operate the Franchised Restaurant;

5.1.3 Area Developer is current on all monetary obligations due to FOA and its Affiliates;

5.1.4 Area Developer has completed the construction of the Franchised Restaurant in accordance with the construction plans approved by FOA and with all laws, ordinances, permits, codes, and regulations;

5.1.5 Area Developer has decorated the interior of the Franchised Restaurant and purchased or leased and installed all specified and required fixtures, equipment, furnishings and signs in accordance with FOA's standards and specifications;

5.1.6 Area Developer has obtained a certificate of occupancy and all other required building, utility, health, sign, sanitation, safety or fire department certificates, and other permits and licenses applicable to the Franchised Restaurant, and, if requested by FOA, Area Developer shall have submitted a copy of the certificate of occupancy to FOA;

5.1.7 Area Developer has hired and trained a staff in accordance with the requirements of the Franchise Agreement;

5.1.8 Area Developer has purchased an opening inventory for the Franchised Restaurant of only products and other materials and supplies that have been authorized and approved by FOA;

5.1.9 If Area Developer leases the location of the Franchised Restaurant, FOA has been furnished with a copy of a fully executed lease for the location and such lease shall be for a term that is at least equal to the term of the Franchise Agreement for the relevant Franchised Restaurant; and

5.1.10 Area Developer has furnished to FOA copies of all insurance policies required by this Agreement and the applicable Franchise Agreement, or such other evidence of insurance coverage and payment of premiums as FOA reasonably may request,

FOA shall grant and Area Developer shall accept a franchise in respect of the relevant Franchised Restaurant on the terms and conditions set out in the Franchise Agreement.

5.2 However, FOA will not grant Area Developer a franchise for a second Franchised Restaurant under this Agreement until the first Franchised Restaurant has achieved certification as a training Firehouse Subs restaurant. FOA will not grant Area Developer a franchise for any subsequent Franchised Restaurant unless each preceding Franchised Restaurant: (a) has been open and in operation for at least three (3) months, unless otherwise specified; FOA; and (b) has a general manager assigned to the Franchised Restaurant on a full-time basis who has completed all required training by FOA.

5.3 Until the conditions set forth in Section 5.1 have been met, the proposed Franchised Restaurant shall not open for business. Following the grant of a franchise, the Franchised Restaurant shall commence trading immediately and, in any event, not later than 7 days thereafter, time being of the essence.

5.4 The duration of each Franchise Agreement shall be 10 years or such other duration agreed in writing by FOA.

5.5 Area Developer shall pay to FOA with respect to each Franchised Restaurant opened during the Term an "**Initial Franchise Fee**", "**Royalty**", "**System Contribution**", and "**MIS Fee**" (as such terms are defined in the franchise agreement disclosed in FOA's then current Franchise Disclosure Document at the time of such opening) in the amounts equal to the greater, in each case, of (i) the standard undiscounted rate for Initial Franchise Fee, Royalty, or System Contribution, as applicable, set forth in FOA's then current Franchise Disclosure Document at the time of such opening and (ii) (A) twenty thousand dollars ($20,000.00) with respect to Initial Franchise Fee, (B) six percent (6%) of "**Gross Sales**" (as such term is defined in the franchise agreement disclosed in FOA's then current Franchise Disclosure Document at the time of such opening) with respect to Royalty, and (C) five percent (5%) of Gross Sales with respect to System Contribution.

5.6 Prepaid Franchise Fees. On the Commencement Date, Area Developer will pay to FOA initial franchise fees in advance in the amount of **[INSERT AMOUNT]**, which is one half of the current initial franchise fee multiplied by the number of Franchised Restaurants to be development under this Agreement (the "**Prepaid Franchise Fees**"). Upon the execution of each Franchise Agreement for a Franchised Restaurant, FOA will apply the respective amount of the Prepaid Franchise Fees as payment of one-half of the Initial Franchise Fee owed for that Franchised Restaurant until the full amount of the Prepaid Franchise Fees are exhausted. Thereafter, Area Developer shall pay the applicable Initial Franchise Fee to FOA in accordance with this Agreement.

5.7 Area Developer acknowledges and agrees that FOA will suffer substantial damages as a result of the termination of this Agreement before the expiration of the Term. Some of those damages include lost Initial Franchise Fees, Royalties, development opportunities, market penetration, opportunity costs, and expenses that FOA will incur in developing or finding another franchisee to develop Firehouse Subs Restaurants in the Territory (collectively, "**Brand Damages**"). Area Developer and FOA acknowledge that Brand Damages are difficult to estimate accurately and proof of Brand Damages would be burdensome and costly. Therefore, upon termination of this Agreement before the expiration of the Term due to a Development Default (as defined below), as Brand Damages, FOA shall have the right to retain, without obligation for any refund to Area Developer or for any application toward any future Initial Franchise Fees due from Area Developer, the remaining balance of Prepaid Franchise Fees paid by Area Developer prior to the date of termination. Area Developer's payment of the liquidated damages to FOA will not be considered a penalty but, rather, a reasonable estimate of fair compensation to FOA for the Brand Damages. Area Developer acknowledges that the payment of liquidated damages is full compensation to FOA only for the Brand Damages resulting from the early termination of this Agreement due to a Development Default and is in addition to, and not in lieu of, Area Developer's obligations to pay other amounts due to FOA under this Agreement as of the date of termination and to comply strictly with Area Developer's other post-termination obligations.

5.8 Area Developer shall pay to FOA a recurring fee for the use of FOA's mandated management information system equal to FOA's current "MIS System Fee" ("**MIS Fee**") per Restaurant, payable on or before the 1st day of January each year (or on such other basis as may be set forth in the Manual (as defined in the Franchise Agreement) or otherwise agreed to in writing by Franchisor). Upon demand from FOA, Area Developer shall pay a proportionate share of the MIS Fee to cover the period from the invoice date through December 31 of that year and commence the annual MIS Fee on January 1 of the next year. Franchisor will maintain the management information system. The MIS Fee does not cover, and Franchisor will not perform, bookkeeping, reporting or tax return services.

5.9 The amount of all fees and other monies payable pursuant to this Agreement by Area Developer do not include Indirect Tax (as hereinafter defined) and, in the event Indirect Tax applies under either existing law or a future change in statute or interpretation that results in Indirect Tax on the fees or other monies, Area Developer will bear the economic burden of the Indirect Tax either (i) through payment of the Indirect Tax to FOA or (ii) if Area Developer is required by law to pay the applicable Indirect Tax directly to the relevant tax authority, Area Developer will not deduct any amount for Indirect Tax from the fees payable to FOA. "**Indirect Tax**" means sales and use tax, goods and services tax, value added tax, ad valorem tax, excise tax, duty, levy or other governmental

charges, and other obligations of the same or of a similar nature to any of the foregoing levied by a tax authority.

ARTICLE VI: DEFAULT AND TERMINATION

6.1 Without prejudice to any other rights of FOA under this Agreement or at law, upon the occurrence of any of the following events (each, an "**Event of Default**"), Area Developer shall be in default of this Agreement and FOA may, at its election, by written notice to Area Developer terminate this Agreement with immediate effect (but with due regard for the cure periods set forth below, if any):

6.1.1 if Area Developer fails to achieve the Cumulative Opening Target for any Development Year by the end of such Development Year (each such failure, a "**Development Default**" and each such Development Year, a "**Shortfall Year**");

6.1.2 if Area Developer (or any of its Affiliates) fails to pay to FOA (or its designee) when due any amounts payable under this Agreement, and does not cure such failure within ten (10) days of written notice from FOA;

6.1.3 if Area Developer (or any of its Affiliates) fails at any time to satisfy the requirements for Franchise Approval;

6.1.4 if Area Developer and/or any of the Principals assigns, encumbers, transfers, sub-licenses or otherwise disposes of, or attempts to assign, transfer, encumber, or otherwise dispose of this Agreement or any of its rights hereunder in whole or in part, whether directly or indirectly by operation of law, without the prior written consent of FOA in violation of Section 8.1; or if Area Developer, any of its Affiliates, or any Principal duplicates, in whole or in part, the Firehouse Subs System or violates the confidentiality or restrictive covenant provisions set forth in Article VII;

6.1.5 if Area Developer, any of its Affiliates or any Principal seeks any type of relief under the provisions of a bankruptcy or insolvency law; or if there is an arrangement among the creditors of Area Developer, any of its Affiliates or any Principal; or any Person files a petition or application seeking to have Area Developer, any of its Affiliates or any Principal adjudicated bankrupt and the action is not dismissed within 30 days after it is filed; or Area Developer, any of its Affiliates or any Principal admits in writing or upon sworn oath the inability to pay any debts as they fall due; or a receiver or other administrator (permanent or temporary) is appointed over all or any of the assets of Area Developer, any of its Affiliates or any Principal; or any administrator or liquidator is appointed over Area Developer, any of its Affiliates or any Principal by any competent bankruptcy court or under any other law or authority including under an order for a suspension of proceedings or Area Developer, any of its Affiliates or any Principal takes any action to liquidate; or wind up;

6.1.6 if Area Developer (directly or through its Affiliate) opens any Franchised Restaurant using any Proprietary Marks or any marks similar to any Proprietary Marks without being granted Franchise Approval or Site Acceptance by FOA, or without having delivered to FOA a fully executed Franchise Agreement for such Franchised Restaurant, or without having paid the applicable Initial Franchise Fee for such Franchised Restaurant in accordance with this Agreement;

6.1.7 if Area Developer, any of its Affiliates or any Principal (or any Affiliate thereof) challenges the validity of any of the Proprietary Marks or copyright or other intellectual property rights of FOA or any FOA Affiliate;

6.1.8 if any information provided by Area Developer or any of the Principals to FOA, its predecessor or any of their Affiliates is materially false or misleading, including any information provided to FOA or its predecessor prior to entering into this Agreement, and any information provided to FOA by Area Developer any of its Affiliates or any of the Principals in order to obtain Franchise Approval or Site Acceptance pursuant to the terms of this Agreement;

6.1.9 if Area Developer, any of its Affiliates or any Principal fails to comply with any of the other material terms, provisions or conditions of this Agreement, any Developer Franchise Agreement, or any other material obligation owed by Area Developer, any of its Affiliates or any Principal to FOA and fails to rectify the same within 30 days (or such shorter period of time as may be provided under any applicable Developer Franchise Agreement or other agreement) of a notice requiring it to do so;

6.1.10 if Area Developer or any board member or senior officer of Area Developer or any Affiliate thereof engages in any conduct which is deleterious to, or could reasonably be expected to have an adverse effect on the reputation of Area Developer, such Affiliate, FOA or the Firehouse Subs brand;

6.1.11 if taking into consideration operations at all Developer Restaurants (as defined below), whether developed under this Agreement or not, either (i) such operations fail at any time to score in the top fifty percent (50%) of the peer category in which FOA places Area Developer for each of FOA's then-standard metrics as applied consistently across the Firehouse Subs brand domestically in the U.S., or (ii) Area Developer receives a letter grade of "D" or "F" in any metric, including without limitation, FOA's Franchisee Performance and Expandability Scorecard, used by FOA to measure operational performance, as measured by FOA. For the avoidance of doubt, in determining any ranking, grade, rating or score of Area Developer pursuant to this paragraph, FOA may consider the performance of any Firehouse Subs Restaurants owned by Area Developer and any Firehouse Subs Restaurants owned and operated by any Affiliate(s) of Area Developer, or by any other franchisee owned in whole or in part by (x) any one or more of the Principals, or (y) any "Managing Owner", "Operating Partner", "Key Operator", "Principal Manager", or "Operating Principal" under any franchise agreement entered into by Area Developer or its Affiliate (collectively, the "**Developer Restaurants**");

6.1.12 if Area Developer shall at any time incur total consolidated debt that would cause the ratio of (i) the total consolidated debt of Area Developer, minus the cash or cash equivalents held by Area Developer, to (ii) the trailing twelve months EBITDA of Area Developer ending at such time, to be greater than [_____ (___)] times. As used herein "**EBITDA**" means, for any period of measurement, an amount equal to net income for such period, plus the following to the extent deducted in calculating such net income (without duplication): (a) interest charges, (b) the provision for federal, state, local and foreign income taxes payable, and (c) depreciation and amortization expense; or

6.1.13 if Area Developer shall at any time incur total consolidated debt and rent and lease obligations that would cause the ratio of (i) the total consolidated debt of Area Developer, plus the product of [_____ (__)] multiplied by the aggregate amount of principal rent or lease payments made by Area Developer during the twelve (12)-month period immediately preceding the date of determination, minus the cash or cash equivalents held by Area Developer, to (ii) the trailing twelve (12) months EBITDAR of Area Developer ending at such time, to be greater than [_____ (__)] times. As used herein "**EBITDAR**" means, for any period of measurement, an amount equal to net income for such period, plus the following to the extent deducted in calculating such net income (without duplication): (a) interest charges, (b) the provision for federal, state, local and foreign income taxes payable, (c) depreciation and amortization expense, and (d) rent and lease expense.

6.2 In the event of a Development Default, Area Developer may cure such Development Default by (i) paying a nonrefundable fee equal to the balance of the initial franchise fees for the number of Franchised Restaurants remaining to be opened under the Development Schedule and (ii) opening the number of Franchised Restaurants necessary to cure the Development Default within sixty (60) days from the end of the Shortfall Year (the "**Cure Period**"). Notwithstanding anything herein to the contrary, the cure set forth in this Section 6.2 is a one-time cure that may only be utilized once by Area Developer during the Term. Further, in the event Area Developer fails to open the number of Franchised Restaurants necessary to achieve the Cumulative Opening Target by the end of the Cure Period FOA may, at FOA's election, by written notice to Area Developer terminate this Agreement with immediate effect. .

6.3 In addition to any other legal rights and remedies available to FOA set out in this Agreement or at law, upon termination of this Agreement by FOA or if at the time of expiration of this Agreement Area Developer has not achieved the Cumulative Opening Target for the final Term Year, any rights granted to Area Developer

pursuant to this Agreement shall terminate, Area Developer shall forfeit all amounts paid under this Agreement, all Franchise Approvals and Site Acceptances for Franchised Restaurants not yet opened shall terminate, and Area Developer shall pay to FOA an amount equal to the amount of the next installment of Prepaid Franchise Fees that would have come due after the date of termination.

ARTICLE VII: CONFIDENTIALITY AND RESTRICTIVE COVENANT

7.1 The term "**Confidential Information**" as used in this Agreement means all confidential and proprietary information of FOA or any of its Affiliates, including without limitation, this Agreement, FOA's or any of its Affiliates' trade dress, restaurant packaging design specifications and strategies, brand standards, any information relating to business plans, branding and design, operations manuals, including the Manual (as defined in the Franchise Agreement), and other standards, specifications and operating procedures, training material, marketing and business information, marketing strategy and marketing programs, plans and methods, food specifications (including recipes, food formulas, preparation methods and serving techniques), details of suppliers and distributors, and sources of supply and distribution, sales, contractual and financial arrangements of FOA and its Affiliates and service providers, and all other information and knowledge relating to the methods of operating and the functional know-how applicable to Firehouse Subs Restaurants and the Firehouse Subs System and any other system or brand operated by Firehouse Subs or its Affiliates revealed by or at the direction of Firehouse Subs or any of its Affiliates to Area Developer, any of its Affiliates and/or any of the Principals.

7.2 Area Developer and each of the Principals acknowledges the uniqueness of the Firehouse Subs System and that FOA is making the Confidential Information available to Area Developer and the Principals only for the purpose of developing Franchised Restaurants. Area Developer and each of the Principals agrees that it would be an unfair method of competition for any of them to use or duplicate or to allow others to use or duplicate any of the Confidential Information. Area Developer and each Principal, therefore, must:

7.2.1 at all times, both during the Term and following its termination or expiration, maintain the Confidential Information in strict confidence;

7.2.2 use the Confidential Information only in the operation of the Developer Restaurants;

7.2.3 not disclose the Confidential Information to any Person except those directors, officers, employees, professional advisers and financing sources (debt or equity) of Area Developer or any Principal who have a specific need to have access to it for the operation of any of the Developer Restaurants, and who have been made aware of the terms on which it has been disclosed to Area Developer and/or any Principal, and who agree to maintain its confidentiality. Area Developer and the Principals are jointly and severally responsible for any unauthorized disclosure of the Confidential Information by Persons to whom Area Developer or any Principal has disclosed it;

7.2.4 not permit anyone to reproduce, copy or exhibit any portion of the Manual (as defined in the Franchise Agreement) or any other Confidential Information received from FOA or any of its Affiliates;

7.2.5 return, delete or destroy the Confidential Information received from FOA or any of its Affiliates immediately upon receipt of a request from FOA to do so; and

7.2.6 at FOA's request, procure the Managing Owner (as defined in the Franchise Agreement) to execute an agreement similar in substance to this Article VII in a form acceptable to FOA and naming FOA as a third party beneficiary with the independent right to enforce such agreement.

7.3 In addition, Area Developer and the Principals agree that they shall not, at any time, whether before or after the Commencement Date, issue any press release or any other statement, broadcast, podcast, advertisement, circular, newsletter or other forms of information in relation to this Agreement, or the Firehouse

Subs business to the public unless the contents of such information release have been approved in writing by FOA prior to dissemination.

7.4 Area Developer and each Principal specifically acknowledges that, pursuant to this Agreement, Area Developer will receive valuable specialized training and Confidential Information, including information regarding the operational, sales, promotional, and marketing methods, procedures and techniques of FOA and the Firehouse Subs System. Area Developer (who, unless otherwise specified, shall include for purposes of this Article VII, collectively and individually: (i) all officers, directors and holders of a legal or beneficial interest of ten percent (10%) or more of the securities with voting rights of Area Developer, and of any corporation directly or indirectly Controlling Area Developer, if Area Developer is a corporation, (ii) the general partner and any limited partners, including any corporation, and the officers, directors and holders of legal or beneficial interests of ten percent (10%) or more of the securities with voting rights, of a corporation which Controls, directly or indirectly, any general or limited partner of Area Developer, if Area Developer is a partnership, (iii) any members and managers and holders of legal or beneficial interest of ten percent (10%) or more of the securities with voting rights of Area Developer and/or any corporation directly or indirectly controlling Area Developer, if Area Developer is a limited liability company, and (iv) any spouses or children of previously listed individuals) and each Principal covenants that, during the Term, each of them shall not, either directly or indirectly, for Area Developer, any Principal, or through or on behalf of, or in conjunction with, any Person or Persons:

7.4.1 Divert or attempt to divert any actual or potential business or customer of any Firehouse Subs Restaurant, including the business franchised hereunder, to Disqualifying Restaurant (as hereinafter defined) by direct or indirect inducements or otherwise, or disparage the Firehouse Subs brand, the Firehouse Subs System, or any of FOA's or its parent's, subsidiaries' or affiliates' directors, officers, employees, owners or franchisees, or to do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with FOA's Proprietary Marks and the Firehouse Subs System; or

7.4.2 Own, maintain, operate, engage in, or have any interest (whether of record, beneficial or otherwise) in any Disqualifying Restaurant wherever located or operating; or

7.4.3 Perform services as a director, officer, manager, employee, consultant or agent for a Disqualifying Restaurant, wherever located or operating; or

7.4.4 Act as a franchisee for any Disqualifying Restaurant, wherever located or operating.

A "**Disqualifying Restaurant**" is any restaurant or food service facility that offers any type of sandwich, including submarine, hoagie, hero-type, deli-style, panini, steamed, wrapped or rolled, on any type of bread, including sub rolls and other bread rolls or buns, sliced bread, pita bread, flat bread, bagels, and wraps; provided, however, that the term "Disqualifying Restaurant" shall not apply to any business operated by Area Developer under a franchise agreement with FOA or a parent, subsidiary or affiliate of FOA. Notwithstanding the foregoing, the word "sandwich" in the preceding sentence does not include hot dogs, hamburgers or fried chicken sandwiches.

7.5 Area Developer and each Principal covenants that each of them shall not, regardless of the cause of termination, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any Person or Persons, for a period of two (2) years following expiration or termination of this Agreement, own, maintain, engage in, or have an interest in any Disqualifying Restaurant that is located within the Territory or within ten (10) miles of the Territory.

7.6 At FOA's request, Area Developer shall require and obtain execution of a confidentiality and non-competition agreement containing (i) confidentiality obligations similar to those set forth in this Article VII (including a prohibition against communicating, divulging or using for the benefit of any Person or Persons any Confidential Information, knowledge, or know-how concerning the methods of operation of a Firehouse Subs Restaurant), and (ii) covenants similar to those set forth in this Article VII (including covenants applicable upon the

termination of a Person's relationship with Area Developer), in each case, from all officers, directors, and holders of a direct or indirect legal or beneficial ownership interest of ten percent (10%) or more in Area Developer. Every covenant required by this Section 7.6 shall be in a form satisfactory to FOA, including specific identification of FOA as a third-party beneficiary of such covenants with the independent right to enforce them. A duplicate original of each such covenant shall be provided by Area Developer to FOA immediately upon execution.

7.7 The Parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Article VII, is held unreasonable or unenforceable by a court or agency having jurisdiction in a final decision, Area Developer and each Principal expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant was separately stated in and made a part of this Article VII.

7.8 Area Developer and each Principal understands and acknowledges that FOA shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Sections 7.4 and 7.5 of this Agreement, or any portion thereof, without Area Developer's or any Principal's consent, effective immediately upon receipt by Area Developer and Principals of written notice thereof, and Area Developer and each Principal agrees that it shall comply with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of this Article VII hereof.

7.9 The Parties acknowledge that it will be difficult to ascertain with any degree of certainty the amount of damages resulting from a breach by Area Developer or any Principal of any of the covenants contained in this Article VII. It is further agreed and acknowledged that any violation by Area Developer or any Principal of any of said covenants will cause irreparable harm to FOA. Accordingly, Area Developer and Principals agree that upon proof of the existence of a violation of any of said covenants, FOA will be entitled to injunctive relief against Area Developer and Principals in any court of competent jurisdiction having authority to grant such relief, together with all costs and reasonable attorneys' fees incurred by FOA in bringing such action.

ARTICLE VIII: ASSIGNMENT AND TRANSFER

8.1 This Agreement and the Development Rights may not be, directly or indirectly, sold, conveyed, assigned, transferred, leased, licensed or sub-licensed, charged, mortgaged, pledged, hypothecated, encumbered or otherwise disposed of ("**Transferred**", and each such action, a "**Transfer**") by Area Developer in whole or in part, whether directly or indirectly by operation of law nor shall Area Developer have any right to sub-license any of the rights granted under this Agreement, without the prior written consent of FOA, which consent may be withheld by FOA at its sole discretion.

8.2 This Agreement and all the rights and obligations hereunder of FOA may be Transferred by FOA, in whole or in part, and shall inure to the benefit of the successors and assigns of FOA. Area Developer and the Principals hereby irrevocably consent to any such Transfer at any time and waive any requirement of prior notice. FOA may designate another party to perform, or delegate to another party the performance of, its duties and obligations under this Agreement or authorize that party to act on its behalf.

ARTICLE IX: FIREHOUSE SUBS PUBLIC SAFETY FOUNDATION

9.1 Firehouse Subs Public Safety Foundation. The Developer Restaurants shall participate in the fundraising and charitable efforts of the Firehouse Subs Public Safety Foundation (the "**Foundation**"). Area Developer agrees to contribute to the Foundation at least _____ DOLLARS ($_____) for each Developer Restaurant during each year of the term of the relevant Developer Franchise Agreement at the time specified by the Foundation.

ARTICLE X: INDEMNIFICATION; INSURANCE

10.1 Indemnification. Area Developer is responsible for all losses, damages and/or contractual liabilities to

third parties arising out of or relating to any of the obligations, undertakings, promises and representations of Area Developer under this Agreement, and for all claims or demands for damages to property or for injury, illness or death of Persons directly or indirectly resulting therefrom. Area Developer agrees to defend, indemnify and save FOA and FOA's officers, directors, agents, employees, attorneys, accountants, and Affiliates harmless of, from and with respect to any such claims, demands, losses, obligations, costs, expenses, liabilities, debts or damages (including, without limitation, reasonable attorney's fees). FOA shall notify Area Developer of any such claims, and Area Developer shall be given the opportunity to assume the defense of the matter. If Area Developer fails to assume the defense, FOA may defend the action in the manner it deems appropriate, and Area Developer shall pay to FOA all costs, including attorney fees, incurred by FOA in effecting such defense. FOA's right to indemnity under this Agreement shall arise and be valid notwithstanding that joint or concurrent liability may be imposed on FOA by statute, ordinance, regulation or other law.

10.2 Insurance. Area Developer shall procure the insurance coverage provided for in FOA's standard form of franchise agreement as disclosed in FOA's then-current Franchise Disclosure Document, prior to the commencement of construction of a Franchised Restaurant, and shall maintain such insurance coverage throughout the Term.

ARTICLE XI: GUARANTEE OF PRINCIPALS

11.1 Each of the Principals guarantees (a) the prompt payment of all sums due from Area Developer under this Agreement and from Area Developer under all Developer Franchise Agreements granted pursuant to this Agreement, (b) the compliance by Area Developer with all the obligations contained in this Agreement and all Developer Franchise Agreements granted pursuant to this Agreement, in each case, together with all costs incurred by FOA of collection, compromise or enforcement, including reasonable attorneys' fees ((a) and (b) together, collectively, the "**Obligations**"). Each of the Principals shall pay all sums due under this Section 11.1, and take or cause to be taken all steps necessary to remedy a non-monetary breach of this Agreement, within 14 days of receipt of a demand specifying the breach or non-performance on the part of Area Developer. The liability of the Principals is primary, direct and unconditional, and FOA shall be under no obligation to take any steps or commence any proceedings against Area Developer before enforcing any of its rights under this Article XI against one or more of the Principals. The Principals waive any right they might otherwise have to be given notice of any breach or non-performance except as part of a demand made under this Section 11.1.

11.2 The guarantee contained in Section 11.1:

11.2.1 Shall continue in full force and effect notwithstanding any intermediate satisfaction of any such matters and notwithstanding any suspension of proceedings, receivership, liquidation or any similar proceedings with regard to Area Developer;

11.2.2 Shall remain valid and enforceable notwithstanding any time or indulgence given to Area Developer, and/or any waiver of its rights by FOA and/or any settlement agreed between FOA and any such Person including in the framework of a court approved creditors' arrangement; and

11.2.3 Shall not be impaired by any modification, supplement, extension or amendment of this Agreement, the Developer Franchise Agreements or any of the Obligations, nor by any modification, release or other alteration of any of the Obligations under this Agreement, nor by any agreements or arrangements whatever with Area Developer, the Principals or anyone else.

11.3 As between FOA and the Principals and each of them, all sums due now and in the future to the Principals or any of them from Area Developer shall be subordinated to any sums owing from Area Developer to FOA.

11.4 The Principals hereby represent and warrant to FOA (and it is a condition of this Agreement) that the guarantees and other undertakings given by each of them in this Agreement are binding upon the Principals in accordance with their terms.

11.5 FOA shall be entitled in its sole discretion to request from any Principal partial or full performance, but all Principals shall remain bound until the whole Claim (as hereinafter defined) is satisfied.

11.6 Without limitation of any other provision of this Agreement, each of the Principals shall observe the covenants in this Agreement relating to Confidentiality and Restrictive Covenant (Article VII) and Assignment and Transfer (Article VIII) and the restrictive covenants in the Developer Franchise Agreement, as if they were Area Developer.

11.7 As a separate and principal obligation, each Principal shall indemnify FOA against any Claim, damage, liability, cost, charge, expense, or payment suffered, paid or incurred by FOA in connection with any default or delay by Area Developer in the due and punctual performance of its obligations under this Agreement or any Developer Franchise Agreement.

ARTICLE XII: SEVERABILITY

If any of the provisions of this Agreement may be construed in more than one way, one or more of which would render the provision illegal or otherwise void, voidable or unenforceable, and one of which would render the provision valid and enforceable, such provision shall have the meaning which renders it valid and enforceable. This Agreement shall be construed according to its fair meaning and not strictly against any Party. If any court or other government authority determines that any provision is not enforceable as written, the Parties agree that the provision shall be amended so that it is enforceable to the fullest extent permissible under the laws and public policies of the jurisdiction in which enforcement is sought and affords the Parties the same basic rights and obligations and has the same economic effect. If any provision is held invalid or otherwise unenforceable, such findings shall not invalidate the remainder of this Agreement.

ARTICLE XIII: ENTIRE AGREEMENT

This Agreement constitutes the entire agreement and understanding of the Parties with respect to the development of Franchised Restaurants and supersedes all prior negotiations, commitments, representations, warranties and undertakings of the Parties (if any) with respect to the development of Franchised Restaurants, whether written or oral. The Parties acknowledge that they are not relying upon any representations, warranties, conditions, agreements or understandings, written or oral, made by the Parties as their agents or representatives, except as herein specified. Nothing in this or in any related agreement, however, is intended to disclaim the representations FOA made in the Franchise Disclosure Document it furnished to Developer. Neither this Agreement nor any term or provision of it may be changed, waived, discharged, or modified other than in writing and signed by the Parties.

ARTICLE XIV: ACKNOWLEDGEMENT

14.1 Area Developer acknowledges that the success of the business venture contemplated by this Agreement involves substantial business risks and will be largely dependent upon the ability of Area Developer as an independent businessperson. Except as set forth in the Franchise Disclosure Document delivered to Area Developer, FOA expressly disclaims the making of, and Area Developer acknowledges not having received, any warranty or guaranty, expressed or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement.

14.2 Area Developer acknowledges that Area Developer has received, read, and understands this Agreement, the exhibits hereto, and agreements relating hereto, if any; and FOA has accorded Area Developer ample time and opportunity to consult with advisors of Area Developer's own choosing about the potential benefits and risks of entering into this Agreement.

14.3 Area Developer acknowledges that Area Developer has received a Franchise Disclosure Document , at least fourteen (14) calendar days prior to the date on which this Agreement was executed or the payment of any consideration to FOA or any Affiliate.

ARTICLE XV: MISCELLANEOUS

15.1 Notice. Any notice, demand, request, consent, approval, authorization, designation, specification or other communication given or made to or by a Party to this Agreement:

(a) must be in writing and addressed:

(i) if to FOA: **FIREHOUSE OF AMERICA, LLC**
12735 Gran Bay Parkway, Suite 150
Jacksonville, Florida 32258
Attn.: General Counsel

(ii) if to Area Developer: the address specified in the above recitals as Area Developer's address or Area Developer's last known mailing address

(iii) if to a Principal: the address specified in the above recitals as Principal's address, or Principal's last known mailing address

or to such address as otherwise specified to the sender by any Party by notice.

(b) is regarded as being given by the sender and received by the addressee: (i) if by delivery in person (including by courier), when delivered to the addressee; and (ii) if by certified, return receipt mail, on the earlier of actual receipt or the 3rd day after being deposited in the mail.

15.2 Non-Waiver. Failure of FOA to insist upon strict performance of any terms of this Agreement shall not be deemed a waiver of any subsequent breach or default. Acceptance by FOA of any money paid by Area Developer under this Agreement or under any Developer Franchise Agreement shall not constitute a waiver by FOA of any breach or default of this Agreement or any Developer Franchise Agreement. The rights, powers, privileges and remedies of FOA hereunder and in all other agreements with Area Developer shall be cumulative and not exclusive.

15.3 Relationship of Parties. The Parties to this Agreement are not partners, joint venturers, or agents of each other and there is no fiduciary relationship between the Parties. FOA does not have the right to bind or obligate Area Developer in any way and shall not represent that it has any such right, and Area Developer does not have the right to bind or obligate FOA in any way and shall not represent that it has any such right.

15.4 Governing Law/Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida. The Parties hereto acknowledge and agree that any action brought by Developer against Franchisor in any court, whether federal or state, shall be brought within such state and in the judicial district in which Franchisor has its principal place of business. Any action brought by Franchisor against Developer in any court, whether federal or state, may be brought within the state and in the judicial district in which Franchisor has its principal place of business. Developer hereby consents to personal jurisdiction and venue in the state and judicial district in which Franchisor has its principal place of business.

15.5 **GENERAL RELEASE**. For and in consideration of FOA entering into this Agreement, and other good and valuable consideration received from or on behalf of FOA, the receipt of which is hereby acknowledged, Area Developer, for itself and on behalf of its Affiliates, owners, directors, officers, employees, shareholders, agents, advisors, successors, and assigns (collectively, the "**Indemnifying Parties**"), hereby remises, releases, acquits, satisfies, and forever discharges FOA and its Affiliates and their respective directors, officers, employees, shareholders, agents, advisors, successors, and assigns (collectively, the "**Firehouse Subs Indemnified Parties**"), of and from all manner of Claims, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments and executions, whatsoever, in law or in equity, which Area Developer or any of the Indemnifying Parties ever had,

now has, or which any successor or assign of Area Developer or any of the Indemnifying Parties hereafter can, shall, or may have, whether known or unknown, against the Firehouse Subs Indemnified Parties, or any of them, for, upon, or by reason of any matter, cause, or thing whatsoever, from the beginning of the world to the date of this Agreement. As used in this Agreement, "**Claim**" means any cause of action, lawsuit, litigation, dispute, claim, arbitration, mediation, action, hearing, proceeding, investigation, charge, complaint, controversy, demand, injunction, judgment, order, decree, ruling or any other matter before a judicial, administrative or arbitration court or panel, whether known or unknown, liquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal or equitable. The term "**Claim**" also includes any losses, liabilities, amounts paid in settlement, penalties, fees, fines, damages (including special and consequential damages), lost profits, costs and expenses (including reasonable attorneys' fees and litigation expenses). [AREA DEVELOPER, EXPRESSLY AND INTENTIONALLY, AND WITH FULL KNOWLEDGE AND ADVICE OF COUNSEL, DOES HEREBY WAIVE THE PROVISIONS AND PROTECTIONS OF THE CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."]

15.6 Binding Nature. All of the covenants, agreements, terms and conditions to be observed and performed by the Parties hereto shall be applicable to and binding upon their respective successors and permitted assigns.

15.7 Counterpart Execution. To facilitate execution, this Agreement may be executed in any number of counterparts as may be convenient or necessary, and it shall not be necessary that the signatures of all Parties hereto be contained on any one counterpart hereof. Additionally, the Parties hereto hereby covenant and agree that, for purposes of facilitating the execution of this Agreement, (a) the signature pages taken from separate individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts and (b) a facsimile or PDF or electronic form of signature shall be deemed to be an original signature. All executed counterparts of this Agreement shall be deemed to be originals, but all such counterparts taken together shall constitute one and the same agreement.

15.8 Amendment. This Agreement shall not be amended or modified except by a written instrument signed by all Parties.

15.9 Survival. Article XI and all other provisions which must survive in order to give effect to their intent and meaning shall survive the termination or expiration of this Agreement.

15.10 Claims. Any and all Claims arising out of or relating to this Agreement (including the offer and sale of any franchise), the relationship of Area Developer and FOA, or Area Developer's operation of any Developer Restaurant, brought by Area Developer shall be commenced within eighteen (18) months from the occurrence of the facts giving rise to such Claim, or such Claim shall be barred.

15.11 Waiver of Jury Trial. AREA DEVELOPER AND FOA IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

15.12 Limitation of Liability. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, AREA DEVELOPER SHALL NOT BE ENTITLED TO SEEK FROM FOA (OR ANY AFFILIATE THEREOF) ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT.

15.13 Joint and Several Liability. If Area Developer or Principal consists of more than one Person, such Person's liability under this Agreement as Area Developer or as Principal shall be joint and several and FOA may in its discretion proceed against any one or more of them.

15.14 Time is of the Essence. Time is of the essence of this Agreement. If the Parties agree to vary a time requirement the time requirement so varied is of the essence of this Agreement.

By entering into this Agreement, Area Developer expressly consents to transact business with FOA electronically and that, consistent with the Uniform Electronic Transactions Act, and all other applicable state and federal laws, this Agreement may be executed by electronic signatures. The Parties to this Agreement agree that (i) the Parties' electronic signatures are intended to authenticate this writing and to have the same force and effect as the use of manual signatures, and (ii) an electronically signed version of this Agreement shall constitute an original for all purposes.

THIS AGREEMENT is executed by the Parties as of the day and year indicated on the first page of this Agreement.

FIREHOUSE SUBS OF AMERICA, LLC ("FOA" or "FIREHOUSE SUBS")

By: _____

Title: _____

Printed Name: _____

_____ ("Area Developer")

By: _____

Title: _____

Printed Name: _____

_____, an individual ("Principal 1")

_____

[_____] ("Principal 2")

By: _____

Title: _____

Printed Name: _____

SCHEDULE 1 – DEVELOPMENT SCHEDULE

Subject to the terms of this Development Schedule and the Agreement:

(a) **Development Years [ ]**: Area Developer agrees to develop, open, build and operate, on a cumulative basis, a total of _____ new Franchised Restaurants (net of closures) in the Territory by the end of Development Year _____. In addition, Area Developer must achieve the applicable annual Cumulative Opening Target (net of closures) set forth below by the end of each Development Year set forth below.

DEVELOPMENT YEAR	Cumulative Opening Target
Development Year 1 (__/__/____ - (__/__/____)	___
Development Year 2 (__/__/____ - (__/__/____)	___
Development Year 3 (__/__/____ - (__/__/____)	___
Development Year 4 (__/__/____ - (__/__/____)	___
Development Year 5 (__/__/____ - (__/__/____)	___
TOTAL	**___**

The Development Year targets set forth above are collectively referred to as the "**Cumulative Opening Targets**" and individually, a "**Cumulative Opening Target**".

(b) **Net of Closures Requirement**. Area Developer acknowledges and agrees that (i) all Cumulative Opening Targets must be achieved net of closures (as set forth in this Development Schedule and in Article III) so that such targets represent net restaurant growth (or NRG) in the Territory for each Development Year or portion thereof, as the case may be, and (ii) in the event of the closure of any Developer Restaurant in the Territory (including without limitation Developer Restaurants owned and operated by Area Developer and/or its Affiliates prior to the Commencement Date and Developer Restaurants not developed or opened pursuant to the Agreement), and without distinction as to the reason for such closure (i.e., expiration, early termination or otherwise), such Restaurant must be replaced by a new Franchised Restaurant by the end of the Development Year in which the closure occurred, as necessary, in order to achieve the Cumulative Opening Targets net of closures.

EXHIBIT A – TERRITORY

The Territory consists of the following geographic area: _____
_____
_____
in the state(s) of _____.

If the Territory is identified by city of other political subdivisions, political boundaries will be considered fixed as of the Commencement Date, notwithstanding any political reorganization or change to the boundaries. The Parties may depict the Territory on a map attached to this Exhibit A. However, if there is any inconsistency between the language in the text above and the attached map, the language in the text above shall control. All street boundaries will be deemed to end at the street's centerline unless otherwise specified.

EXHIBIT E TO THE DISCLOSURE DOCUMENT

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS

THIS CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS (this "**Assignment**") is effective as of _____, 20___ between **FIREHOUSE OF AMERICA, LLC**, a Florida limited liability company with its principal place of business at 12735 Gran Bay Parkway, Suite 150, Jacksonville, Florida 32258 ("**we**," "**us**" or "**our**") and , _____, whose current place of business is _____, _____, _____ ("**you**" or "**your**"). You and we are sometimes referred to collectively as the "**parties**" or individually as a "**party.**"

BACKGROUND INFORMATION:

We have simultaneously entered into the certain Franchise Agreement (the "**Franchise Agreement**") dated as of with you, pursuant to which you plan to own and operate a FIREHOUSE SUBS® Restaurant (the "**Restaurant**"). The FIREHOUSE SUBS® Restaurants use certain proprietary knowledge, procedures, formats, systems, forms, printed materials, applications, methods, specifications, standards and techniques authorized or developed by us (collectively the "**System**"). We identify FIREHOUSE SUBS® Restaurants and various components of the System by certain trademarks, trade names, service marks, trade dress and other commercial symbols (collectively the "**Marks**"). In order to protect our interest in the System and the Marks, we will have the right to control the telephone numbers and listings of the Restaurant if the Franchise Agreement is terminated.

OPERATIVE TERMS:

You and we agree as follows:

1. **Background Information**: The background information is true and correct. This Assignment will be interpreted by reference to the background information. Terms not otherwise defined in this Assignment will have the meanings as defined in the Franchise Agreement.

2. **Conditional Assignment**: You assign to us, all of your right, title and interest in and to those certain telephone numbers and regular, classified or other telephone directory listings (collectively, the "**Numbers and Listings**") associated with the Marks and used from time to time in connection with the operation of the Restaurant. This Assignment is for collateral purposes only. We will have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment, unless we notify the telephone company and/or the listing agencies with which you have placed telephone directory listings (collectively, the "**Telephone Company**") to effectuate the assignment of the Numbers and Listings to us. Upon termination or expiration of the Franchise Agreement we will have the right and authority to ownership of the Numbers and Listings. In such event, you will have no further right, title or interest in the Numbers and Listings and will remain liable to the Telephone Company for all past due fees owing to the Telephone Company on or before the date on which the assignment is effective. As between us and you, upon termination or expiration of the Franchise Agreement, we will have the sole right to and interest in the Numbers and Listings.

3. **Power of Attorney**: You irrevocably appoint us as your true and lawful attorney-in-fact to: (a) direct the Telephone Company to effectuate the assignment of the Numbers and Listings to us; and (b) sign on your behalf such documents and take such actions as may be necessary to effectuate the assignment. Notwithstanding anything else in the Assignment, however, you will immediately notify and instruct the Telephone Company to effectuate the assignment described in this Assignment to us when, and only when: (i) the Franchise Agreement is terminated or expires; and (ii) we instruct you to so notify the Telephone Company. If you fail to promptly direct the Telephone Company to effectuate the assignment of the Numbers and Listings to us, we will direct the Telephone Company to do so. The Telephone Company may accept our written direction, the Franchise Agreement or this Assignment as conclusive proof of our exclusive rights in and to the Numbers and Listings upon such termination or expiration. The assignment will become immediately and automatically effective upon Telephone Company's receipt of such notice from you or us. If the Telephone Company requires that you and/or we sign the Telephone Company's assignment forms or other documentation at the time of termination or expiration of the Franchise Agreement, our signature on such forms or documentation on your behalf will effectuate your consent and agreement to the assignment. At any time, you and we will perform such acts and sign and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement. The power of attorney conferred upon us pursuant to the provisions set forth in this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without our consent.

4. **Indemnification**: You will indemnify and hold us and our affiliates, stockholders, directors, officers and representatives (collectively, the "**Indemnified Parties**") harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys' fees, costs and expenses that any of the Indemnified Parties incur as a result of any claim brought against any of the Indemnified Parties or any action which any of the Indemnified Parties are named as a party or which any of the Indemnified Parties may suffer, sustain or incur by reason of, or arising out of, your breach of any of the terms of any agreement or contract or the nonpayment of any debt you have with the Telephone Company.

5. **Binding Effect**: This Assignment is binding upon and inures to the benefit of the parties and their respective successors-in-interest, heirs, and successors and assigns.

6. **Assignment to Control**: This Assignment will govern and control over any conflicting provision in any agreement or contract which you may have with the Telephone Company.

7. **Attorney's Fees, Etc.**: In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment or the enforcement thereof, the prevailing party will be entitled to reimbursement of its attorneys' fees, costs and expenses from the non-prevailing party. The term "**attorneys' fees**" means any and all charges levied by an attorney for his or her services including time charges and other reasonable fees including paralegal fees and legal assistant fees and includes fees earned in settlement, at trial, appeal or in bankruptcy proceedings and/or in arbitration proceedings.

8. **Severability**: If any of the provisions of this Assignment or any section or subsection of this Assignment are held invalid for any reason, the remainder of this Assignment or any such section or subsection will not be affected, and will remain in full force and effect in accordance with its terms.

9. **Governing Law and Forum**: This Assignment is governed by Florida law. Jurisdiction and venue for any claims involving this Agreement is exclusively in the courts located in the state and in the judicial district in which we have our principal place of business. The parties irrevocably submit to the venue and jurisdiction in the state and judicial district in which we have our principal place of business.

ASSIGNOR:

By:_____
Name:_____
Title:_____
Date:_____

ASSIGNEE:

FIREHOUSE OF AMERICA, LLC

By:_____
Name:_____
Title:_____
Date:_____

THIS CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS is accepted and agreed to by:

_____
(TELEPHONE COMPANY)

By:_____
Name:_____
Its:_____
Date:_____

EXHIBIT F TO THE DISCLOSURE DOCUMENT

FORM OF

ADDENDUM TO LEASE AGREEMENT

ADDENDUM TO LEASE AGREEMENT

THIS ADDENDUM TO LEASE AGREEMENT (this "**Addendum**") is effective as of _____, 20__ (the "**Effective Date**"), and is being signed simultaneously with the Lease (the "**Lease**") dated _____, 20___ between _____ (the "**Franchisee**" or "**Tenant**") and _____ (the "**Landlord**") for the real property commonly known as Locations TBD - (Area Development Agreement) (the "**Premises**").

1. **Incorporation and Precedence**. This Addendum is incorporated into the Lease and supersedes any conflicting provisions in it. Capitalized terms not otherwise defined in this Addendum have the meanings as defined in the Lease. The Franchise Agreement requires that the Lease contain certain provisions that the Tenant is requesting the Landlord to include through this Addendum.

2. **Background**. The Tenant will operate a Firehouse Subs® Restaurant at the Premises under a Franchise Agreement dated _____ (the "**Franchise Agreement**") with Firehouse of America, LLC (the "**Franchisor**"). By entering into a franchise relationship with the Franchisor, the Tenant has agreed to grant the Franchisor a security interest in the Lease, all of the furniture, fixtures, inventory and supplies located in the Premises as collateral for the payment of any obligation, liability or other amount owed by the Tenant or its affiliates to the Franchisor under the Franchise Agreement. Furthermore, the Franchisee is required to lease or sublease from suppliers designated ("**Designees**") by Franchisor certain equipment that must be utilized (e.g., beverage dispensers, soda machines, coffee systems) (the "**Supplied Equipment**"). Current Designees include Coca Cola Enterprises and S&D Coffee (and their affiliates and distributors).

3. **Marks**. The Tenant has the right to display the trademarks and service marks set forth on Exhibit "A" to this Addendum and incorporated by reference herein in accordance with the specifications required by the Franchisor (including, without limitation, signage on buildings or pylons, banners, flags, windows, walls, doors and similar displays (collectively, "**Signage**")). Banners may include "coming soon," "now hiring," "now open," etc., subject only to the provisions of applicable law, for the term of the Lease.

4. **Easement.** The Landlord grants to the Tenant during the term of the Lease a non-exclusive right and easement over that portion of the property as may be required by the Tenant to improve, renovate, repair, replace and maintain the Premises or replace its Signage or its panel on the pylon sign for the property. The Tenant has the right to change or alter the Signage at any time during the term of the Lease provided the Signage is in compliance with all applicable governmental codes and regulations. The Signage may include: (a) signage on the exterior front wall of the Premises; (b) signage on another exterior portion of the Premises; (c) a separate pylon sign on the property; (d) separate signage on the property, (e) a panel on the pylon sign for the property; and (f) other Signage which may be required by the Franchisor or agreed upon by the Landlord and the Tenant.

5. **Access to Premises**. During the term of the Lease, the Landlord and Tenant acknowledge and agree that the Franchisor will have unrestricted access to the Premises: (a) to inspect all of the artwork provided to Tenant in accordance with the Franchise Agreement and located on the Premises (the "**Art**") and to remove the Art at any time, subject only to the terms of the Franchise Agreement; to inspect operations and quality standards of the restaurant conducted on the premises; and (c) separately and/or with a Designee inspect and remove the Art and/or the Supplied Equipment.

6. **Copies of Reports**. The Landlord agrees to provide copies of all revenue and other information and data in Landlord's possession related to the operation of the Tenant's Firehouse Subs® Restaurant on a timely basis as the Franchisor may request, during the term of the Lease.

7. **Notice of Default**. The Landlord will give written notice to the Franchisor (concurrently with the giving of such notice to the Tenant or separately if no such notice to Tenant is required) of any alleged defaults under, breaches or violations of the Lease by the Tenant (a "**Default**"). Landlord will deliver such notice by certified mail, return receipt requested, or by nationally recognized overnight courier service, at the following address or to such other address as the Franchisor may provide to Landlord from time to time:

Firehouse of America, LLC
12735 Gran Bay Parkway, Suite 150
Jacksonville, Florida 32258
Attention: Franchise Administrator

Such notice will grant the Franchisor the right, but not the obligation, to cure any Default, if the Tenant fails to do so, within 15 days after the later of: (a) the expiration of the period in which the Tenant may cure the Default under the Lease; or (b) the Franchisor's receipt of the notice of Tenant's Default.

8. **Franchisor's Assumption of Lease**. In the event of a default of the Lease by Tenant or the default of the Franchise Agreement by Tenant, and upon written notice by the Franchisor to have the Lease assigned to the Franchisor as lessee (the "**Assignment Notice**"), (i) the Franchisor will become the lessee of the Premises and will be liable for all obligations under the Lease arising after the date of the Assignment Notice and (ii) the Landlord will recognize the Franchisor as the lessee of the Premises effective as of the date of the Assignment Notice.

9. **Default Under Franchise Agreement**. Any Default under the Lease which is not cured by Tenant within any applicable cure period also constitutes grounds for termination of the Franchise Agreement.

10. **Non-Disturbance**. So long as the Lease term continues and the Tenant is not in Default under the Lease, the Tenant's use, possession and enjoyment of the Premises will not be interfered with by any lender of the Landlord or any other person. The Landlord agrees to use its best efforts to obtain prior to commencement of the Lease any documents necessary to ensure the foregoing, including a Subordination, Non-Disturbance and Attornment Agreement or similar agreement.

11. **Franchisor Consent Required.** Neither the Landlord nor the Tenant will cancel, terminate, modify or amend the Lease including, without limitation, the Franchisor's rights under this Addendum, without the Franchisor's prior written consent.

12. **Benefits and Successors.** The benefits of this Addendum inure to the Franchisor and to its successor and assigns, and the Franchisor is a third-party beneficiary of this Addendum with full right, power and authority to enforce its terms.

13. **Remaining Provisions Unaffected**. Those parts of the Lease that are not expressly modified by this Addendum remain in full force and effect.

Intending to be bound, the Landlord and the Tenant sign and deliver this Addendum effective on the Effective Date, regardless of the actual date of signature.

THE "Landlord":	**THE "Tenant"**:
_____	_____
Address:_____	Address:_____
Phone;_____	Phone:_____
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

EXHIBIT "A"

Marks

TRADEMARK	TRADEMARK	TRADEMARK
firehouse	Captain Sorensen's	FOUNDED BY FIREMEN
FIREHOUSE SUBS		FOUNDED BY FIREMEN
FIREHOUSE SUBS FOUNDED BY FIREMEN	CAPTAIN SORENSEN'S	FOUNDED BY FIREMEN
FIREHOUSE SUBS	ENGINEER	FOUNDED BY FIREMEN
FIREHOUSE SUBS	FIREHOUSE	FULLY INVOLVED
	FIREHOUSE HERO	HOOK & LADDER
FIREHOUSE SUBS	FIREHOUSE STEAK & CHEESE	NEW YORK STEAMER
	FIREHOUSE SUBS PUBLIC SAFETY FOUNDATION	CHERRY LIME-AID
	RAPID RESCUE TO GO	FIREHOUSE MEATBALL
	RAPID RESCUE TO GO	THE ROOKIE
	RAPID RESCUE	CHERRY LIME-AID Light
	FIREHOUSE SUBS	FIREHOUSE SALAD
		FIREHOUSE FUNDS
		THE LIEUTENANT
		WELCOME TO THE FIREHOUSE
		WELCOME TO THE FIREHOUSE
		H20 FOR HEROES
		RAPID RESCUE TO GO
		ENJOY MORE SUBS. SAVE MORE LIVES.
		OUR SUBS SAVE LIVES
		F

EXHIBIT G TO THE DISCLOSURE DOCUMENT

MANUAL

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OPERATIONS MANUAL
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Chapter 4 - Profit Management	72	20
Chapter 5 - Restaurant Safety	92	40
Chapter 6 - Marketing	132	40
TOTAL PAGES		**170**

We provide access to the Operations Manual only electronically. The pages are based on the number of slides for each topic when converted into PDF format as of the Issuance Date.

EXHIBIT H TO THE DISCLOSURE DOCUMENT

OWNER'S GUARANTY

OWNER'S GUARANTY

This Owner's Guaranty (this "Guaranty") is made and executed by the undersigned as of the ____ day of _____, 20____. You, the undersigned (and each of you, if more than one) (hereinafter referred to as "you" or as "GUARANTOR") have an interest in _____, a _____ [corporation/limited partnership/limited liability company] (hereinafter referred to as "FRANCHISEE"). FRANCHISEE is the franchisee under that certain Firehouse Subs Franchise Agreement dated as of _____, 20___ (the "Franchise Agreement") with respect to Firehouse Subs restaurant #_____ (the "Restaurant") with Firehouse of America, LLC, a Florida limited liability company (hereinafter referred to as "FRANCHISOR"). This Guaranty is incorporated in and made a part of the Franchise Agreement and may be attached thereto.

1. Acknowledgments. You acknowledge and agree that FRANCHISOR has entered into the Franchise Agreement with FRANCHISEE solely on the condition that all of FRANCHISEE'S officers, directors, and holders of a legal or beneficial interest in Franchisee of ten percent (10%) or more (each, an "Owner") be personally obligated and jointly and severally liable with FRANCHISEE (and with each other Owner) for the performance of each and every obligation of FRANCHISEE (and its Owners) under the Franchise Agreement, any amendments or modifications to the Franchise Agreement, any extensions or renewals of the Franchise Agreement, and under each and every agreement ancillary to the Franchise Agreement, including without limitation pursuant to any lease, sublease, or any other agreements with respect to the Restaurant that has been, or hereafter may be, entered into by FRANCHISEE with FRANCHISOR or any of its affiliates (all such agreements are collectively referred to as the "FRANCHISOR Agreements").

2. GUARANTOR'S Covenants, Representations and Guaranty. In consideration of and as an inducement to the execution of the Franchise Agreement by FRANCHISOR, you hereby personally, irrevocably and unconditionally:

(a) represent and warrant to FRANCHISOR that Exhibit A to the Franchise Agreement is accurate and complete;

(b) agree to guarantee the prompt payment and performance of all Obligations (as hereinafter defined) of FRANCHISEE to FRANCHISOR, its affiliates, and their successors and assigns;

(c) agree to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Agreement and each and every provision in any other FRANCHISOR Agreement, as if you were the FRANCHISEE, including, without limitation, the provisions of Sections V (Proprietary Marks and Art), XII (Confidential Information), XIII (Covenants) and XIV (Transferability of Interest) of the Franchise Agreement; and

(d) agree to indemnify and save harmless FRANCHISOR and its affiliates against and from all losses, damages, costs, and expenses which FRANCHISOR and/or its affiliates may sustain, incur, or become liable for by reason of (i) the failure for any reason whatsoever of FRANCHISEE to pay or perform the Obligations of FRANCHISEE to FRANCHISOR, its affiliates, and their successors and assigns, or (ii) any act, action, or proceeding of or by FRANCHISOR for or in connection with the recovery of monies or the obtaining of performance by FRANCHISEE of any other act, matter or thing pursuant to the provisions of the FRANCHISOR Agreements.

The term "Obligations" means the payment of all debts, liabilities and obligations of FRANCHISEE to FRANCHISOR arising under the FRANCHISOR Agreements, whether direct, indirect, absolute, contingent, matured or unmatured, extended or renewed, wherever and however incurred, together with all costs of collection, compromise and enforcement, including reasonable attorneys' fees, and the prompt performance of each and every covenant, agreement and condition set forth in any of the FRANCHISOR Agreements. The guarantee by the GUARANTOR hereunder is an absolute, continuing, primary and unconditional guarantee of payment and performance and not of collection.

3. Waivers by GUARANTOR. You hereby waive:

(a) acceptance and notice of acceptance by FRANCHISOR of the foregoing guaranty;

(b) notice of demand for payment of any indebtedness or nonperformance by FRANCHISEE of any of the Obligations;

(c) presentment or protest of any instrument and notice thereof; and notice of default or intent to accelerate with respect to the indebtedness or nonperformance of any of the Obligations;

(d) any right you may have to require that an action be brought against FRANCHISEE or any other person as a condition of liability;

(e) the defenses of the statute of limitations or laches in any action hereunder or for the collection or performance of any Obligation;

(f) any and all rights to payments, indemnities and claims for reimbursement or subrogation that you may have against FRANCHISEE arising from your execution of and performance under this Guaranty;

(g) any defense based on any irregularity or defect in the creation of any of the Obligations or modification of the terms and conditions of performance thereof;

(h) any defense based on the failure of FRANCHISOR or any other party to take, protect, perfect or preserve any right against and/or security granted by the FRANCHISEE or any other party;

(i) notice of any and all indebtedness or obligations of FRANCHISEE to FRANCHISOR, now existing or which may hereafter exist;

(j) notice of amendment of the FRANCHISOR Agreements;

(k) notices of dishonor, payment, presentation, and diligence;

(l) any and all other notices and legal or equitable defenses to which you may be entitled; and

(m) the right to trial by jury in respect of any litigation based on, or arising out of, under or in connection with this Guaranty.

4. Further Agreements and Understandings. You hereby consent and agree that:

(a) Your direct and immediate liability under this Guaranty will be joint and several with FRANCHISEE and each other GUARANTOR of FRANCHISEE;

(b) The death or incapacity of any GUARANTOR will not modify, amend or terminate this Guaranty, and upon such a death, the estate of such GUARANTOR shall be bound by this Guaranty;

(c) If you should die, become incapacitated, become insolvent or make a general assignment for the benefit of creditors, or if a proceeding under the United States Bankruptcy Code or any similar law affecting the rights of creditors generally shall be filed or commenced by, against or in respect of you or any other GUARANTOR hereunder, any and all obligations of the GUARANTOR shall, at FRANCHISOR's option, immediately become due and payable without notice;

(d) If any payment or transfer to FRANCHISOR which has been credited against any Obligation is voided or rescinded or required to be returned by FRANCHISOR, whether or not in connection with any event or proceeding described in Section 4(c), this Guaranty will continue in effect or be reinstated as though such payment, transfer or recovery had not been made;

(e) You will render any payment or performance required under the Franchise Agreement or any other FRANCHISOR Agreement upon demand if FRANCHISEE fails or refuses punctually to do so;

(f) Your liability hereunder will be construed as an absolute, unconditional, continuing and unlimited obligation without regard to the regularity, validity or enforceability of any of the Obligations, and without regard to whether any Obligation is limited, modified, voided, released or discharged in any proceeding under the United States Bankruptcy Code or any similar law affecting the rights of creditors generally, or any subsequent reorganization, merger, or consolidation of FRANCHISEE, or any other change in its composition, nature, personnel, or location;

(g) Your liability hereunder will not be contingent or conditioned upon FRANCHISOR's pursuit of any remedies against FRANCHISEE or any other person;

(h) This Guaranty will continue in full force and effect for and as to any extension of or modification or amendment to the Franchise Agreement or any other FRANCHISOR Agreement and you waive notice of any and all such extensions, modifications or amendments;

(i) This Guaranty is irrevocable and is independent of any and all other guarantees that may be made by any other parties with respect to the Obligations. All rights of FRANCHISOR hereunder or otherwise arising under the FRANCHISOR Agreements are separate and cumulative and may be pursued separately, successively, or concurrently, or not pursued, without affecting or limiting any other right of FRANCHISOR and without affecting or impairing the liability of the GUARANTORS;

(j) Your liability hereunder will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence, or any waiver that FRANCHISOR may from time to time grant to FRANCHISEE or to any other person, including without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims (including the release of other Owners or guarantors), or the taking of any action by FRANCHISOR which may have the effect of increasing your obligations, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Franchise Agreement and so long as any performance is or may be owed under any of the FRANCHISOR Agreements by FRANCHISEE or its Owners and so long as FRANCHISOR may have any cause of action against FRANCHISEE or its Owners, subject to paragraph (m) below;

(k) Your liability hereunder will not be diminished, relieved or otherwise affected by any other agreements or other dealings between FRANCHISOR and FRANCHISEE having the effect of amending or altering the FRANCHISOR Agreements or FRANCHISEE's obligations thereunder, or by any want of notice by FRANCHISOR to FRANCHISEE of any default

of FRANCHISEE or by any other matter, thing, act, or omission of FRANCHISOR whatsoever;

(l) Any and all present and future debts and obligations of the FRANCHISEE to you or any other GUARANTORS are hereby subordinated to the full payment and performance of the Obligations;

(m) If you transfer, in compliance with the Franchise Agreement, all of your interest in the Franchise Agreement or FRANCHISEE for payment in cash, you shall, at FRANCHISOR's option and request, execute a written guaranty of the transferee's obligations with respect to the Restaurant, which guaranty shall not exceed a period of three (3) years from the date of transfer. Notwithstanding the foregoing, your liability hereunder for Obligations under the other FRANCHISOR Agreements will continue in full force and effect until FRANCHISEE has fully paid and performed all obligations thereunder;

(n) The written acknowledgement of FRANCHISEE or the judgment of any court establishing the amount due from FRANCHISEE shall be conclusive and binding on you and your heirs, representatives, successors and assigns. FRANCHISOR's books and records showing the account between FRANCHISOR and FRANCHISEE shall be admissible in evidence in any action or proceeding, shall be binding upon you for the purpose of establishing the items therein set forth, and shall constitute prima facie proof thereof; and

(o) Except to the extent the provisions of this Guaranty give FRANCHISOR additional rights, this Guaranty shall not be deemed to supersede or replace any other guarantees given to FRANCHISOR by you; and the obligations guaranteed hereby shall be in addition to any other obligations guaranteed by you pursuant to any other agreement of guarantee given to FRANCHISOR and other guarantees of the Obligations.

5. Assignment by FRANCHISOR. This Guaranty is for the benefit of FRANCHISOR, which may, without any notice, sell, assign or transfer any part of the Obligations guaranteed herein. Each and every successive assignee, transferee or holder of all or any part of the Obligations shall have the right to enforce this Guaranty, by suit or otherwise, for the benefit of such assignee, transferee or holder, as fully as though such assignee, transferee or holder were herein by name given such rights, powers and benefits; but FRANCHISOR shall have an unimpaired right, prior and superior to that of any such assignee, transferee or holder, to enforce this Guaranty for its benefit as to so much of said Obligations that it has not sold, assigned or transferred.

6. Choice of Law; Jurisdiction and Venue. This Guaranty takes effect upon its acceptance and execution by Franchisor and shall be interpreted and construed under the laws of the State of Florida which laws shall prevail in the event of any conflict of law (without regard to,

and without giving effect to, the application of Florida choice of law or conflict of law rules) except to the extent governed by the U. S. Trademark Act of 1946, 15 U.S.C. § 1051, et seq. (the "Lanham Act") as amended. Nothing in this Section 6 is intended by the parties to subject this Guaranty to any franchise or similar law, rule, or regulation of the State of Florida to which this Agreement would not otherwise be subject. The parties agree that any action brought by Franchisee against Franchisor in any court, whether federal or state, shall be brought within such state and in the judicial district in which Franchisor has its principal place of business. Any action brought by Franchisor against Franchisee in any court, whether federal or state, may be brought within the state and in the judicial district in which Franchisor has its principal place of business. Franchisee hereby consents to personal jurisdiction and venue in the state and judicial district in which Franchisor has its principal place of business.

7. Severability. If one or more provisions contained in this Guaranty shall be invalid, illegal or unenforceable, in any respect under the laws of any jurisdiction, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

8. Counterparts. This Guaranty may be executed in one or more counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument.

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

By entering into this Guaranty, you expressly consent to transact business with FRANCHISOR electronically and that, consistent with the Uniform Electronic Transactions Act, and all other applicable state and federal laws, this Guaranty may be executed by electronic signatures. The parties to this Guaranty agree that the parties' electronic signatures are intended to authenticate this writing and to have the same force and effect as the use of manual signatures and an electronically signed version of this Guaranty shall constitute an original for all purposes.

You now execute this Guaranty on the date shown above.

WITNESSES:

_____
Print Name:_____

_____
Print Name: _____

_____
Print Name:_____

_____
Print Name: _____

GUARANTOR(S):

_____
Print Name:_____

_____
Print Name:_____

EXHIBIT I TO THE DISCLOSURE DOCUMENT

FORM OF

PRINCIPAL OWNER'S STATEMENT

PRINCIPAL OWNER'S STATEMENT

This form must be completed by the Franchisee Entity ("**Franchisee**") if Franchisee has multiple owners or if Franchisee is owned by another/other business organization (such as a corporation, partnership or limited liability company). Franchisor is relying on the truth and accuracy of this form in awarding the Franchise Agreement to Franchisee.

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

(a) General Partnership ☐
(b) Corporation ☐
(c) Limited Partnership ☐
(d) Limited Liability Company ☐
(e) Other ☐
Specify: _____

2. **Business Entity.** Franchisee was incorporated or formed on _____, _____ *(date)*, under the laws of the State of _____. Franchisee has not conducted business under any name other than this corporation, limited liability company or partnership name and _____ *(Entity Name)* . The following is a list of all persons who have management rights and powers (e.g., officers, managers, partners, etc.) relative to Franchisee and their positions are listed below:

Name of Person	Position(s) Held

3. **Owners**. The following list includes the full name and mailing address of each person who is one my owners and fully describes the nature of each owner's interest. Attach additional sheets if necessary.

Owner's Name and Address	Description of Interest	% of Ownership

3. **Governing Documents**. Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of the business organization

of Franchisee (e.g., articles of incorporation or organization, partnership or shareholder agreements, etc.).

This Owner's Statement is current and complete as of _____, 20___.

FRANCHISEE:

_____

By: _____
Name: _____
Title: _____
Date: _____

OWNERS:

<u>Individuals</u>:
or

_____
(Signature)

_____
(Print Name)
Date: _____

_____
(Signature)

_____
(Print Name)
Date: _____

_____
(Signature)

_____
(Print Name)
Date: _____

_____
(Signature)

_____
(Print Name)
Date: _____

Corporation, Limited Liabilty Company
Partnership:

_____
(Name of Entity)

By: _____
Name: _____
Title: _____
Date: _____

_____
(Name of Entity)

By: _____
Name: _____
Title: _____
Date: _____

_____
(Name of Entity)

By: _____
Name: _____
Title: _____
Date: _____

_____
(Name of Entity)

By: _____
Name: _____
Title: _____

EXHIBIT J TO THE DISCLOSURE DOCUMENT

ARTICLES OF INCORPORATION OF

FIREHOUSE SUBS MARKET FUND, INC.

H06000093160 3

FILED
06 APR -7 AM 11:00
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLES OF AMENDMENT TO ARTICLES OF INCORPORATION OF FIREHOUSE SUBS MARKET FUND, INC.

FLORIDA DOCUMENT NUMBER: N03000000753

Pursuant to the provisions of Section 617.1006, Florida Statutes, the undersigned corporation, **FIREHOUSE SUBS MARKET FUND, INC.**, a Florida not for profit corporation (the "**Corporation**"), adopts the following Articles of Amendment to amend its Articles of Incorporation:

1. **Name of the Corporation.** The current name of the Corporation is Firehouse Subs Market Fund, Inc. and its Florida document number is N03000000753.

2. **Text of the Amendment.** Articles III, IV and XIII of the Articles of Incorporation are amended in their entirety to read as follows:

Article III – Purposes

The purposes for which the Corporation is formed are to: (a) establish, maintain, administer and operate the promotional and marketing fund of FIREHOUSE SUBS® Restaurants by Firehouse of America, LLC or its successor (the "**Franchisor**") (the "**Fund**"); (b) utilize contributions made to the Fund (the "**Contributions**") for the creation, development, production, broadcast and dissemination of marketing, promotional and advertising of FIREHOUSE SUBS® Restaurants and their products and services and the administration and management of the Corporation; and (c) accomplish all purposes associated with furthering the objectives of the Corporation and enhancing and collecting contributions.

Article IV – Membership

There are 3 class of membership as follows:

1. **Class A Members:** The Class A Members will consist of all of the owners of franchised FIREHOUSE SUBS® Restaurants ("**Restaurant(s)**"), who have entered into franchise agreements with the Franchisor and continue to be a party to them. An owner will hold one membership for every FIREHOUSE SUBS® Restaurant in good standing and will have the obligation for assessments and contributions for each Restaurant. Each owner will have one vote on all matters coming before the membership, except that the Bylaws will only be adopted, altered, amended or repealed and the Articles of Incorporation may only be amended by a majority vote of the Board of Directors and the Class C Member and the Corporation may only be dissolved by the Class C Member. If a Restaurant is owned by more than one natural person, or a corporation, partnership, or other artificial entity, the voting interest of Restaurant will be exercised only by the natural person named in a voting certificate signed by all the natural persons who are owners or by the chief executive officer of the artificial entity and filed with the Secretary of the Corporation in its official records. Each owner will have 1 vote on all matters coming before the membership for each Restaurant owned. Otherwise, the qualifications, rights and activities of voting members will be as provided in these Bylaws.

2. **Class B Members**: The Class B Members will consist of all of the area representatives (the "**Area Representatives**"), who have entered into area representative agreements with the Franchisor and continue to be a party to them. An Area Representative will hold one membership. Each Area Representative will have one vote on all matters coming before the membership, except that the Bylaws will only be adopted, altered, amended or repealed and the Articles of Incorporation may only be amended by the a majority vote of the Board of Directors and the Class C Member and the Corporation may only be dissolved by the Class C Member. If an Area Representative is owned by more than one natural person, or a corporation, partnership, or other artificial entity, the voting interest of Area Representative will be exercised only by the natural person named in a voting certificate signed by all the natural persons who are owners or by the chief executive officer of the artificial entity and filed with the Secretary of the Corporation in its official records.

3. **Class C Member**: The Franchisor will be the only Class C Member and will have the same voting rights as a Class A Member with 1 vote on all matters coming before the membership (other than Class A Directors) and the sole right to appoint the Class C Director, and will also have the sole power to authorize dissolution of the Corporation; and the right to vote as a member or a director to resolve a tie as to any deadlock among members or directors. This section can only be changed with the written consent of the Franchisor.

Any franchisee or Area Representative who ceases to be bound under a franchise agreement or area representative agreement with the Franchisor either due to its expiration or termination, will automatically cease to be a member of the Corporation, but will remain liable to the Corporation for any unpaid contributions or other amounts payable to the Corporation at the time membership ceases. Likewise, to the extent the Franchisor or its affiliate has operated FIREHOUSE SUBS® Restaurants and has been a Class A Member, if it ceases to operate any such Restaurant, then its Class A membership with respect to such Restaurant will automatically cease.

4. **Certain Voting Matters**: Notwithstanding any of the foregoing, all voting rights of the Class A Members and Class B Members will be exercised solely by the Franchisor for all purposes whatsoever, and such voting by the Franchisor will be overtaken in accordance with the Bylaws, unless and until: (a) the Franchisor decides in writing otherwise; and/or (b) Florida law authorizes voting by members of nonprofit corporations pursuant to electronic means consistent with the voting and balloting mechanisms that the Franchisor chooses to employ.

Article XIII – Amendment

These Articles of Incorporation may be amended, without a vote of the Class A and Class B Members, by a vote of a majority of the Board of Directors and the Class C Member.

3. **Date of Adoption.** The Amendment was adopted as of March 30, 2006.

4. **Manner of Adoption.** The Amendment was adopted by the written consent of all of the Members and all of the Directors of the Corporation. The number of votes cast for the amendment by the Members was sufficient for approval.

H060000931603

IN WITNESS WHEREOF, the President of the Corporation has signed these Articles of Amendment as of March 30, 2006.

FIREHOUSE SUBS MARKET FUND, INC.

By: _____
Name: Robin Sorenson
Title: President

H04000252345

ARTICLES OF AMENDMENT
TO ARTICLES OF INCORPORATION OF
JACKSONVILLE HOTTEST SUBS MARKETING COOPERATIVE, INC.

FLORIDA DOCUMENT NUMBER: N03000000753

CHANGING CORPORATE NAME

FILED
04 DEC 23 PM 3:27
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pursuant to the provisions of Section 617.1006, Florida Statutes, the undersigned corporation, **JACKSONVILLE HOTTEST SUBS MARKETING COOPERATIVE, INC.**, a Florida not for profit corporation (the "**Corporation**"), adopts the following Articles of Amendment to amend its Articles of Incorporation to change its corporate name:

1. **Current Name of the Corporation**. The current name of the Corporation is Jacksonville Hottest Subs Marketing Cooperative, Inc. and its Florida document number is N03000000753.

2. **Text of the Amendment**. The amendment is to change the Corporation's corporate name. Accordingly, Article I of the Articles of Incorporation is amended in its entirety to read as follows:

The name of the Corporation is **Firehouse Subs Market Fund, Inc.**

3. **Date of Adoption**. The Amendment was adopted as of November 16, 2004.

4. **Manner of Adoption**. The Amendment was adopted by the written consent of all of the Members and all of the Directors of the Corporation. The number of votes cast for the amendment by the Members was sufficient for approval.

IN WITNESS WHEREOF, the President of the Corporation has signed these Articles of Amendment as of ~~November~~ December 21, 2004.

JACKSONVILLE HOTTEST SUBS MARKETING COOPERATIVE, INC.

By: _____
Name: Robin Sorensen
Title: President

H04000252345

466901.1 11/16/04

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLES OF INCORPORATION
OF
JACKSONVILLE HOTTEST SUBS MARKETING COOPERATIVE, INC.

The undersigned, acting as the incorporator(s), adopts these Articles of Incorporation and forms a not for profit corporation (the "**Corporation**") under the Florida Not for Profit Corporation Act (the "**Act**"), as follows:

I.
Name

The name of the Corporation is **Jacksonville Hottest Subs Marketing Cooperative, Inc.**

II.
Term of Existence

The Corporation's existence commences on the date of the filing of these Articles of Incorporation with the Secretary of State of the State of Florida. The Corporation will have perpetual existence thereafter.

III.
Purposes

The purposes for which the Corporation is formed are to: (a) establish, maintain, administer and operate the promotional and marketing cooperative fund of FIREHOUSE SUBS® restaurants within the geographic area assigned by Firehouse Restaurant Group, Inc. or its successor (the "**Franchisor**") (the "**Fund**"); (b) utilize contributions made to the Fund (the "**Contributions**") for its members; and (c) accomplish all purposes associated with furthering the objectives of the Corporation and enhancing and collecting contributions.

IV.
Membership

There are only 2 classes of members of the Corporation, voting members and non-voting members.

(a) Voting Members: The voting members will consist of all of the owners of franchised FIREHOUSE SUBS® Restaurants ("**Restaurant(s)**") located in the area (the "**Cooperative Area**"), as the Cooperative Area may be modified from time to time in accordance with these Bylaws, who have entered into franchise agreements with the Franchisor and continue to be a party to them. An owner will hold one membership for all FIREHOUSE SUBS® Restaurant in good standing within the Cooperative Area and will have the obligation for assessments and contributions for each Restaurant. If a Restaurant is owned by more than one natural person, or a corporation, partnership, or

other artificial entity, the voting interest of Restaurant will be exercised only by the natural person named in a voting certificate signed by all the natural persons who are owners or by the chief executive officer of the artificial entity and filed with the Secretary of the Cooperative in its official records. However, each owner will have 1 vote on all matters coming before the membership regardless of the number of Restaurants owned. Otherwise, the qualifications, rights and activities of voting members will be as provided in the Bylaws.

(b) **Non-Voting Members**: The Franchisor will always constitute a member of the Corporation, but will not have voting rights by virtue of this status. However, to the extent the Franchisor owns FIREHOUSE SUBS® Restaurants within the Cooperative Area, it will constitute a voting member to the same extent as any other members that are franchisees. Thus, if the Franchisor owns 2 FIRESHOUSE SUBS® Restaurants within the Cooperative Area, then it will have 1 voting membership, in addition to its non-voting membership. As a non-voting member, the Franchisor will not be required to make any Contributions to the Corporation. This section can only be changed with the written consent of the Franchisor.

IV.
Limitation on Activities

No part of the net earnings of the Corporation will inure to the benefit of, or be distributable to, any member, Director or officer of the Corporation or any other private individual (except that reasonable compensation may be paid for services rendered to or for the Corporation affecting one or more of its purposes), except: (a) that the member at the time of dissolution or final liquidation will be entitled to share in the distribution of any of the remaining corporate assets; and (b) to the extent that the member (or its affiliates) own or operated restaurants as part of the FIREHOUSE SUBS® franchise system. Nothing in these Articles restricts the Corporation from reimbursing the member for funds furnished or loaned or for services performed.

VI.
Dissolution

Upon dissolution of this Corporation, or the final liquidation of its assets, whether voluntary or involuntary or by operation of law, except as and to the extent otherwise provided or required by law, the net assets remaining may be distributed only in accordance with the rules governing the Fund; provided, however, that nothing contained in this Article will be construed to prevent a distribution from the net assets of the Corporation to another distributee, otherwise properly made in accordance with the provisions of these Articles and the purposes herein stated, solely by reason of the fact that one or more of the members, officers or directors of the Corporation may be connected or associated with the distributee as a shareholder, member, trustee, director, officer or in any other capacity.

VII.
Principal Office

The principal office and mailing address of the Corporation is 3410 Kori Road, Jacksonville, Florida 32257.

VIII.
Directors

The Corporation will have 3 directors initially. Directors may be elected, removed from office and hold office as provided in the Bylaws of the Corporation. The number of directors may be increased or decreased from time to time as provided in the bylaws of the Corporation, provided that the Corporation will always have at least 3 directors. The names and addresses of the initial directors of the Corporation, who will serve until their successor(s) are duly elected and qualified, are:

Name	Address
Robin Sorensen	3410 Kori Road Jacksonville, Florida 32257
Chris Sorensen	3410 Kori Road Jacksonville, Florida 32257
Kelly Harris	3410 Kori Road Jacksonville, Florida 32257

IX.
Initial Registered Office and Agent

The street address of the initial registered office of the Corporation is c/o Chris Sorensen, 3410 Kori Road, Jacksonville, Florida 32257 and the name of its initial registered agent at such address is Chris Sorensen.

X.
Incorporator

The name and address of the incorporator signing these Articles of Incorporation are:

Name	Address
Robin Sorensen	3410 Kori Road Jacksonville, Florida 32257

XI.
Bylaws

The power to adopt, alter, amend or repeal Bylaws will be vested in the Corporation's Board of Directors. However, the Bylaws and any amendments, modifications or restatement of them will not be valid unless previously approved by the Franchisor.

XII.
Indemnification

The Corporation will indemnify any member, director or officer or any former member, director or officer, to the fullest extent permitted by law.

XIII.
Amendment

These Articles of Incorporation may be amended in the manner provided by law, except that no amendment may be made to these Articles of Incorporation: (a) that will eliminate the right of the Franchisor to be a non-voting member; (b) require the Franchisor to pay contributions by virtue of such non-voting membership, or (c) limit the Franchisor's rights otherwise than in accordance with Article IV; or (d) without the Franchisor's written consent.

IN WITNESS WHEREOF, the undersigned incorporator has executed these Articles of Incorporation on December 16, 2002.

Robin Sorensen, Incorporator

ACCEPTANCE BY REGISTERED AGENT

I accept the appointment as Registered Agent of **JACKSONVILLE HOTTEST SUBS MARKETING COOOPERATIVE, INC.** to accept service of process on its behalf, at the place designated in its Articles of Incorporation. I am familiar with, and accept, the obligations of my position as registered agent as provided for in the Act

Dated as of: December 16, 2002

CHRIS SORENSEN

FILED
2003 JAN 29 AM 8:32

~TampDocs:428334.v1

EXHIBIT K TO THE DISCLOSURE DOCUMENT

AMENDED AND RESTATED

BYLAWS OF FIREHOUSE SUBS MARKET FUND, INC.

AMENDED AND RESTATED BYLAWS

OF

FIREHOUSE SUBS MARKET FUND, INC.
f/k/a JACKSONVILLE HOTTEST SUBS MARKETING COOPERATIVE, INC.

Adopted as of March 24, 2023

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AMENDED AND RESTATED
BYLAWS OF
FIREHOUSE SUBS MARKET FUND, INC.
f/k/a JACKSONVILLE HOTTEST SUBS MARKETING CORPORATION, INC.

ARTICLE 1
Offices

Section 1.1 Registered and Principal Office. The registered office of **FIREHOUSE SUBS MARKET FUND, INC.** (the "**Corporation**") is currently located at 12735 Gran Bay Parkway, Ste. 150, Jacksonville, FL 32258. The initial principal office of the Corporation will be located at 12735 Gran Bay Parkway, Ste. 150, Jacksonville, FL 32258.

Section 1.2 Other Offices. The Corporation may have offices at such other place or places within or without the State of Florida as the Board of Directors may from time to time establish.

Section 1.3 Registered Agent for Service of Process. The Corporation's Board of Directors will have the right to designate a registered agent for service of process, who may be an individual or a corporation. The registered agent so designated will serve until a successor is elected by the Board of Directors.

ARTICLE 2
Powers and Purposes

Section 2.1 Powers. The Corporation will have all of the powers accorded not for profit corporations under the Florida Not For Profit Corporation Act (the "**Act**"). The Corporation will utilize such powers to engage in any lawful activity which is consistent with its purposes as set forth in the Articles of Incorporation.

Section 2.2 Purposes. The purposes for which the Corporation is formed are to: (a) provide advice to Firehouse of America, LLC or its successor ("**Franchisor**") regarding the advertising, marketing and promotional initiatives of Franchisor, including the utilization of contributions that are required under (i) any franchise agreement in effect with Franchisor as of the date hereof ("**Co-Op Contribution Franchise Agreement**"), or (ii) any area represenative agreement in effect with Franchisor as of the date hereof ("**Co-Op Contribution AR Agreement**") and paid by Members to the Corporation (collectively, the contributions required under (i) and (ii) above, the "**Co-Op Contributions**"), including, with respect to the creation, development, production, broadcast and dissemination of marketing, promotional and advertising of FIREHOUSE SUBS® Restaurants and their products and services; (b) administer and manage the Corporation; and (c) accomplish all purposes associated with furthering the objectives of the Corporation.

Section 2.3 Not for Profit Status. The Corporation is not organized, nor will it be operated, for profit. No part of the net earnings of the Corporation will inure to the benefit of, or be distributable to, any member, Director or officer of the Corporation or any other private

individual (except that reasonable compensation may be paid for services rendered to or for the Corporation affecting one or more of its purposes), except that the existing member at the time of dissolution or final liquidation will be entitled to share in the distribution of any remaining corporate assets.

Section 2.4 Use of Trademarks. The Corporation recognizes that its activities will necessarily involve the trademarks, service marks, logos, designs (the "**Marks**") of the Franchisor. Recognizing the Franchisor's interest in its Marks and all advertising and promotional materials and the fact that all franchisee advertising and marketing materials must be approved by the Franchisor prior to use, the Corporation agrees that it will only create, produce or place any graphic material, verbal messages, advertising or promotional materials that: (a) have been preapproved by the Franchisor; and (b) that otherwise comply with the franchise agreements for the FIREHOUSE SUBS® system in effect from time to time. Furthermore, the Corporation will not produce, create, place or implement any advertising, marketing or promotional materials that would not be consistent with, disparaging of or detrimental to the goodwill associated with the FIREHOUSE SUBS® trade name, the Marks and the image of the chain. Finally, all activities, strategies and programs to be undertaken by the Corporation will not be taken unless and until approved by the Franchisor.

ARTICLE 3
Members

Section 3.1 Members. There are only 3 classes of members of the Corporation, Class A Members, Class B Members and Class C Members:

A. **Class A Members**: The Class A Members will consist of all of the owners of franchised FIREHOUSE SUBS® Restaurants ("**Restaurant(s)**"), who have entered into franchise agreements with the Franchisor and continue to be a party to them. An owner will hold one membership for every FIREHOUSE SUBS® Restaurant in good standing and will have the obligation for assessments and Co-Op Contributions for each Restaurant. Each owner will have one vote on all matters coming before the membership, except that the Bylaws will only be adopted, altered, amended or repealed and the Articles of Incorporation may only be amended by a majority vote of the Board of Directors and the Class C Member and the Corporation may only be dissolved by the Class C Member. If a Restaurant is owned by more than one natural person, or a corporation, partnership, or other artificial entity, the voting interest of Restaurant will be exercised only by the natural person named in a voting certificate signed by all the natural persons who are owners or by the chief executive officer of the artificial entity and filed with the Secretary of the Corporation in its official records. Each owner will have 1 vote on all matters coming before the membership for each Restaurant owned. Otherwise, the qualifications, rights and activities of voting members will be as provided in these Bylaws.

B. **Class B Members**: The Class B Members will consist of all of the area representatives (the "**Area Representatives**"), who have entered into area representative agreements with the Franchisor and continue to be a party to them. An Area Representative will hold one membership. The Class B Members shall have no voting rights. For the avoidance of doubt, any Class B Member who is also a Class A Member by virtue of

owning a Restaurant may still vote in his, her or its capacity as a Class A Member as provided in these Bylaws. .

C. **Class C Member**: The Franchisor will be the only Class C Member and will have the same voting rights as a Class A Member with one (1) vote on all matters coming before the membership (other than Class A Directors) and the sole right to appoint the Class C Director, and will also have the sole power to authorize dissolution of the Corporation; and the right to vote as a member or a director to resolve a tie as to any deadlock among members or directors. This section can only be changed with the written consent of the Franchisor.

Any franchisee or Area Representative who ceases to be bound under a franchise agreement or area representative agreement with the Franchisor either due to its expiration or termination, will automatically cease to be a member of the Corporation, but will remain liable to the Corporation for any unpaid Co-Op Contributions or other amounts due to the Corporation at the time membership ceases. Likewise, to the extent the Franchisor or its affiliate has operated FIREHOUSE SUBS® Restaurants and has been a Class A Member, if it ceases to operate any such Restaurant, then its Class A membership with respect to such Restaurant will automatically cease.

Section 3.2 Enrollment. Notwithstanding any of the foregoing, no Member will be enrolled as a Member of the Corporation and will not have any rights as a Member unless and until it has signed a membership agreement with the Corporation.

Section 3.3 Entity Membership. For all membership purposes, any business entity (corporation, partnership, limited liability company, etc.) and its owners are deemed a single Member.

Section 3.4 Members in Good Standing. A Member will be in good standing as long as it is not delinquent for a period in excess of 30 days in the payment of any monetary obligation due to the Franchisor (or Franchisor's designee) or any Co-Op Contribution or other monetary obligation to the Corporation. Loss of membership and good standing (delinquency in paying Co-Op Contributions) will not relieve the Member of the obligation to make Co-Op Contributions to the Corporation when due under any Co-Op Contribution Franchise Agreement or Co-Op Contribution AR Agreement.

Section 3.5 Delinquent Members

A. Any Member who is delinquent in paying any monetary obligations due to Franchisor or any Co-Op Contributions or other monetary obligations to the Corporation will be considered a Delinquent Member.

B. The voting rights and other membership privileges of a Delinquent Member will be suspended as long as the Member remains a Delinquent Member. In order to retain good standing status, a Delinquent Member must pay all amounts due the Franchisor (or Franchisor's designee) and the Corporation, as applicable.

Section 3.6 Voting. Each owner of a FIREHOUSE SUBS® Restaurant has one vote, for each FIREHOUSE SUBS® Restaurant owned. There is no cumulative voting for Directors or on any other matter.

Section 3.7 Annual Meeting of the Members. The annual meeting of the Members for the transaction of such other business as may properly come before the meeting will be held at such time and place as the Board of Directors may determine, provided that the Board of Directors may by resolution and for convenience designate any meeting of the Members, or any action taken by the Members without a meeting pursuant to and as permitted by the Act, as the annual meeting of the Members in lieu of the annual meeting as provided for by these Bylaws.

At each annual meeting, the Members, in addition to any other business to be considered, must elect the Directors who will serve until their successors are elected and qualified; provided, however, that the Members, during an annual meeting or during a special meeting called for such purpose, may add or remove, with or without cause, Directors.

The notice of the annual meeting of Members, except as otherwise required by law, the Articles of Incorporation or these Bylaws, need not state the matters to be considered at such meeting.

Section 3.8 Special Meetings. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by the laws of the State of Florida, or by the Articles of Incorporation, may be called on the written request of (i) the Franchisor, or (ii) a majority of the Board of Directors; or (iii) Members constituting ¼ of the Class A Members in good standing. However, a special meeting of the Members called by 1/4 of the Class A Members of record of the Corporation entitled to vote, must first submit the issue proposed to be considered at the proposed special meeting to the Board of Directors and fully describing the purpose or purposes for which it is to be held. Requests for a special meeting must state the purpose or purposes of the proposed meeting. The notice of any special meeting of the Members, except one specified as the annual meeting, must state the purpose or purposes for which the meeting is called. The special meeting will be devoted exclusively to the purposes described in the notice and no other business or issues will be conducted or addressed.

Section 3.9 Place of Meeting. All meetings of the Members will be at such places as will be determined from time to time by the Board of Directors of the Corporation.

Section 3.10 Notice of Meetings. Written or electronic notice of each meeting of the Members stating the place, day and hour thereof, must be delivered to each Member of record entitled to vote at such meeting and to the Franchisor, personally or by telephone, telegram, cablegram, first class mail, confirmed facsimile transmission, e-mail or any other means of personal delivery providing evidence of actual delivery; and if mailed, the notice shall be deemed to be given when deposited in the United States mail addressed to the Members at the Members' address, as they appear in the records of the Corporation, with postage thereon prepaid. Notice must be given by or under the direction of the Secretary, or the officer or persons calling the meeting not more than 60 nor less than 10 days before the date of the meeting; provided that oral

notice to the Member may be given in lieu of written notice so long as the party giving the notice to the Member files with the Corporation a written statement of the date, time, place and manner of the oral notice. No notice need be given of the time and place of reconvening of any adjourned meeting, if the time and place to which the meeting is adjourned are announced at the adjourned meeting.

Section 3.11 Waiver of Notice. A written waiver of notice signed by any Member, whether before or after any meeting, shall be equivalent to the giving of timely notice to said Member. Attendance of a Member at a meeting constitutes a waiver of notice of such meeting and waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when a Member attends a meeting for the express purpose, as stated at the beginning of the meeting, of objecting to the transaction of business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any meeting of the Member need be specified in any written waiver of notice.

Section 3.12 Closure of Books and Fixing of Record Date. For the purpose of determining Members entitled to notice of, or to vote at, any meeting of the Members or any adjournment thereof, the Board of Directors may provide that the books will be closed for a period of not less than 3 and not more than 30 days immediately preceding such meeting. If the books are not closed and no record date is fixed by the Board of Directors, the date on which notice of the meeting is mailed will be the record date for the determination of Members entitled to notice and to vote.

Section 3.13 Quorum. Except as otherwise required by the Act, the Articles of Incorporation or these Bylaws, the presence, in person or by duly appointed proxy, of Members holding a majority of the votes will constitute a quorum at all meetings of the Members. In case a quorum is not present at any meeting, a majority of the Members present in person or by duly appointed proxy, will have power to adjourn the meeting from time to time, without notice other than announcement at the meeting of the time and place to which the meeting is adjourned, until a quorum is present. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally noticed; but only those Members entitled to vote at the meeting as originally noticed will be entitled to vote at any adjournment or adjournments thereof.

Section 3.14 Voting. Every Member will be entitled at each Members' meeting and upon each matter presented at such meeting, in person or by duly appointed proxy, to one vote, for each Area Representative and one vote for each of the Restaurants owned by such Member. The list of Members must be produced at any Members' meeting upon the request of any Member. Upon the demand of the Class C Member only, the vote upon any question before the meeting must be by written ballot. Except as otherwise provided by these Bylaws, by the Act, or by the Articles of Incorporation, all matters will be decided by a majority of the votes cast on such matters. Delinquent Members will not be entitled to vote at membership meetings. Any dispute regarding the good standing of a Member and its right to vote at a membership meeting will be determined conclusively by the Chairman of the meeting, which will be final and binding. Notwithstanding any of the foregoing, all voting rights of the Class A Members will be exercised solely by the Franchisor for all purposes whatsoever, and such voting by the Franchisor will be undertaken in

accordance with these Bylaws, unless and until: (a) the Franchisor decides in writing otherwise; and/or (b) Florida law authorizes voting by members of nonprofit corporations pursuant to electronic means consistent with the voting and balloting mechanisms that the Franchisor chooses to employ. The Franchisor will vote on behalf of the Class A Members in a manner to as closely approximate the purposes of these Bylaws. The intent of this provision to allow the Franchisor to vote on behalf of the Class A Members and enable the Class A Members to exercise their vote by electronic means for their convenience and for the efficient administration and management of the Corporation and its governance. The Franchisor is authorized to establish and develop whatever electronic voting and balloting procedures and systems that it considers appropriate or desirable and to conduct elections and voting among the Members using those procedures. The Class A Members fully authorize the Franchisor to do so and release any claim they may have against the Franchisor for its good faith utilization of such electronic and voting means and release it from liability for doing so as long as it exercises its good faith business judgment in developing and establishing those procedures. The Franchisor will assess the results of such voting and elections and vote the interests of the Class A Members consistent with the results of such electronic balloting procedures. At any time, at the Franchisor's option, it has the right to: (a) stop, discontinue, cancel, suspend, postpone, reinstitute or substitute any electronic voting, balloting and election mechanism; and/or (b) stop exercising its right to vote on behalf of the Class A Members and revert to the other voting mechanisms described in these Bylaws. At such time as Florida law, in the opinion of Franchisor's counsel, authorizes electronic voting and elections through means acceptable and consistent with those established and developed by the Franchisor, then the Franchisor will stop voting on behalf of the Class A Members, and such Members will be entitled to vote otherwise in accordance with these Bylaws.

Section 3.15 Proxies. Every Member entitled to vote at any meeting of Members may, by an appointment form (or "proxy") executed in writing by himself or his attorney in fact, authorize another person or persons to act for him by proxy, and to vote at any such meeting or adjournment thereof. An executed telegram, e-mail or cablegram appearing to have been transmitted by such person, or a photographic, photostatic, or equivalent reproduction of an appointment form, is a sufficient appointment form (in the case of e-mail, the Secretary may specify rules for authentication). In the event that any instrument will designate two or more persons to act as proxy, a majority of such persons present at the meeting, or, if only one be present, that one will have all the powers conferred by the instrument upon all the persons so designated unless the instrument will otherwise provide; but if the proxy holders present at the meeting are equally divided as to the right and manner of voting in any particular case, the voting will be prorated. Said instrument appointing a proxy must be filed with the Secretary of the Corporation before or at the meeting at which the proxy is to exercise his authorization. No proxy will be valid after the expiration of 11 months from the date thereof unless otherwise provided in the proxy, provided that revocation of an instrument appointing a proxy may be accomplished at any time by any one of the following methods:

A. personal attendance by the Member at a meeting for which said Member previously executed an instrument appointing a proxy;

B. filing with the Secretary of the Corporation an instrument specifically revoking the prior appointment; or

C. filing with the Secretary of the Corporation a duly executed instrument appointing a proxy different from a proxy appointed in a previously executed and otherwise effective instrument.

Section 3.16 Action Without Meeting. Any action of the Members of the Corporation may be taken without a meeting, without prior notice and without a vote, if one or more consents in writing, setting forth the action so taken, are signed by the Members having not less than 2/3 of the votes that would be necessary to authorize or take such action at a meeting at which all Members entitled to vote thereon were present and voted. Electronic signatures are acceptable and will constitute consents in writing. Such consents must be delivered to the Corporation in the manner required by the Act. Neither the Articles of Incorporation nor these Bylaws will be construed, interpreted or deemed to have, in any way, limited or prevented the utilization of the ability to take written action in lieu of formal meetings as may be permitted by the Act.

Section 3.17 Organization. Meetings of the Members must be presided over by the President, or if he is not present, by the Vice President, if a Vice President has been elected, or if neither the President nor the Vice President is present, then by a chairman to be chosen by a majority of the Members entitled to vote who are present in person at the meeting. The Secretary of the Corporation, or in his absence, the Assistant Secretary, will act as secretary of every meeting, but if neither is present, the Members entitled to vote who are present in person may choose any person present to act as secretary of the meeting. Copies of minutes of all meetings and of all written actions in lieu of meetings must be provided to the Franchisor.

At all meetings of the Members the order of business will be as follows:

(1) Calling meeting to order.
(2) Proof of notice of meeting and determination of quorum.
(3) Reading and disposing of minutes of previous meeting.
(4) Announcement of purposes for the meeting.
(5) Reports of officers.
(6) Reports of committees.
(7) Unfinished business.
(8) New business, including election of Directors if an annual meeting.
(9) Adjournment.

Section 3.18 Member Meetings by Telephone. Any Member may participate in a Members' meeting, or may conduct a Members' meeting through the use of, any means of communication enabling all persons participating in the meeting to hear each other at the same time during the meeting. Participation by such means will constitute presence in person at a meeting.

ARTICLE 4
Directors

Section 4.1 Number.

A. There will be at least 3 Directors on the Board, one (1) of which must be a Class C Director. From time to time, the exact number of Directors may be determined by the majority vote of the Directors, subject to approval by the Class C Member, but never less than 3 nor an amount less than as otherwise required by the Act. The current Board of Directors will consist of 13 Directors: 12 Class A Directors, and 1 Class C Director. There shall be no Class B Directors on the Board.

B. The Class C Member will initially divide the U.S.A. into 4 geographical regions (each, a "**Region**"). The geographic makeup of the Regions may be modified from time to time by a majority vote of the Directors, subject to approval by the Class C Member. Such modifications may include, without limitation, combining Regions, dividing Regions, otherwise modifying the number of Regions to be more or less than 4, or modifying the number of Class A Directors from each Region. Any such modification to the Regions or number of Class A Directors from each Region shall be done in such a way that achieves a reasonable approximation of proporationate representation of Class A Members from each Region. The current four (4) Regions are shown on the attached Exhibit "A."

C. The Class A Directors will be nominated by a majority vote of the Class A Members from each respective Region, and elected by a majority vote of the Class A Members at large; provided that each Class A Director otherwise meets the qualification to serve as a Director as set forth in the Bylaws. Each Class A Directors will serve a 3-year term. The 12 Class A Directors will initially consist of 3 Directors from each Region. No Class C Members may serve as a Class A Director.

D. The Franchisor will appoint the Class C Director who will be an officer or executive of the Franchisor.

E. As of the date of this Amendment, the Class A Directors and their respective terms are as follows:

Board Member Name	**Region**	**Officer**	**Term Expires**
Allen, Julie	Central		2025
Anthony, Scott	South		2024
Atlas, Darrin	East		2023
Belle, Paul	East		2024
Chandler, Larry	South		2025
Ensley, Stephanie	West		2023
Goldsmith, Elliott	East	President	2025
Griffin, Windy	West	Vice President	2024
Harmon, Mike	Central		2024
Jones, Coby	West	Treasurer	2025
Kelly, Suzanne	South	Secretary	2023
Reece, Megan	Central		2023

Section 4.2 **Vacancies**. Whenever a vacancy occurs on the Board of Directors, including a vacancy resulting from an increase in the number of Directors or the removal of 1 or more Directors, it may be filled by: (a) for Class A Directors, by the affirmative vote of a majority of the remaining Class A Directors even if the remaining Class A Directors constitute less than a quorum, for the remainder of the term; and (b) for Class C Director, by the Class C Member.

Section 4.3 **Removal of Directors**.

A. Any Class A Director may be removed with or without cause by vote of a majority of the Class A Members and the Class C Member at a membership meeting or by written action in lieu of meeting signed by the Class C Member and the Class A Members having not less than 2/3 of the votes that would be necessary to authorize or take such action at a meeting at which all Class A Members entitled to vote thereon were present and voted.

B. The Class C Director may be removed by the Class C Member, who may remove any of them at any time, with or without cause.

Section 4.4 **Qualification**

A. **Class A Directors**: Each director must be either a Class A Member, or an owner, officer or director of a Class A Member that is a business organization. However, any director serving on the Board of Directors will be automatically suspended at any time during which it or the business organization Class A Member for which it is associated is not in good standing. In addition, Directors will be automatically removed as Directors if, at any time, the Member with which they are associated is expelled from membership or is no longer a franchisee of the Franchisor either because the franchise agreement has expired or it has been terminated or transferred.

B. **Class C Directors**: The Class C Member will determine the qualifications of the Class C Directors as it sees fit.

Section 4.5 **Terms**. Directors will hold office for 3 years (except as otherwise provided in these Bylaws) and until their respective successors are duly elected and qualified or until there is a decrease in the number of Directors.

Section 4.6 **Resignation**. Any director may resign at any time. Such resignation will be made in writing and will take effect upon its delivery to the President or the Board of Directors or its Chairman.

Section 4.7 **Powers**. The business of the Corporation will be managed by its Board of Directors, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not prohibited by the Act, by the Articles of Incorporation or by these Bylaws.

Section 4.8 **Meetings**. The Board of Directors of the Corporation may hold meetings, whether annual or special, either within or without the State of Florida.

The annual meeting of the Board of Directors, for the purpose of electing officers and transacting such other business as may be brought before the meeting, will be held at such time and place as the Board of Directors may determine. The Board of Directors may by resolution provide for the time and place of other regular meetings, and no notice of such regular meetings need be given.

All other meetings of the Board may be called on the written request of (i) the Franchisor, or (ii) any Director or (iii) 25% or more of Members in good standing, at such time and place as may be stated in such request.

Section 4.9 Notice of Special Meetings. Written notice of the place, day and hour of any special meeting of the Board of Directors must be given by or under direction of the Secretary, to each director at least 2 days before the meeting; provided, however, that oral notice may be given to Directors in lieu of written notice so long as the party giving the notice to the Directors files with the Corporation a written statement of the date, time, place and manner of the oral notices. Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors, need be stated in the notice or waiver of notice of such meeting.

Section 4.10 Action Without a Meeting. Any action required to be taken, or which may be taken, at a meeting of the Board of Directors or a Committee thereof, may be taken without a meeting, if a consent in writing, setting forth the action so to be taken, is signed by all of the Directors entitled to vote, or all of the members of the Committee who are entitled to vote, as the case may be. Such consent will have the same effect as a unanimous vote. Electronic signatures will constitute consent in writing.

Section 4.11 Quorum and Voting. At all meetings of the Board, a majority of the Directors then in office will constitute a quorum for the transaction of business. The act of a majority of Directors present at a meeting where a quorum is present will be the act of the Board of Directors, except as may be otherwise specifically provided by law, the Articles of Incorporation or these Bylaws. If at any meeting of the Board of Directors there is less than a quorum present, a majority of those present may adjourn the meeting, without further notice, from time to time and place to place until a quorum will have been obtained.

Section 4.12 Organization. The President of the Corporation will act as Chairman and the Secretary will act as Secretary at all meetings of the Board.

Section 4.13 Committees. The Class C Member has the right to appoint at least one member of any committee.

A. **Executive Committee**.

(1) *Creation*. The Board of Directors may, by resolution adopted by a majority of the full Board, designate two or more of their number to constitute an Executive Committee.

(2) *Action and Powers*. In addition to the disabilities under the Act, and the other provisions of these Bylaws and the Articles of Incorporation regarding extraordinary voting requirements of the Board of Directors, the Executive Committee will not have the power to:

(a) amend the Articles of Incorporation;

(b) adopt a plan of merger, consolidation, recapitalization or other form of reorganization;

(c) sell, lease, exchange or otherwise dispose of all or substantially all of the property and assets of the Corporation; or

(d) adopt a plan of voluntary dissolution of the Corporation.

(3) *Report of Executive Committee*. The Executive Committee will cause a report of its actions to be distributed to the remaining members of the Board of Directors within 7 days of taking such actions and will cause such report to be filed with the minutes of the proceedings of the Board of Directors.

B. **Conduct Review Committee**.

(1) *Creation.* A Conduct Review Committee is created to review allegations of violations of the Code of Conduct.

(2) *Members*. The Conduct Review Committee will be comprised of the Class C Director and each officer currently in office.

(3) *Action and Powers*. The Conduct Review Committee will have the power to investigate allegations of violations of the Code of Conduct, report on their findings and recommend actions to the Board, as provided in these Bylaws.

C. **Other Committees**. The Board may from time to time appoint such other committees and delegate such duties and powers thereto as it may deem advisable, provided that no delegation of power to such other committees may include any of the powers excluded under this Article. Each committee must have 2 or more members who serve at the pleasure of the Board of Directors.

D. **Committees Generally**. Each committee must elect its own chairman (unless a chairman has been designated by the Board of Directors) and may hold regular meetings without notice. Special committee meetings may be called by the chairman of the committee or by the Board and notice of any special meeting must be given in the manner provided hereinabove for notice of special meetings of the Board of Directors. Quorum and voting requirements and the term, removal, and resignation bylaws applicable to the

Board of Directors will apply to Committees. Each committee must keep regular minutes of its proceedings and report the same to the Board of Directors.

Section 4.14 Compensation. Directors must not receive any stated salary or compensation for their services as Directors or as members of committees. The Board may authorize reimbursement of expenses advanced by any director or committee member that have been pre-approved by the Franchisor. Nothing herein contained will be construed to preclude any director from serving the Corporation in any capacity as an officer, agent, or otherwise, but no compensation will be paid for such services.

Section 4.15 Attendance by Telephone. Any member or members of the Board of Directors or an Executive Committee or other committee will be deemed present and voting at a meeting of such Board or Committee if said member or members participate in the meeting by means of a conference telephone or other communications equipment enabling all persons participating in the meeting to hear each other at the same time. Participation by such means will constitute presence in person at a meeting.

Section 4.16 Code of Conduct.

A. The Board from time to time may adopt a Code of Conduct (the "**Code of Conduct**"), which will set forth standards for Director conduct, including moral and ethical conduct and Director violations of law. The Code of Conduct will be adopted, amended, modified, and/or cancelled in whole, or in part, solely by affirmative vote of the Class C Member and a majority of the Directors. The Code of Conduct will apply to Directors when acting in their sole capacity as Directors or otherwise. A determination by the Directors that a Director has not complied with or violated the Code of Conduct constitutes good cause for removing a Director in accordance with these Bylaws.

B. Notwithstanding anything in these Bylaws to the contrary, no Class A Director may be removed for an alleged violation of the Code of Conduct unless the Conduct Review Committee has first reviewed the allegation and referred the allegation to the Board for a vote as provided in this Section 4.16.

C. If any Director or officer becomes aware of an allegation that a Class A Director has violated the Code of Conduct, such Director or officer must bring the allegation before the Conduct Review Committee by notifying the Class C Member. The Conduct Review Committee will provide written notice to the accused Director, setting forth the allegation in reasonable detail. Within 15 days following the accused Director's receipt of such written notice, the accused Director will have the option to provide a statement to the Conduct Review Committee, which statement may include any information in connection with the allegation that the accused Director wishes to provide, including explanations, defenses, admissions, or otherwise. In the reasonable discretion of the Conduct Review Committee, the Conduct Review Committee may conduct or cause to be conducted an investigation into the facts surrounding the allegation, taking whatever actions or inquiries it deems reasonable, necessary or appropriate to do so. Upon the reasonable satisfaction of the Conduct Review Committee that it has uncovered and review

enough material facts surrounding the allegation to make a decision and in no event before the earlier of either: (i) the expiration of the 15-day period described above, or (ii) the receipt by the Conduct Review Committee of a statement by the accused Director, the Conduct Review Committee will determine, by majority vote, to either end the inquiry into the allegation or submit the allegation to the Board for consideration of the accused Director's removal by Director vote otherwise in accordance with these Bylaws.

Upon referral from the Conduct Review Committee, the Board will review the allegations and, upon the reasonable satisfaction of the Board that the Board has reviewed enough material facts surrounding the allegation to make a decision, the Board may remove the accused Director at a meeting with the vote of the Class C Director, and a majority of the Class A Directors voting as a single group, or by written action in lieu of meeting signed by the Class C Director and the Class A Directors having not less than 2/3 of the votes that would be necessary to authorize or take such action at a meeting at which all Class A Directors entitled to vote thereon were present.

ARTICLE 5
Officers

Section 5.1 Officers. The officers of this Corporation will consist of a President, a Secretary and a Treasurer, and may consist of such other officers, including but not limited to 1 or more Vice Presidents, Assistant Secretaries and Assistant Treasurers with such titles, powers and duties as may be prescribed from time to time by the Board of Directors. They will be elected by the Board of Directors at its annual meeting,

Section 5.2 Term of Office; Vacancies. Each officer must hold office for one year and until such officer's successor is duly elected and qualified. A vacancy in any office arising from any cause may be filled for the unexpired portion of the term by the Board of Directors, except the President.

Section 5.3 Removal of Officers. Any officer may be removed at any time with or without cause by action of the Board of Directors by the affirmative vote of 2/3 of the Directors then in office. Election or appointment of an officer will not of itself create contract rights. This provision will not prevent the making of a contract of employment for a definite term with any officer and will have no effect upon any cause of action which any officer may have as a result of removal in breach of a contract of employment.

Section 5.4 Resignations. An officer may resign at any time by delivering notice to the Corporation. A resignation is effective when the notice is delivered unless the notice specifies a later effective date. If a resignation is made effective at a later date and the Corporation accepts the future effective date, the Board of Directors may fill the pending vacancy before the effective date if the Board of Directors provides that the successor does not take office until the effective date of the pending vacancy.

Section 5.5 Compensation. No compensation will be paid to any officer or director of the Corporation, except the Board of Directors may reimburse the officers and directors for

expenses that have been established in a budget approved by the Board and the Franchisor. Any variances in the budgeted amounts must be pre-approved by the Franchisor.

Section 5.6 Refund of Payment. In the event that the Internal Revenue Service disallows, in whole or in part, the deduction by the Corporation as an ordinary and necessary business expense of any payment made to an officer of the Corporation, whether as salary, commission, bonus or other form of compensation or as interest, rent or reimbursement of expenses incurred by such officer, such officer must reimburse the Corporation to the full extent of such disallowance. The Board of Directors of the Corporation will have the duty to require each such officer to make such reimbursement, and it will be the legal duty of each such officer thus to reimburse the Corporation.

Section 5.7 Powers and Duties.

A. **In General**. The officers of the Corporation will have such powers and duties as generally pertain to their respective offices, including the powers and duties provided by these Bylaws, as well as such powers and duties as from time to time may be conferred by the Board of Directors.

B. **President**. The President will:

(1) preside at all meetings of the Board of Directors;

(2) present at each annual meeting of the Directors a report of the condition of the business of the Corporation;

(3) cause to be called regular and special meetings of the Directors in accordance with these Bylaws;

(4) sign and make contracts and agreements in the name of the Corporation;

(5) see that the books, reports, statements and certificates required by statute are properly kept and filed according to law;

(6) sign notes, drafts or bills of exchange, warrants or other orders for the payment of money duly drawn on behalf of the Corporation;

(7) have the power to hire and fire and approve compensation and other employment terms for such employees as he or she deems advisable, except that the President may delegate the duty to supervise all employees of the Corporation to the Class C Director (for convenience, such employees may be joint employees of the Corporation and the Franchisor or its affiliates, and the Corporation will reimburse the other joint employer for all payroll and related expenses associated with employees); and

(8) have general charge of and control over the affairs of the Corporation and perform all the duties incident to such position and office, including the purchase by the Corporation of tangible or intangible assets, the enforcement of these Bylaws and all other things which the President is required to do by law.

C. **Vice President**. The Vice President, if any, will:

(1) in the absence or disability of the President, perform the duties and exercise the powers of the President; and

(2) perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

D. **Secretary**. The Secretary will:

(1) prepare the minutes of the meetings of the Board of Directors and keep the minutes in appropriate permanent books of record;

(2) give and serve all notices of the Corporation;

(3) be the custodian of the records and of the seal, and affix the latter when required, and authenticate records of the Corporation when required;

(4) keep the transfer books in the manner prescribed by law; and

(5) attend to all correspondence and perform all the duties incident to the office of the Secretary.

E. **Treasurer**. The Treasurer will:

(1) keep accounts of and have the care and custody of and be responsible for all the funds and securities of the Corporation;

(2) deposit all such funds in the name of the Corporation in such bank or banks, trust company or trust companies, or safe deposit vaults as the Board of Directors may designate;

(3) exhibit, at times required by law or these Bylaws, the corporate financial books and accounts to any director upon application at the office of the Corporation during business hours;

(4) render a statement of the condition of the finances of the Corporation (at each regular meeting of the Board of Directors, and at such other times as it will be required of the Treasurer) and a full financial report at the annual meeting of the Directors;

(5) keep at the office of the Corporation current books of account of all of its business transactions and such other books of account that the Board of Directors may require; and

(6) do and perform all other duties pertaining to the office of the Treasurer.

Provided, however, that the Franchisor will be responsible for collecting the Co-op Contributions and Special Co-Op Contributions (as such term is defined in the franchise agreement) from the Class A Members, will maintain the financial records and budgets of the Corporation, and will be solely responsible for the disbursement of funds to pay approved expenses of the Corporation. The Franchisor has the right to be reimbursed for these services.

F. **Assistant Secretary and Assistant Treasurer**. The Assistant Secretary or Assistant Secretaries and the Assistant Treasurer or Assistant Treasurers will, in the absence or disability of the Secretary, or Treasurer, respectively, perform the duties of such officer and generally assist, in the case of an Assistant Secretary, the Secretary, or an Assistant Treasurer, the Treasurer.

Section 5.8 Delegation of Duties. In the case of the absence or disability of any officer of the Corporation or for any other reason deemed sufficient by a majority of the Board, the Board of Directors may delegate such officer's respective powers or duties to any other officer or to any director or agent of the Corporation for a specified period or until said delegation is revoked by the Board of Directors, provided that such delegation is otherwise permitted by law and by the Articles of Incorporation and these Bylaws.

ARTICLE 6
Co-Op Contributions

Section 6.1 Co-Op Contributions. If a Class A Member is a party to a Co-Op Contribution Franchise Agreement, such Class A Member will contribute to the Corporation a Co-Op Contribution in the amount of four percent (4%) of monthly gross sales until the expiration or termination of such Co-Op Contribution Franchise Agreement in the same time, manner and method specified for royalty payments under the applicable franchise agreement. If a Class B Member is a party to a Co-Op Contribution AR Agreement, such Class B Member will contribute to the Corporation a Co-Op Contribution in the amount of four percent (4%) of monthly gross sales until the expiration or termination of such Co-Op Contribution AR Agreement in the time, manner and method specified. For the sake of clarity, the Co-Op Contribution amount is irrevocably set at four percent (4%) of monthly gross sales until such time as there is no Co-op Contribution Franchise Agreement or Co-op Contribution AR Agreement in effect with Franchisor. Gross sales shall have the same meaning as set forth in the relevant Co-Op Co-op Contribution Franchise Agreement or Co-op Contribution AR Agreement, as applicable. The Board may, in its reasonable business judgment, and subject to the Franchisor's written approval, reduce the amount of the Co-Op Contribution due to the Corporation for any Members that the Board and the Franchisor determine are located in remote areas and, will not benefit from the Corporation's or Franchisor's (as applicable) marketing, promotional and advertising activities as other Members. The Board of Directors will only make such determination if it reasonably

believes that the level of benefits will be significantly less favorable to such remote Members as compared to the other Members. Notwithstanding anything to the contrary in these Bylaws, the Franchisor may, in its sole discretion, reduce the amount of the Co-Op Contibution due to the Corporation from any Member.

Section 6.2 Payment of Co-Op Contributions. The Board of Directors will set the dates and method of payment for Contributions due to it consistent with the Co-Op Contribution Franchise Agreements and/or Co-Op Contribution AR Agreements.

Section 6.3 Default in Payments. The Franchisor will set up policies and procedures for dealing with situations in which Members have not timely paid Co-Op Contributions. The Franchisor may set interest rates and fees to offset administrative expenses, collection costs, etc. for delinquent payments. The Franchisor may also set policies for expelling Delinquent Members after a period of time. Nevertheless, in any event, no Member may be expelled except upon a vote or consent of the Franchisor, otherwise in accordance with these Bylaws.

Section 6.4 Remittances to Franchisor. The Corporation hereby irrevocably designates Franchisor to receive Co-Op Contributions and any Special Co-Op Contributions on its behalf and the Class C Member hereby accepts such designation. The Corporation further authorizes Franchisor to deposit all Co-Op Contributions and Special Co-Op Contributions received from Members in the System Fund (as defined in the franchise agreements) managed by the Class C Member.

Section 6.5. Accounting System. The Corporation will use the accounting system prescribed by the Franchisor. The Corporation will give full and complete access to all of its books and records at all times to its Members, Directors, and officers, and to the Franchisor

ARTICLE 7
Notices

Section 7.1 Recording. Whenever these Bylaws require notice to be given to Members, Directors, or committee members, proof of such notice whether given by mail, e-mail, telecopy, telephone, telegraph, cablegram or by personal contact will be recorded and filed by the Secretary in the minute book and incorporated into the minutes for the meeting to which such notice pertains.

Section 7.2 Waiver. Whenever any notice of a meeting is required to be given under the provisions of the Act, of the Articles of Incorporation, or of these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, either before, at or after the meeting, will be deemed equivalent to such required notice. Attendance of a person entitled to notice at a meeting will also constitute a waiver of notice of such meeting; provided, however, that such attendance will not constitute such a waiver if said person attends said meeting solely for the purpose of, and limits his participation at the meeting to, objecting to the transaction of any business because the meeting is not lawfully called or convened and states such objection at the beginning of the meeting.

ARTICLE 8
Designated Financial Agents, Signatures and Seal, Expenses of the Corporation

Section 8.1 Designated Financial Agents. All funds of the Corporation will be deposited in the name of the Corporation in such bank, banks or other financial institutions as the Franchisor may from time to time designate and will be drawn out on checks, drafts or other order signed on behalf of the Corporation by such person or persons as the Franchisor may from time to time designate.

Section 8.2 Other Agreements. Except as otherwise specifically provided by these Bylaws, all contracts, agreements, deeds, bonds, mortgages and other obligations and instruments must be signed on behalf of the Corporation by the President or by such other officer, officers, agent or agents as the Board of Directors may from time to time by resolution provide.

Section 8.3 Expenses of the Corporation. The Franchisor will pay or reimburse the Corporation for the following expenses that have been established in a budget approved by the Board and the Franchisor, up to a limit of $380,000 per calendar year:

- Salary and benefits for 2 FTE to support to Corporation
- Office supplies
- Travel, hotel and meals for MBOD meetings (board members and invited guests)
- MBOD meeting expenses (e.g., meeting space, food, tech needs)
- Accounting fees
- Voting software fee
- Reasonable legal fees
- Tax preparation fees
- Bank service fees

Franchisor is authorized to utilize a portion of the Co-Op Contributions for any such payment or reimbursement. Any variances in the types of expense or budgeted amounts for each must be pre-approved by the Franchisor.

ARTICLE 9
Amendments of Bylaws

The Bylaws may be altered, amended or repealed by a majority of the Directors and the Class C Member.

ARTICLE 10
Indemnification

Section 10.1 Indemnification in Proceedings Other Than Actions by, or in the Right of, the Corporation. The Corporation will indemnify any person who was or is a party to any proceedings (other than an action by, or in the right of, the Corporation), by reason of the fact that he is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the

request of the Corporation as a director, committee member, officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise against liability incurred in connection with such proceeding, including any appeal thereof, if the indemnitee acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

Section 10.2 Indemnification of Persons Parties to a Proceeding by or in the Right of the Corporation. The Corporation will indemnify any person who was or is a party to any proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee, or agent of the Corporation or is or was serving at the request of the Corporation as the director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses and amounts paid in settlement not exceeding, in the judgment of the Board of Directors, the estimated expense of litigating the proceeding to conclusion, actually and reasonably incurred in connection with the defense or settlement of such proceeding, including any appeal thereof. Such indemnification may be authorized if such person acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation. Provided, however, that no indemnification may be made hereunder in respect of any claim, issue, or matter as to which such person has been adjudged to be liable, unless, and only to the extent that, the court in which such proceeding was brought, or any other court of competent jurisdiction, determines upon application that, despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court deems proper.

Section 10.3 Mandatory Indemnification. To the extent that a director, officer, employee, or agent of the Corporation has been successful on the merits or otherwise in defense of any proceeding referred to in Sections 10.01 and 10.02 above, or in defense of any claim, issue or matter therein, he must be indemnified against expenses actually and reasonably incurred by him in connection therewith.

Section 10.4 Authorization of Indemnification is Required. Any indemnification under Sections 10.01 and 10.02, unless pursuant to a determination by a court, may be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee, or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 10.01 or 10.02. Such determination must be made pursuant to any procedures outlined by the Act, if any.

Section 10.5 Additional Conditions to Indemnification. The Board, by a majority vote of a quorum consisting of Directors who were not parties to the action, suit or proceeding to which the indemnification relates, may impose such additional conditions, subject to the approval of the Franchisor, upon any form of indemnification as the Board may deem appropriate, including, but not limited to, the right to assume the defense in appropriate circumstances, the right to select the attorney representing the indemnified person and the right to settle.

Section 10.6 Payment of Expenses. Expenses (including attorneys' fees) incurred in defending a civil or criminal action, suit or proceeding must be paid by the Corporation in advance

of the final disposition of such action, suit or proceeding upon a preliminary determination following the procedures set forth in Section 10.04 that such indemnified person meets the applicable standard of conduct referred to therein and subject to any conditions imposed by the Board pursuant to this Article and the prior receipt by the Corporation of an undertaking satisfactory in form and substance to the Corporation that such person will promptly repay such amount unless it is ultimately determined that the person is entitled to be indemnified by the Corporation as authorized in this Article 10.

Section 10.7 Indemnification Disallowed in Certain Circumstances. The indemnification provided pursuant to this article may not be made to or on behalf of any director, officer, employee, or agent if a judgment or other final adjudication establishes that his actions, or omissions to act, were material to the cause of action so adjudicated and constitute:

A. a violation of the criminal law, unless the director, officer, employee or agent had reasonable cause to believe his conduct was lawful or had no reasonable cause to believe his conduct was unlawful;

B. a transaction from which the director, officer, employee or agent derived an improper personal benefit;

C. in the case of a director, a circumstance under which the Director would be liable to the Corporation under the Act; or

D. willful misconduct or a conscious disregard for the best interests of the Corporation in a proceeding by or in the right of the Corporation to procure a judgment in its favor.

Section 10.8 Nonexclusivity. The Corporation has the power to make any other or further indemnification of any of its Directors, officers, members of any committee, or any other person that the Corporation has the power by law to indemnify, including without limitation, employees or agents of the Corporation, under any bylaw, agreement, vote of disinterested Directors, or otherwise, both as to action in any official capacity and as to action in another capacity while holding such office, except an indemnification against gross negligence or willful misconduct. The indemnification as provided in this Article will continue as to any person who has ceased to be a Director, officer, employee, or agent and will inure to the benefit of such person's heirs and personal representatives.

ARTICLE 11
General Provisions

Section 11.1 Fiscal Year. The accounting year and periods of the Corporation will be as specified by the accounting system specified by the Franchisor.

Section 11.2 Gender and Number. Whenever the context requires, the gender of all words used herein includes the masculine, feminine and neuter, and the number of all words includes the singular and plural thereof.

Section 11.3 Articles and Other Headings. The Articles and other headings contained in these Bylaws are for reference purposes only and will not affect the meaning or interpretation of these Bylaws.

Section 11.4 Minutes, Books and Records of Account. The Corporation will keep correct and complete books and records of account and will keep minutes of the proceedings of its Board of Directors, and committees of Directors, and other records as required by the Act.

Section 11.5 Statutory Cites. Any reference in these Bylaws to the Act will include all revisions and amendments to the Act.

EXHIBIT A

MAP OF REGIONS

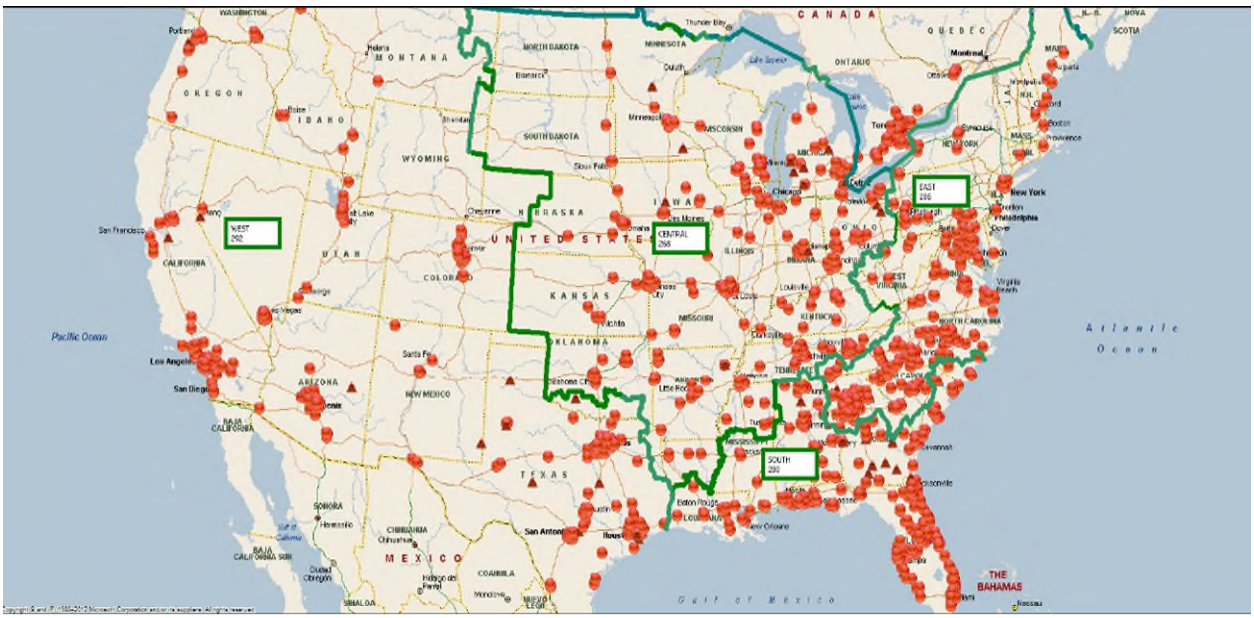

EXHIBIT L TO THE DISCLOSURE DOCUMENT

FORM OF

MEMBERSHIP AGREEMENT FOR

FIREHOUSE SUBS MARKET FUND, INC.

THE FIREHOUSE SUBS MARKET FUND
MEMBERSHIP AGREEMENT

THIS FIREHOUSE SUBS MARKET FUND MEMBERSHIP AGREEMENT is effective as of _____, 20___, by and between **THE FIREHOUSE SUBS MARKET FUND, INC.** (the "**Corporation**") and _____, a franchisee (the "**Member**") operating a FIREHOUSE SUBS® Restaurant located at [insert restaurant address] (the "**Member Restaurant**"). The Corporation and the Member are sometimes referred to collectively as the "**parties**" or singularly as a "**party**").

BACKGROUND INFORMATION:

FIREHOUSE OF AMERICA, LLC (or its successor) (the "**Franchisor**") franchises businesses which offer and serve large portion hot submarine style sandwiches in a unique fire-fighting atmosphere and decorum at an economical price ("**FIREHOUSE SUBS® Restaurants**"). The Corporation was organized by the Franchisor and its franchisees operating FIREHOUSE SUBS® Restaurants in the United States to, among other things, advise the Franchisor on advertising, marketing and promotion expenditures. The Member is the owner of the Member Restaurant and has entered into a franchise agreement with the Franchisor. The Member wishes to participate in the Corporation and obtain the benefits of membership, while committing to make the Special Co-Op Contributions (as such term is defined in the franchise agreement) required by the Corporation from time to time in accordance with its governing documents and the franchise agreement.

OPERATIVE TERMS:

Intending to be bound, the parties agree as follows:

1. ***Bylaws***. The Board of Directors of the Corporation has adopted the Bylaws of the Corporation. The parties agree to abide by those Bylaws, which may be amended from time to time in the manner specified therein. Unless the text or context of this Agreement requires otherwise, terms used in this Agreement will have the meanings as defined in the Bylaws.

2. ***Membership***. By signing this Agreement**:**

(a) The Corporation accepts and enrolls the Member as a member in good standing with full rights and benefits of membership; and

(b) The Member agrees to become a member of the Corporation and agrees to be bound by and adhere to the Bylaws as now in effect or as subsequently modified, amended or replaced, in accordance with the Corporation's governing documents, and to observe any administrative rules, regulations and policy statements adopted by the Corporation in accordance with the Bylaws.

3. ***Scope***. This Agreement relates solely to the Member Restaurant, and the Member understands that the Member may have multiple memberships if the Member has multiple FIREHOUSE SUBS® Restaurants. If this Agreement is signed prior to the opening of the Member Restaurant, it will not become effective unless and until the Member Restaurant opens for business in accordance with Member's franchise agreement.

4. ***Special Co-Op Contributions***.

(a) **Obligation to Pay**: Members will contribute the Special Co-Op Contribution to the Corporation as required by their respective franchise agreements in the amount, time, manner and method specified by the Board in accordance with the respective franchise agreements. The Board will determine from time to time the amount of any additional Special Co-Op Contributions to be paid to the Corporation by its Members consistent with the franchise agreements. The amount of the Special Co-Op Contributions will generally be uniform among Members except as otherwise provided in the Bylaws. New Members will not have to pay their Special Co-Op Contributions until after the Member Restaurant has opened for business. The Member acknowledges that the Corporation has designated Franchisor to receive Special Co-Op Contributions on its behalf and has authorized Franchisor to deposit all Special Co-Op Contributions received from Members in the System Fund (as defined in the franchise agreements) managed by the Franchisor.

(b) **Reports**: The Member agrees that the Corporation may review reports and other information available to the Franchisor in an effort to verify that the proper amount of Special Co-Op Contributions have been paid by the Member. Each Special Co-Op Contribution payment must be accompanied by a report on a form promulgated by the Corporation showing the amount of Special Co-Op Contributions the Member paid with respect to the Member Restaurant. The Member authorizes and instructs the Franchisor to furnish to the Corporation, upon its request, copies of the Member's reports and records for the purpose of verifying amounts due.

5. ***Benefits***. The Corporation agrees that it will operate on a non-profit basis in accordance with its governing documents and that all Special Co-Op Contributions will be spent solely for the purposes permitted in the Bylaws.

6. ***Effective Date and Term***. This Agreement becomes effective on the date signed by the Member and will continue until the earlier of:

(a) The Corporation's operations are terminated by action of the Franchisor or the Corporation is dissolved without being reinstated within 2 years; or

(b) Until the Member ceases to be a member in good standing either because the Member is no longer a franchisee of the Franchisor or the Member has been expelled. If the Member ceases to be a FIREHOUSE SUBS® franchisee, the Member's voting and other membership rights in the Corporation automatically terminate on the day that the Member's franchise agreements terminates or expires. However, if the Member owes Special Co-Op Contributions at the time of such termination or expiration, then the Member will still be obligated and responsible for all Special Co-Op Contributions that accrued prior to the date of such termination or expiration.

7. ***Franchise Transfers***. The parties recognize that the timing of payment of Special Co-Op Contributions may not always coincide with the closing of the transfers of FIREHOUSE SUBS® Restaurants. Accordingly, the parties agree as follows:

(a) **Timing**: The Member will remain responsible to the Corporation for all Special Co-Op Contributions due through the date of the closing of any transfer of the Member Restaurant to anyone else. Such transfer will be deemed to occur if it constitutes a transfer or assignment under the applicable franchise agreement.

(b) **Credit Balances**: If the Member sells or closes the Member Restaurant at a time when the Member has a credit balance with the Corporation relating to the Member Restaurant, the credit balance will not be refunded but will be either: (i) retained for the benefit of other members of the Corporation if the transaction involves a closing of the Member Restaurant or the termination or expiration of the franchise agreement for the Member Restaurant; or (ii) credited to the FIREHOUSE SUBS® Restaurant's purchaser if a sale, transfer or assignment is involved; or (iii) credited to the Member's other FIREHOUSE SUBS® Restaurants (and memberships if the transaction involves the closing of the Member Restaurant but the Member owns multiple FIREHOUSE SUBS® Restaurants and remains a Member with respect to one or more other FIREHOUSE SUBS® Restaurants).

8. ***Delinquencies***. The Member agrees that the Corporation will adopt rules and regulations regarding the treatment of delinquencies. The Member agrees to abide by them, including the payment of interest and late payment fees for delinquent Special Co-Op Contributions. The Member understands that Member may lose voting rights and other privileges as a result of being delinquent in making Special Co-Op Contributions and that Member's membership may be cancelled by the Corporation for failing to do so as set forth by the Franchisor.

9. ***Entity Participation***. If the Member is a corporation, partnership or other business organization, it will appoint one person to represent its interest at Corporation meetings in whatever capacity it participates. However, such representatives must either be a: (i) shareholder, partner, director or officer of the business organization that is the Member; or (ii) an employee of the Member who has a rank and position no less than Restaurant Manager. The Corporation will be entitled to rely on such representative's decisions, votes and consents at any such meeting without further inquiry. One representative can represent multiple members and multiple FIREHOUSE SUBS® Restaurants.

10. ***Varying Participation***. The Special Co-Op Contribution shall always be a percentage of Gross Sales. Gross Sales will have the meaning stated in the franchise agreements. Nevertheless, the Board of Directors may recommend to the Franchisor to temporarily waive the obligation of any Member to make Special Co-Op Contributions to the Corporation to the extent and upon the conditions it adopts from time to time as long as those conditions are generally available to all Members and will not discriminate in favor of or against any Member or group of Members; the Franchisor may act on this recommendation at its sole discretion. However, notwithstanding the foregoing, the Board of Directors may recommend to the Franchisor to establish a separate Special Co-Op Contribution rate or level for Members whose FIREHOUSE SUBS® Restaurants are located in a remote area if, in their business judgment, such FIREHOUSE SUBS® Restaurants would not receive the same amount of benefit from the promotional, advertising or marketing activities funded by the Special Co-Op Contributions and approved by the Franchisor. Such variations may be on a case-by-case basis or annually, and only if the Franchisor has approved them. In addition, the Franchisor may, in its sole discretion, reduce the amount of the Special Co-Op Contibution due to the Corporation from any Member.

11. ***Program Participation***. The Member will not be required, as a condition of membership in the Corporation, or otherwise, to participate in any advertising, promotional or marketing activity specified by the Corporation which would require the Member to advertise or to charge a specified retail price, or a minimum retail price for any product or service furnished by FIREHOUSE SUBS® Restaurants. However, if the Member does not participate in such activities, the Member's obligation to pay Special Co-Op Contributions pursuant to this Agreement will not be affected in any way. The Member also agrees that if the Member's voting rights are suspended because the Member is delinquent in paying Special Co-Op Contributions, the Member is not excused from being obligated to pay any other Special Co-Op Contributions that become due and payable. Nothing herein however, diminishes the right of the Franchisor

to establish maximum retail prices or minimum retail prices for any product or services, to the extent permitted by applicable law.

12 ***National Programs***. The Members and the Corporation agree and understand that they will participate from time to time in advertising, promotional and marketing activities and spend the Special Co-Op Contributions collected from Members as directed by the Franchisor.

13. ***Miscellaneous***.

(a) **Severability**: If any of the provisions of this Agreement are held invalid for any reason, the remainder will not be affected and will remain in full force and effect in accordance with its terms.

(b) **Litigation Expenses**: In any action or dispute, at law or in equity, that may arise under or otherwise relate to the terms of this Agreement, the prevailing party will be entitled to full reimbursement of its litigation expenses from the other party. Litigation expenses include attorneys' fees, defense costs, witness fees and other related expenses including paralegal fees, travel and lodging expenses and court costs. Reimbursement is due within 30 days of written notice after prevailing.

(c) **Waivers**: No waiver of any provision of this Agreement will be valid unless in writing and signed by the person against whom it is sought to be enforced. The failure by either party to insist upon strict performance of any provision will not be construed as a waiver or relinquishment of the right to insist upon strict performance of the same provision at any other time, or any other provision of this Agreement.

(d) **Governing Law/Jurisdiction**: This Agreement is governed by Florida law. The courts of Duval County, Florida have exclusive jurisdiction in any controversy relating to or arising out of this Agreement. All parties waive any objections to venue in Duval County, Florida.

(e) **Liabilities and Beneficiaries**: Neither party will be liable to any other person who is not a party to this Agreement by virtue of their relationship to each other. No other person has any rights because of this Agreement, except for the parties. However, notwithstanding the foregoing, although the Franchisor is not a party to this Agreement, and is not bound by it, Franchisor is a third-party beneficiary and has the right to enforce this Agreement. This Agreement replaces and supersedes any prior membership agreement that Member had with the Corporation and/or any other FIREHOUSE SUBS® cooperative.

Intending to be bound, the parties sign below:

FIREHOUSE SUBS MARKET FUND, INC.	_____
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date:_____	Date:_____

EXHIBIT M TO THE DISCLOSURE DOCUMENT

INFORMATION REGARDING

AREA REPRESENTATIVES

Badger Development Group, LLC ("BDG") – Eric Erwin (Wisconsin)

BDG is a Wisconsin limited liability company formed in April 2012, with Don Davey as CEO/CFO and Eric Erwin as President. Its official address is 200 First St, Suite 204, Neptune Beach, FL 32266, and its telephone numbers are (904) 222-0280 and (231) 633-2788. The email addresses are eric.erwin@firehousesubs.com, ddavey@firehousesubs.com and bobbie.erwin@firehousesubs.com.

BDG, Eric Erwin, President: He has been President of BDG since its inception.

BDG, Don Davey, CFO: Don Davey has been a Firehouse Subs franchisee since opening his first restaurant in 2013. He now owns sixteen locations in Central Florida and partnered with Eric Erwin to open the first Firehouse Subs in Wisconsin in 2012. He is also the founder of Disciplined Equity Management, a wealth management firm for high net worth individuals.

BDG, Barbara Erwin, Shareholder: Since February 2012, Mrs. Erwin currently serves as the Administrator, Fire Marshall, and Area Representative for BDG.

Franklin Restaurant Group, LLC ("Franklin") – Ryan Franklin (Texas)

Franklin is a Texas limited liability company formed in February of 2011, with Ryan Franklin as President. The official address is 987 Lehigh Lane, Allen, Texas 75013, and the telephone number is (214) 843-5096. The email address is ryan.franklin@firehousesubs.com.

Ryan Franklin, President: Mr. Franklin has been an Area Representative for Firehouse Subs in Dallas-Fort Worth Texas since March 2011 and a Firehouse Subs franchisee since June 2011.

No litigation is required to be disclosed and no bankruptcy is required to be disclosed for any of these Area Representatives.

EXHIBIT N TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISE OWNERS

AS OF DECEMBER 31, 2022

EXHIBIT N

FIREHOUSE FRANCHISED RESTAURANTS AS OF DECEMBER 31, 2022

Franchise Group	Address	City	State	Zip	Telephone #	Rest. #
Chena River Restaurants, Inc.	345 West 104th Avenue Ste. 100	Anchorage	AK	99515	907-344-4040	30002
Chena River Restaurants, Inc.	950 Old Steese Hwy. Ste. B	Fairbanks	AK	99701	907-457-1187	30001
PFI - ALABASTER INC.	100 S. Colonial Dr. #1200	Alabaster	AL	35007	(205) 664-4664	378
D&J Restaurant Group, LLC	8171 US Hwy 431, Suite F	Albertville	AL	35950	256-660-1611	1858
Hero Subs, Inc.	102 MLK Expressway	Andalusia	AL	36420	(334) 881-7827	1824
H & R RESTAURANTS, LLC	935 Hwy 72 E, Ste A	Athens	AL	35611	256-216-5556	808
War Eagle Wiches, LLC	1907 S. College St. Ste. 108	Auburn	AL	36832	(334) 887-6400	110
CWC Group, LLC	4867 Promenade Parkway, Suite 101	Bessemer	AL	35022	205-428-5844	895
PORTER FAMILY INVESTMENTS, INC.	5269 Hwy 280 S. Suite B-8	Birmingham	AL	35242	(205) 981-1880	135
JFC DEVELOPMENT, LLC	1483 Gadsden Hwy #1312	Birmingham	AL	35235	(205) 661-1444	231
H & R RESTAURANTS, LLC	1302 2nd Ave SW STE G	Cullman	AL	35055	1-256-841-5600	1696
S & J Allday Foods, Inc.	6890-6 Hwy. 90	Daphne	AL	36526	(251) 625-8723	52
S & J Allday Foods, Inc.	9912 Dimitrious Ave	Daphne	AL	36526	251-626-7827	461
HRT Restaurants, LLC	2812 Spring Ave SW Suite G	Decatur	AL	35603	256-340-8600	587
Ralph & Jill, Inc.	3850 W. Main Street Unit 806	Dothan	AL	36305	(334) 677-2656	139
Ralph & Jill, Inc.	3255 South Oates Street. Suite 8	Dothan	AL	36301	(334) 671-9633	179
10-12 Investments, LLC	607-E Boll Weevil Cir.	Enterprise	AL	36330	(334) 308-2101	374
S & J Allday Foods, Inc.	113 S Greeno Road Suite E	Fairhope	AL	36532	251-990-3970	599
Wharton Restaurant Company, LLC	365 Cox Creek Parkway	Florence	AL	35630	256-284-7740	1841
S & J Allday Foods, Inc.	167 9th Ave.	Foley	AL	36535	(251) 986-7827	65
JFC DEVELOPMENT, LLC	3477 Lowery Parkway, Suite 115	Fultondale	AL	35068	205-841-2322	604
Harris Restaurant Group, LLC	332 E. Meighan Blvd. Suite G-3	Gadsden	AL	35903	(256) 543-8445	222
DMC DEVELOPMENT INC.	808 Green Springs Hwy Ste 100	Homewood	AL	35209	(205) 945-2637	294
H & R RESTAURANTS, LLC	6275 University Dr.	Huntsville	AL	35806	(256) 971-8989	119
JONES VALLEY RESTAURANT FH, LLC	2750 Carl T. Jones Dr., Suite 1500A	Huntsville	AL	35802	(256) 880-8246	148
H & R RESTAURANTS, LLC	3022 Memorial Pkwy	Huntsville	AL	35801	(256) 885-2257	352
H & R RESTAURANTS, LLC	1079 Balch Rd., Ste A	Huntsville	AL	35758	256-325-0231	704
H & R RESTAURANTS, LLC	8572 Madison Blvd, Suite S	Madison	AL	35758	(256) 774-8028	341
JD Chandler And Associates, LLC	3694 Airport Blvd.	Mobile	AL	36608	(251) 342-2352	57
JD Chandler And Associates, LLC	5300-C Hallsmill Rd.	Mobile	AL	36619	251-660-0995	186
JD Chandler And Associates, LLC	3075 Government Blvd. B 105	Mobile	AL	36606	251-461-6080	282
HILLCREST FOODS, LLC	6300 Grelot Rd	Mobile	AL	36695	(251) 631-3730	306
JES ENTERPRISES, INC.	6661 Atlanta Hwy.	Montgomery	AL	36117	(334) 213-2450	59
Sherrod Development Company, Inc.	2890 Zelda Rd	Montgomery	AL	36106	334-277-6614	761
JFC DEVELOPMENT, LLC	3300 McFarland Boulevard Suite A	Northport	AL	35476	(205) 737-7529	1819
War Eagle Wiches, LLC	3000 Pepperell Pkwy. Suite 7	Opelika	AL	36801	(334) 741-7998	111
Harris Restaurant Group, LLC	552 Oxford Exchange Blvd.	Oxford	AL	36203	256-831-2615	674
Uncle Gene's, LLC	1177 Andrews Ave Suite #R	Ozark	AL	36360	334-443-1250	1802
War Eagle Wiches, LLC	2027 Hwy 280 Bypass	Phenix City	AL	36867	(334) 468-5769	1803
JRC Holdings, LLC	2586 Cobbs Ford Rd.	Prattville	AL	36066	334-285-9003	1137
JD Chandler And Associates, LLC	1402 Industrial Pkwy, Suite 2	Saraland	AL	36571	(251) 308-2175	1941
10-12 Investments, LLC	1007 US231 South	Troy	AL	36081	334-770-6551	581
H & R RESTAURANTS, LLC	1130 University Blvd. Unit B-3	Tuscaloosa	AL	35401	(205) 248-0680	60
BCD Investments, Inc.	3511 J. St.	Bentonville	AR	72712	(479) 273-5622	398
BCD Investments, Inc.	3108 Horizon St. Suite# 8	Bryant	AR	72022	(501) 653-3700	69
BCD Investments, Inc.	1240 Highway 64 W.	Conway	AR	72032	(501) 513-2410	22
Oklahoma Bucket Brigade, LLC	1364 E. Augustine Lane, Ste 2	Fayetteville	AR	72703	(479) 251-0044	47
Oklahoma Bucket Brigade, LLC	2612 Martin Luther King Blvd.	Fayetteville	AR	72701	(479) 251-1122	101
BCD Investments, Inc.	2307 Zero Street Suite 101	Fort Smith	AR	72901	(479) 646-3334	160
BCD Investments, Inc.	7805-C Rogers Ave.	Ft. Smith	AR	72903	(479) 452-4468	75
JEC Enterprises, LLC	4403-D Central Ave	Hot Springs	AR	71913	501-463-9803	842

EXHIBIT N

FIREHOUSE FRANCHISED RESTAURANTS AS OF DECEMBER 31, 2022

Franchise Group	Address	City	State	Zip	Telephone #	Rest. #
JEC Enterprises, LLC	140 John Harden Drive Suite 8	Jacksonville	AR	72076	501-983-4913	583
PRG III LLC	401 Southwest Dr.	Jonesboro	AR	72401	(870) 932-6339	136
PRG III LLC	3709 East Johnson Ave.	Jonesboro	AR	72401	870-520-6030	1240
C&A Subs, Inc.	12312 Chenal Pkwy. Ste. 40	Little Rock	AR	72211	(501) 228-5553	20
C&A Subs, Inc.	2811 Lakewood Village Dr.	N. Little Rock	AR	72116	(501) 812-5002	21
C&A Subs, Inc.	11617 Maumelle Blvd	North Little Rock	AR	72113	(501) 753-9898	280
BCD Investments, Inc.	2009 Promenade Blvd.	Rogers	AR	72758	479-631-2400	569
Armco Enterprises LLC	1547 East Race Ave., Unit #4	Searcy	AR	72143	501-268-4851	633
Oklahoma Bucket Brigade, LLC	4914 Elm Springs Rd. #1	Springdale	AR	72762	(479) 717-9997	1933
BCD Investments, Inc.	2008 Fayetteville Rd.Ste B	Van Buren	AR	72956	(479) 474-1400	264
Westside Subs, LLC	485 S. Watson Rd.	Buckeye	AZ	85326	623-386-8745	1068
JB Subs 2, LLC	1664 E. Florence Blvd	Casa Grande	AZ	85122	520-836-4649	1334
JLH Group LLC	34317 N. Cave Creek Road, Ste 101	Cave Creek	AZ	85331	480-595-5178	1271
FIREZONA LLC	3245 W. Ray Rd. Ste 1	Chandler	AZ	85226	(480) 726-8200	327
S.F.D. Holdings, Inc	2100 S. Gilbert Rd., Ste 11	Chandler	AZ	85286	480-917-1729	729
Steamin' Subs, Inc.	6050 W. Chandler Blvd., Ste 1	Chandler	AZ	85226	480-621-6964	1032
Firestaff Management II LLC	2619 S. Woodlands Blvd	Flagstaff	AZ	86001	928-266-0010	1843
Nozzlehead Corporation	2894 S. SanTan Village Pkwy, Suite 101	Gilbert	AZ	85295	480-855 0900	918
Tillerman Corporation	4764 S Higley Road, Ste. 106	Gilbert	AZ	85297	480-867-1916	1642
AZ FIREHOSERS, LLC	20165 North 67th Avenue, Suite 122B	Glendale	AZ	85308	(623) 537-0300	522
AZ Firehosers 2, Inc.	13637 N. 59th Ave., Suite B	Glendale	AZ	85304	623-242-7999	1206
FortyAte State, Inc.	5803 W. Northern Ave. Ste. 100	Glendale	AZ	85301	623-594-8339	1487
Westside Subs 3, LLC	15525 W. Roosevelt St., Ste 110	Goodyear	AZ	85338	623-476-8797	1482
Westside Subs 4, LLC	5122 N. Dysart Rd. Ste. 100	Litchfield Park	AZ	85340	623-248-4114	1720
JB Subs, Inc.	21083 N. John Wayne Pkwy., Ste. C101	Maricopa	AZ	85139	520-568-8515	1069
Desert Firesubs 8 LLC	3420 E. Baseline Rd., Ste 101	Mesa	AZ	85204	480-539-4322	453
Desert FireSubs, LLC	1829 N Power Road, Ste. 109	Mesa	AZ	85205	480-830-6680	565
Fire Line Restaurant Group II, LLC	1616 S. Stapley Dr., Ste 101	Mesa	AZ	85204	480-497-4005	660
Desert FireSubs #2, LLC	10720 E. Southern Ave. Ste 112-D	Mesa	AZ	85209	480-833-0215	838
Desert FireSubs #3, LLC	2727 E McKellips Rd., Ste. 114	Mesa	AZ	85213	480-812-3808	1084
Desert FireSubs #4, LLC	2110 W. Southern Ave. Ste 105	Mesa	AZ	85202	480-656-3700	1298
JLH Group LLC	2836 E. Indian School Rd. Ste. 6	Phoenix	AZ	85016	602-258-0772	588
JLH Group LLC	15530 N Tatum Blvd. Ste. 130	Phoenix	AZ	85032	602-253-0086	827
LB SUBS 1072, LLC	5225 W. Baseline Rd. Ste. 102	Phoenix	AZ	85339	602-801-0280	1072
Bucket Brigade, LLC	4025 E. Chandler Blvd., Ste. 68	Phoenix	AZ	85048	480-621-5778	1096
AZ Firehosers 3, LLC	3434 W Greenway Rd.	Phoenix	AZ	85053	(602) 975-8924	1761
Fireman Foods IV, LLC	3088 Glassford Hill Rd.	Prescott Valley	AZ	86314	928-227-0557	1303
R&B Legacy, Inc.	20851 E. Rittenhouse Road, Ste. 101	Queen Creek	AZ	85142	480-677-4136	662
R & B Wildfire, LLC	1735 West Hunt Highway, Ste. 104	San Tan Valley	AZ	85143	480-888-1911	976
Desert Firesubs 6 LLC	14740 N. Northsight Blvd. Ste 102	Scottsdale	AZ	85260	480-718-5027	1029
Desert Firesubs 7 LLC	23335 N. Scottsdale Rd., Ste. D101	Scottsdale	AZ	85255	480-219-2442	1315
Desert FireSubs #5, LLC	7127 E. Shea Blvd.	Scottsdale	AZ	85254	(623) 910-1076	2046
Firestaff Management Co., LLC	5551 S. White Mountain Road Ste. 4	Show Low	AZ	85901	928-892-5632	1308
FirstDue 121, LLC	13820 W. Bell Rd. Ste. 11	Surprise	AZ	85374	623-546-4555	1205
LB SUBS 1350, LLC	107 E. Baseline Rd., Ste A1	Tempe	AZ	85283	480-307-8097	1350
Bucket Brigade II, LLC	7700 S. Priest	Tempe	AZ	85284	(480) 753-9977	1375
Desert FireSubs #5, LLC	3108 S. McClintock Dr., Ste 2	Tempe	AZ	85282	480-284-5006	1476
Westside Subs 2, LLC	9897 W McDowell Road	Tolleson	AZ	85353	623-478-3900	1302
Beck & Partners LLC	3844 W. River Rd., Ste 110	Tucson	AZ	85741	520-219-2322	566
Beck & Partners LLC	475 W Wetmore, Ste. 135	Tucson	AZ	85705	520-207-0042	1086
Hot City Subs, LLC	5435 S. Calle Santa Cruz, Ste 105G	Tucson	AZ	85706	520-807-6246	1258

EXHIBIT N

FIREHOUSE FRANCHISED RESTAURANTS AS OF DECEMBER 31, 2022

Franchise Group	Address	City	State	Zip	Telephone #	Rest. #
2KMM, LLC	2886 S 4th Avenue Suite 300	Yuma	AZ	85364	928-726-7827	1119
ABC & T, Inc.	2680 Fifth St, Suite B	Alameda	CA	94501	510-217-8278	1359
STH EATS Inc.,	1019 N. Magnolia Ave Unit D	Anaheim	CA	92801	714-723-6050	1290
Nur Restaurant Group Pavilion, Inc.	3700 California Avenue, Suite 300	Bakersfield	CA	93309	661-843-7100	1596
Ladhar & Sidhu Group, Inc.	1668 E. 2nd St. Ste I	Beaumont	CA	92223	951-381-1124	1412
RRIM Investments, Inc.	3808 Grand Ave, Ste A	Chino	CA	91710	909-464-0822	1184
King of Subs Corporation	7887 Madison Avenue, Suite A	Citrus Heights	CA	95610	(916) 844-7060	1903
Ladhar & Sidhu Group, Inc.	1550 W Valley Blvd., Ste 111	Colton	CA	92324	909-533-4565	1856
LouMar Restaurants, LLC	2701 Harbor Blvd., Suite D-4	Costa Mesa	CA	92626	714-432-1777	840
AMR Restaurant Group, Inc.	1001 East Bidwell #101	Folsom	CA	95630	916-984-0600	1017
Rock and Salt Foods, Inc.	26592 Towne Center Dr, Suite 110	Foothill Ranch	CA	92610	949-305-2412	1779
Northern California JASS Restaurant, Inc.	43344 Boscell Rd.	Fremont	CA	94538	510-252-1779	825
A & C Restaurants Group, LLC	13325 Main St., Ste 108	Hesperia	CA	92345	760-983-5512	1328
Sub Exploration Technology Corp.	615 N. Western Ave. Suite 20	Hollywood	CA	90004	310-295-0038	1808
Ruoff Restaurants, LLC	7251 Warner Ave Suite L	Huntington Beach	CA	92647	(714) 587 - 0202	1752
FS 66 Restaurants LLC	1610 Foothill Blvd.	La Verne	CA	91750	909 392-8001	1463
SLS Restaurants, LLC	24100 El Toro Rd., Ste. B	Laguna Woods	CA	92637	949-581-3535	835
Ladhar & Sidhu Group, Inc.	25713 Barton Rd.	Loma Linda	CA	92354	909-799-1767	1141
Sandhu Enterprise, LLC	5035 W Slauson Ave., Unit E	Los Angeles	CA	90056	323-815-9300	1688
Sub Exploration Technology Corp.	992 W. 8th Street	Los Angeles	CA	90017	213-265-7500	1811
M&I Subs, Inc.	29787 Antelope Rd, Suite 116	Menifee	CA	92584	(951) 723-1839	1637
Sub Exploration Technology Corp.	5077 Lankershim Blvd	North Hollywood	CA	91601	(818)824-3071	1291
Smith House, LLC	7505 Redwood Suite A	Novato	CA	94945	415-408-3403	921
JTL Restaurants LLC	2619 Vista Way Ste B-1	Oceanside	CA	92054	760-547-1270	1904
Siddhu.JM Chino Hills, Inc.	2598 Archibald Ave # E3	Ontario	CA	91761	909-930-5877	1805
Sandhu Subs, Inc.	2139 N. Tustin St.	Orange	CA	92865	714-282-1743	913
Ladhar Group, Inc.	34300 Monterey Ave., #103	Palm Desert	CA	92211	760-202-9100	1287
Ladhar Group, Inc.	5200 E. Ramon Rd. Suite G4	Palm Springs	CA	92264	760-656-0220	914
Antunez Restaurant Corporation	1113 W. Rancho Vista Blvd., Suite B	Palmdale	CA	93551	661-947-9072	1832
Crossroads Restaurants LLC	11995 Foothill Blvd. Ste. 110	Rancho Cucamonga	CA	91730	909-481-0151	1620
M&I Subs, Inc.	10080 Magnolia Ave.	Riverside	CA	92503	951-588-8785	1822
AMR Restaurant Group, Inc.	933 Pleasant Grove Blvd.	Roseville	CA	95678	916-771-0572	1230
RPM United Inc.	3830 Truxel Rd. Suite 100	Sacramento	CA	95834	916-928-6310	979
A&B Subs LLC	3700 Crocker Drive Suite 130	Sacramento	CA	95818	916-476-5530	1660
Tetrad Investments, Inc	8214 Mira Mesa Blvd., Ste 102	San Diego	CA	92126	858-566-6410	962
Morningstar Portfolio, Inc.	9187 Clairemont Mesa Blvd., Ste 3	San Diego	CA	92123	858-569-7827	1344
R.B.N.A, LLC	5130 Cherry Ave #60	San Jose	CA	95118	408-620-1088	1441
Red Line Development, Inc.	1411 Berryessa Rd. Suite 50	San Jose	CA	95133	(408) 708-4961	1934
Sandhu Subs, Inc.	2266 E. 17th St.	Santa Ana	CA	92705	714-543-7827	1182
EBNT, Inc.	1263 H1 Simi Town Center Way	Simi Valley	CA	93065	805 579-9169	882
Buttar Brothers Corp.	7860 West Lane Suite B1	Stockton	CA	95210	(209) 594-1331	1812
Memorable Bites, LLC	26480 Ynez Rd, Ste B	Temecula	CA	92591	951-296-1909	1238
Sub Exploration Technology Corp.	100 Universal City Plaza V 201	Universal City	CA	91608	(818) 505-3247	1756
Smoking Hot Chiefs #1, LLC	1640 E. Monte Vista Ave, DD-102	Vacaville	CA	95688	707-474-9310	1222
4J's Restaurant, Inc.	23630 Valencia Blvd., Suite E	Valencia	CA	91355	661-255-3473	776
GSEB Corporation	6171 Sepulveda Blvd., Suite A-3	Van Nuys	CA	91411	818-922-2500	1703
Specialty Subs, LLC	4020 East Main Street Ste. B-10	Ventura	CA	93003	805-676-0004	1634
Ladhar Group, Inc.	58709 Twenty-Nine Palms Hwy Suite E	Yucca Valley	CA	92284	(760) 228-1234	1483
GW LTD.:	7961 Wadsworth Blvd.	Arvada	CO	80003	303-423-7827	934
3G Hoagies and Grinders, LLC	12345 W. 64th Ave	Arvada	CO	80004	(303) 568-9644	1423
BG's Sub Enterprise EN, LLC	24300 E. Smoky Hill Rd., Ste 128	Aurora	CO	80016	303-693-7827	713

EXHIBIT N

FIREHOUSE FRANCHISED RESTAURANTS AS OF DECEMBER 31, 2022

Franchise Group	Address	City	State	Zip	Telephone #	Rest. #
GW LTD TOWER RD LLC	3425 Salida St.	Aurora	CO	80011	303-371-7827	995
303 SubSource 2, LLC	15405 E. Briarwood Circle Unit B, Suite D	Aurora	CO	80016	303-699-1699	1009
GW LTD FITZSIMONS LLC	13650 E. Colfax Ave. Unit F	Aurora	CO	80011	303-366-2794	1338
GW LTD.: Aurora Crossing A Limited Liability Compa	2250 S. Parker Rd. Ste. 140	Aurora	CO	80231	720-638-4650	1678
303 SubSource 1, LLC	3993 Limelight Ave.	Castle Rock	CO	80109	303 660-6121	872
303 SubSource 4, LLC	9445 E. County Line Rd. Suite B	Centennial	CO	80112	303-792-3216	902
GW LTD N Academy LLC	7543 N. Academy Blvd.	Colorado Springs	CO	80920	719-598-1166	781
La Tavola FH Austin Bluffs, LLC	3604 Austin Bluffs Pkwy #110	Colorado Springs	CO	80918	719-599-4386	862
La Tavola FH Dublin, LLC	5915 Dublin Blvd., Ste 120	Colorado Springs	CO	80923	719-593-1099	1294
HighVSmithSubs Enterprises, LLC	6345 E. Hampden Ave. Ste. 102	Denver	CO	80222	303-954-8595	1879
TNT Subs, Inc.	2120 E. Harmony Rd., Ste 101	Fort Collins	CO	80528	970-226-0494	782
TNT Subs 2, LLC	1856 N. College Ave., Ste. 130	Fort Collins	CO	80524	970-999-5352	1200
BG's Sub Enterprise HR, LLC	9559 S. University Blvd., Ste 108	Highlands Ranch	CO	80126	303-346-4437	500
KRH Flaming Subs, LLC	534 W.S. Boulder Rd., Ste. D	Lafayette	CO	80026	303 665-9363	1097
King's Fuego Casa, LLC	650 S. Wadsworth Blvd., Ste 1	Lakewood	CO	80226	303-934-1552	560
BG's Sub Enterprise, LLC	195 S. Union Blvd. Ste 140	Lakewood	CO	80228	303-989-0031	919
King's Fuego Littleton, LLC	8555 W. Belleview Ave #2625-A	Littleton	CO	80123	720-360-4359	884
303 Subsource 3 LLC	9992 Commons St., Ste 120	Lone Tree	CO	80124	303-495-2218	637
TNT Subs 3, LLC	1395 Sculptor Dr	Loveland	CO	80537	970 663-1814	1280
303 Subsource LLC	11280 S. Twenty Mile Rd. #102	Parker	CO	80134	303-841-7827	570
KRH Flaming Subs 2, LLC	100 McCaslin Blvd	Superior	CO	80027	(303) 499-1394	1528
GW Ltd Grant St	10060 Grant St.	Thornton	CO	80229	303-736-8066	452
DKSS Subs, LLC	600 E. Altamonte Dr., Ste 1050	Altamonte Springs	FL	32701	407-263-3008	717
DKSS Subs, LLC	3309 E. SR 436 Ste 1013	Apopka	FL	32703	(407) 331-7827	324
Apopka On Fire, LLC	1608 W. Orange Blossom Trl	Apopka	FL	32712	407-464-3624	687
Yarde Family Concessions LLC	2052 US Highway 92 W	Auburndale	FL	33823	(863) 845-5010	1940
CHAMP227, INC.	280 E. Van Fleet Drive	Bartow	FL	33830	863-800-3033	1799
JAG Subs 3, Inc.	1920 NE 5th Ave.	Boca Raton	FL	33431	561-245-8219	714
Sadia & Sher, LLC	7148-B Beracasa Way	Boca Raton	FL	33433	561-757-3052	1714
JAG Subs 4, Inc.	975 Gateway Blvd Unit #113	Boynton Beach	FL	33426	(561) 735-7827	335
Rayanel LLC	9903 S. Military Trail	Boynton Beach	FL	33436	561-737-4442	1038
POW'S PLACE 1 LLC	621 Cortez Rd. W.	Bradenton	FL	34207	(941) 727-1818	83
POW'S PLACE 2 LLC	4017 Manatee Ave.	Bradenton	FL	34205	(941) 744-0206	176
Impact FHS Restaurants IV, LLC	1921 W. Brandon Blvd.	Brandon	FL	33511	(813) 849-0057	157
DMR Foods II, LLC	2612 Santa Barbara Blvd Ste. 20	Cape Coral	FL	33914	(239) 800-2884	1368
Redline Restaurants, Inc.	1455 Semoran Blvd. Ste. 295	Casselberry	FL	32707	(407) 673-7827	414
BLASTONIAN ENTERPRISES, LLC	1500 Oakley Seaver Dr.	Clermont	FL	34711	352-394-4400	483
C. Springs Subs, Inc.	2070 N. University Dr.	Coral Springs	FL	33071	954-575-0026	557
Ralph & Jill, Inc.	2252 S. Ferdon Blvd.	Crestview	FL	32536	(850) 689-1500	46
2nd Fire, LLC	147 S. Compass Way Bldg. C-107	Dania Beach	FL	33004	954-364-3750	1545
2nd Fire, LLC	5975 S. University Dr.	Davie	FL	33328	954-252-1552	634
GALICIAFIRESUBS, LLC	2525 W. International Speedway Blvd Suite 170	Daytona Beach	FL	32114	386-238-9920	596
DKSS Subs, LLC	217 N. Woodland Blvd.	DeLand	FL	32720	(386) 740-8700	104
JAG Subs 2, Inc.	1000-A4 Linton Blvd.	Delray Beach	FL	33483	561-303-3335	1223
KMFD Corp.	34737 Emerald Coast Pkwy, Ste 5	Destin	FL	32541	850-424-7331	638
Codame Enterprises LLC	1547 Main St.	Dunedin	FL	34698	(727) 736-7827	92
Tavares Fire, Inc.	2712 E. Burleigh Blvd.	Eustis	FL	32726	352-508-9496	688
JG RESTAURANT INC.	1607 E. Sunrise Blvd.	Ft. Lauderdale	FL	33304	(954) 522-8294	277
DMR Foods III, LLC	7091 College Pkwy.	Ft. Myers	FL	33907	239-334-7827	118
DMR Foods 1, LLC	3398 Forum Blvd Suite 116	Ft. Myers	FL	33905	239-245-7587	1067
KCKMLR Enterprises, LLC	75 Eglin Pkwy, Ste 121	Ft. Walton Beach	FL	32548	(850) 796-3473	42

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FIREHOUSE FRANCHISED RESTAURANTS AS OF DECEMBER 31, 2022

Franchise Group	Address	City	State	Zip	Telephone #	Rest. #
KMFD Corp.	796 Beal Pkwy	Ft. Walton Beach	FL	32569	850-226-6949	550
Compass Group USA, Inc.	330 Newell Dr.	Gainesville	FL	32611	(352) 392-4467	90007
Firebox, LLC	3755-C Gulf Breeze Pkwy.	Gulf Breeze	FL	32563	(850) 916-1134	36
CBreezeR's LLC	318 Gulf Breeze Pkwy.	Gulf Breeze	FL	32561	(850) 916-7664	44
Jean-Charles Sub Shop, LLC	35902 Highway 27	Haines City	FL	33844	(863) 353-5579	1950
Fire Foods, LLC	701 E. Hallandale Blvd.	Hallandale Beach	FL	33009	754-400-8885	96
3rd Fire, LLC	407 W. 49th Street Ste. 1B	Hialeah	FL	33012	786-542-1994	1593
Fuego Indio, LLC	981 E. Eau Gallie Blvd. Ste. B	Indian Harbour Beach	FL	32937	321-241-6481	1683
Compass Group USA, Inc.	800 Prudential Drive	Jacksonville	FL	32207	(904) 202-1070	90011
HOST INTERNATIONAL, INC.	2400 Yankee Clipper Drive	Jacksonville	FL	32218	(240) 694-4893	90001
DKSS Subs, LLC	1305 W. Vine St.	Kissimmee	FL	34741	(407) 518-7827	200
D&H Investments of Lake County, LLC	13757 US Hwy 441	Lady Lake	FL	32159	(352) 430-3870	292
Cain Family Enterprises, LLC	2929 W. US Hwy 90 #102	Lake City	FL	32055	386-438-5195	543
FIRESTORM RESTAURANT GROUP OF CENTRAL FLORIDA, LLC	3587 Lake Emma Rd.	Lake Mary	FL	32746	(407) 833-8447	50
JAG Subs 5, Inc.	6169 Jog Rd. A-1	Lake Worth	FL	33467	561-965-0321	595
YSE of Tampa Bay, LLC	3615 S. Florida Ave. # 820	Lakeland	FL	33803	863-709-1161	185
Northfire 1010 LLC	4141 US HWY 98 NORTH	Lakeland	FL	33809	863-859-1085	1010
Codame Enterprises LLC	10500 Ulmerton Rd., Ste 750	Largo	FL	33771	727-584-4344	744
Platinum Ideas LLC	7542 W. Commercial Blvd.	Lauderhill	FL	33319	954-746-9089	600
Leesburg Bucket Brigade, LLC	709 North 14th Street	Leesburg	FL	34748	352-323-3473	480
BJ Lueking Investments, LLC	23657 SR 54	Lutz	FL	33559	813-575-9443	1031
KMFD Corp.	2310 Highway 77 Ste. 170	Lynn Haven	FL	32444	(850) 271-3330	55
Cain Family Enterprises, LLC	1448 South Sixth St	Macclenny	FL	32063	904-259-3473	558
DKSS Subs, LLC	421 S. Orlando Ave.	Maitland	FL	32751	(407) 788-7827	168
Platinum Ideas Margate LLC	5516 W. Sample Rd.	Margate	FL	33073	954-532-3464	620
Ralph & Jill, Inc.	4918 Malloy Plaza	Marianna	FL	32448	(850) 526-1991	66
Rapidfire Restaurants Two, LLC	4100 N. Wickham Rd. Ste. 107	Melbourne	FL	32935	(321) 751-5401	37
Rapidfire Restaurants Three, LLC	1080 N. Wickham Rd. Ste. C	Melbourne	FL	32935	(321) 751-2190	153
FUEGO TECH LLC	150 W. University Blvd.	Melbourne	FL	32901	(321) 308-5550	90017
Rapidfire Restaurants, LLC	125 Merritt Island Causeway Ste. 129	Merritt Island	FL	32952	(321) 449-8818	45
3rd Fire, LLC	16010 NW 57th Ave., Ste 118	Miami	FL	33014	(305) 231-7081	427
Italusa Food & Services, Inc.	12528 SW 88th St.	Miami	FL	33186	786-431-1340	957
Italusa Food & Services, Inc.	9251 W. Flagler St., Ste B-103	Miami	FL	33174	305-392-0879	1685
RB Kitchens, LLC	50 W. Flagler	Miami	FL	33130	kyloflagler@firehousesubs.com	2025
Firebox, LLC	6570 Caroline St., Ste A	Milton	FL	32570	850-983-0404	647
TRUESOUTH RETAIL LLC	11178 Tamiami Trail North Riverchase Plaza	Naples	FL	34110	(239) 500-7827	1329
CB Squared Foods, LLC	1894 Andorra St. Unit C3	Navarre	FL	32566	(850) 515-0957	97
BJ Lueking Investments, LLC	8352 Little Rd.	New Port Richey	FL	34654	(727) 847-9600	279
GALICIAFIRESUBS, LLC	1998-9 State Road 44	New Smyrna Beach	FL	32168	386-410-4707	928
KMFD Corp.	1358 John Sims Pkwy.	Niceville	FL	32578	850-279-4400	1091
J & M Restaurant Inc.	891 East Commercial Blvd.	Oakland Park	FL	33334	954-306-6274	1572
DKSS Subs, LLC	8877 W. Colonial Dr.	Ocoee	FL	34761	(407) 297-6700	113
Station 51, LLC	2499-L Enterprise Rd	Orange City	FL	32764	386-218-6904	738
DKSS Subs, LLC	4200 Conroy Rd. Ste 263	Orlando	FL	32839	407-370-4342	56
DKSS Subs, LLC	411 S. Chickasaw Trail	Orlando	FL	32825	(407) 249-7827	67
DKSS Subs, LLC	4692 East Michigan St.	Orlando	FL	32812	(407) 737-7827	79
DKSS Subs, LLC	4894 South Kirkman Rd.	Orlando	FL	32811	(407) 447-9866	129
DKSS Subs, LLC	338 E. Michigan St.	Orlando	FL	32806	(407) 447-2223	130
ZERIN RESTAURANT GROUP, LLC	12075A Collegiate Way	Orlando	FL	32817	(407) 447-9111	132

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FIREHOUSE FRANCHISED RESTAURANTS AS OF DECEMBER 31, 2022

Franchise Group	Address	City	State	Zip	Telephone #	Rest. #
Fiery Subs Corp.	1790 W. Sand Lake Rd. Ste B-134	Orlando	FL	32809	(407) 859-3977	195
Tri-County Fire, LLC	13502 Village Park Dr. Ste 106	Orlando	FL	32837	(407) 438-4111	196
DKSS Subs, LLC	9971 Tagore Place, Ste 103	Orlando	FL	32827	(407) 313-2248	308
DKSS Subs, LLC	12515 State Road 535 Suite 515	Orlando	FL	32836	321-395-4903	1036
DKSS Subs, LLC	10725 International Dr., Ste. 130	Orlando	FL	32821	407-930-3727	1192
Host International, Inc.	1 Jeff Fuqua Blvd.	Orlando	FL	32827	407-825-8269	90003
Big 'Uns Restaurant Group, Inc.	175 South Nova Rd. Ste 8	Ormond Beach	FL	32174	(386) 672-3893	208
ZERIN RESTAURANT GROUP, LLC	1016 Lockwood Blvd.	Oviedo	FL	32765	407-359-0045	753
Firebox, LLC	4367 Highway 90	Pace	FL	32571	(850) 994-1666	26
PBC Fire League, LLC	4650 Donald Ross Rd. Unit 116	Palm Beach Gardens	FL	33418	561-331-8601	1798
Unk's Restaurant Group, Inc.	1475 Palm Coast Pkwy. Ste. 101	Palm Coast	FL	32137	(386) 986-2800	107
Bpop's Restaurant Group Inc.	5615 State Hwy 100, East Suite 112	Palm Coast	FL	32164	386-313-6333	1861
Because of Carol LLC	3434 East Lake Rd.	Palm Harbor	FL	34685	(727) 210-4376	182
K&H Associates LLC	805 N. Tyndall Parkway	Panama City	FL	32404	(850) 215-3473	86
KMFD Corp.	668 West 23rd St.	Panama City	FL	32405	(850) 872-3548	172
KMFD Corp.	11560 Panama City Beach Parkway, Ste. B	Panama City Beach	FL	32413	850-588-7127	479
Fogo Group, LLC	15711 Pines Blvd.	Pembroke Pines	FL	33027	954-406-7979	1034
JJ&D Restaurants, LLC	10800 Pines Blvd., Ste. 3	Pembroke Pines	FL	33026	954-374-8290	1810
Firebox, LLC	2 E 9 Mile Rd.	Pensacola	FL	32534	(850) 478-2334	16
Firebox, LLC	6869 N. 9th Ave.	Pensacola	FL	32504	(850) 476-6626	30
Firebox, LLC	1741 E. 9 Mile Rd. Ste. 13	Pensacola	FL	32514	(850) 476-1962	33
Bri'Chae, LLC	5010 Bayou Blvd. Ste. 5	Pensacola	FL	32503	(850) 478-9861	87
Bri'Chae, LLC	120 S. New Warrington Rd.	Pensacola	FL	32507	(850) 457-2765	99
Bri'Chae, LLC	5998 Mobile Hwy, Ste 8	Pensacola	FL	32526	850-607-6791	690
Impact FHS Restaurants III, LLC	4394 Park Blvd.	Pinellas Park	FL	33781	(727) 545-9001	84
SYE of Plant City, LLC	107-2 West Alexander Street	Plant City	FL	33563	813-704-4884	1164
South Miami Subs 3, Inc.	801 S. University Dr. Ste. C139	Plantation	FL	33324	954-900-5271	817
R. Kay, Inc.	18500 Veterans Blvd	Port Charlotte	FL	33954	941-979-8965	821
Zerin Restaurant Group 2, LLC	1765 Dunlawton Avenue Suite 102	Port Orange	FL	32127	386-238-9980	1721
B & B of Big Bend Road, LLC	13129 US Highway 301 South	Riverview	FL	33578	813-443-9792	1551
Fuego Loco LLC	1852 S. Rockledge Blvd.	Rockledge	FL	32955	(321) 690-0911	377
South Miami Subs RPB, Inc.	10229 Okeechobee Blvd. #C2	Royal Palm Beach	FL	33411	561-557-4102	1814
GALICIAFIRESUBS, LLC	1844 S. Ridgewood Ave.	S. Daytona	FL	32119	(386) 760-8823	82
DKSS Subs, LLC	1625 W.P. Ball Blvd.	Sanford	FL	32771	(407) 936-1911	218
SHIVAAY SUB TITANS INC.	5416 Fruitville Rd.	Sarasota	FL	34232	(941) 379-5561	115
Fire Bee, LLC	4400 Bee Ridge Road	Sarasota	FL	34233	(941) 342-7827	143
BJ Lueking Investments, LLC	4165 Mariner Blvd.	Spring Hill	FL	34609	352-610-9950	650
Tri-County Fire, LLC	4554 13th St.	St. Cloud	FL	34741	(407) 957-2407	171
Codame Enterprises LLC	4949 4th Street N.	St.Petersburg	FL	33703	727-521-0640	142
MC Fire League LLC	2624 SE Federal Hwy	Stuart	FL	34994	772-419-1233	1608
BENDEL, LLC	134 Weston Rd.	Sunrise	FL	33326	(954) 727-9111	320
BL Jerkins, LLC	1426 W. Tennessee St.	Tallahassee	FL	32304	850-521-0300	10
TALLY 2, INC.	3220 Apalachee Pkwy.	Tallahassee	FL	32311	(850) 219-0436	11
Fabozzi Family, LLC	1908-1 Capital Cir. NE	Tallahassee	FL	32308	(850) 219-9543	25
MJR Holdings Inc.	1420 Capital Cir. NW	Tallahassee	FL	32304	(850) 350-0665	71
KMG #76, LLC	3491-5 Thomasville Rd.	Tallahassee	FL	32309	(850) 906-0007	76
White or Wheat, LLC	2580 N. Monroe St. #1	Tallahassee	FL	32303	(850) 385-4280	205
BMG #407, LLC	6676 Thomasville Rd., Unit 2	Tallahassee	FL	32312	850-906-0013	407
Impact FHS Restaurants II, LLC	1824 Bruce B. Downs Blvd.	Tampa	FL	33544	(813) 977-3181	51
Sarrk FHS Restaurants XIII, LLC	13236 N. Dale Mabry	Tampa	FL	33618	(813) 964-5877	125
Fire,ETC, Inc.	2710 Fowler Ave. Unit 3	Tampa	FL	33612	(813) 849-1640	164

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FIREHOUSE FRANCHISED RESTAURANTS AS OF DECEMBER 31, 2022

Franchise Group	Address	City	State	Zip	Telephone #	Rest. #
Sarrk FHS Restaurants XII, LLC	8428 W. Hillsborough Avenue	Tampa	FL	33615	(813) 882-0600	206
Sarrk FHS Restaurants XIV, LLC	2227 Dale Mabry Hwy	Tampa	FL	33629	(813) 251-1921	356
MGR Restaurant Holdings of Florida, LLC	40545 US Highway 19 N., Suite C	Tarpon Springs	FL	34689	727-935-2022	1007
Fuego Caliente, LLC	2520 S. Washington Ave	Titusville	FL	32780	321-320-7827	1544
Impact FHS Restaurants VIII, LLC	1013 E. Bloomingdale Ave.	Valrico	FL	33596	(813) 653-2700	303
MAMA'S HOUSE, LLC	1570 US41 Bypass	Venice	FL	34292	(941) 493-4488	214
2LAZYH, INC.	6170 20th St.	Vero Beach	FL	32966	(772) 562-4233	80
ZERIN RESTAURANT GROUP, LLC	225 Palm Bay Rd. NE Unit 184	West Melbourne	FL	32904	321-802-9555	1246
South Miami Subs WPB, Inc.	4047 Okeechobee Blvd., Suite 101	West Palm Beach	FL	33409	561-268-2938	1816
DKSS Subs, LLC	3119 Daniels Rd., Ste 102	Winter Garden	FL	34787	407-654-3473	643
DKSS Subs, LLC	2231 Western Way #A	Winter Garden	FL	34787	(407) 347-1856	1840
JMD 1, Inc.	1107 3rd St. SW #6	Winter Haven	FL	33880	(863) 293-8200	227
FERGUSONS FOUR FIRE, LLC	419 S. Semoran Blvd.	Winter Park	FL	32792	(407) 678-7827	58
LIONHEART RESTAURANT OPERATORS LLC	5285 Red Bug Lake Road Suite.129	Winter Springs	FL	32708	407-628-9444	424
SMOKING HOT ENTERPRISES, LLC	3348 Cobb Parkway NW, Ste 120	Acworth	GA	30101	770-529-1772	536
Beck Jerkins LLC	2416 Dawson Rd. Ste C	Albany	GA	31707	(229) 438-7546	138
Kennedy ATL Enterprises, LLC	3005 Old Alabama Road Ste 6001	Alpharetta	GA	30022	(770) 442-1945	169
Vision Foods of Prince Avenue, LLC	1226 Prince Ave.	Athens	GA	30606	706-357-4994	948
The Rohletter Group, LLC	537 10th St. NW	Atlanta	GA	30318	(404) 347-9912	249
ROHLETTERS ON PEACHTREE, INC.	225 Peachtree St. NE Suite B-27	Atlanta	GA	30303	404-657-2662	1030
Mahant Investments	2970 Cobb Pkwy. SE	Atlanta	GA	30339	678-424-8042	1120
FH Augusta, LLC	1509 Walton Way	Augusta	GA	30904	(706) 364-4220	288
FH Augusta, LLC	2930 Peach Orchard Rd.	Augusta	GA	30906	706-793-8572	1085
Sbaba PSM 3, LLC	2860-2 East West Connector	Austell	GA	30106	770-439-6165	875
STATESBORO RESTAURANT GROUP INC.	919 Glynn Isles	Brunswick	GA	31525	(912) 262-2120	366
SUBS 4 U, LLC	3350 Buford Dr. Ste A-120	Buford	GA	30519	(770) 904-6817	417
Integrity of GA, Inc.	1131 S. Wall St.	Calhoun	GA	30701	706-659-7282	879
O.T. Restaurant Group, LLC	1353 Riverstone Parkway #100	Canton	GA	30114	770-479-0047	1694
HOTLINEZ OF WEST GEORGIA INC.	1202 S. Park St. Ste E	Carrollton	GA	30117	(770) 832-9047	239
Harris Restaurant Group, LLC	413 East Main St.	Cartersville	GA	30121	678-719-8743	1285
War Eagle Wiches, LLC	2501 Whittlesey Rd. Ste H	Columbus	GA	31909	(706) 507-0225	228
War Eagle Wiches, LLC	3201 Macon Road Suite 263	Columbus	GA	31906	(706) 569-0133	242
War Eagle Wiches, LLC	6563 Gateway Dr.	Columbus	GA	31909	706-562-0777	1174
Sub Life LLC	108 Dallas Dr.	Commerce	GA	30529	706-680-7936	1877
Herrma Enterprises, LLC	1565 Highway 138 SE Suite A	Conyers	GA	30013	770-679-5217	998
Willexis, LLC.	1416 E. 16th Ave	Cordele	GA	31015	(229) 513-2070	1895
Rohletters Out East, LLC	4127 Hwy 278 NW	Covington	GA	30014	770-787-7778	926
Black Cavern Group, LLC	905 Market Place Blvd Suite B	Cumming	GA	30041	(770) 844-7790	1121
O.T. Restaurant Group, LLC	2320 Atlanta Hwy	Cumming	GA	30040	770-886-8195	1695
Luvin Subin, LLC	3465 Braselton Hwy., Ste. 150	Dacula	GA	30019	770-614-4602	1088
O.T. Restaurant Group, LLC	837 Hwy 400S Ste. 145 & 150	Dawsonville	GA	30534	706-216-3988	1693
DNF Douglas, LLC	914 S. Peterson Ave.	Douglas	GA	31533	912-720-3473	1646
Famous Amos Subs, LLC	2911 Chapel Hill Rd., Ste. 210	Douglasville	GA	30135	770-726-9053	1216
Macon Hot Subs, LLC	2102 Veterans Blvd. Suite B	Dublin	GA	31021	(478) 275-2321	585
P&C Ventures, LLC	1950 Satellite Blvd., Ste 100	Duluth	GA	30097	(678) 395-3581	516
FH Augusta, LLC	535 Mullins Colony Dr., Ste 100	Evans	GA	30809	(706) 364-4422	166
Subperb Sandwiches of Georgia, LLC	8055 Senoia Rd, Ste 300	Fairburn	GA	30213	770-282-6714	1362
GTC Group, LLC	39A Hudson Plaza	Fayetteville	GA	30214	770-460-6500	958
BLACK FOREST GROUP, LLC	5900 Spout Springs Rd. Suite R-18	Flowery Branch	GA	30542	770-965-1500	801
Greater Chattanooga Restaurant Group, LLC	882 Battlefield Pkwy	Ft Oglethorpe	GA	30742	706-944-3150	1396
Black Granite Group, LLC	333 Shallowford Rd. NW Ste D	Gainesville	GA	30504	(770) 533-7415	409

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FIREHOUSE FRANCHISED RESTAURANTS AS OF DECEMBER 31, 2022

Franchise Group	Address	City	State	Zip	Telephone #	Rest. #
CRISWELL'S, INC.	118 West Taylor Street	Griffin	GA	30223	770-227-7562	527
DOWNEY FOODS, LLC	220 Meridian Drive	Grovetown	GA	30813	762-994-0077	1378
Fire Cannon LLC	556 West Oglethorpe Hwy	Hinesville	GA	31313	(912) 877-7827	772
R & D Subs, LLC	4795 Jimmy Lee Smith Pkwy Ste 101	Hiram	GA	30141	(678) 567-0888	333
Dubs and Subs LLC	6395 McGinnis Ferry Rd., Ste 303	Johns Creek	GA	30005	(678) 417-5363	792
Macon Hot Subs, LLC	678 Lake Joy Rd, Ste 100	Kathleen	GA	31047	478-287-2811	1267
Afshan Enterprises, Inc.	4250 Wade Green Rd.	Kennesaw	GA	30144	(678) 483-5117	987
DNF Foods, LLC	1393 GA Highway 40 East	Kingsland	GA	31548	912-729-3473	959
Subperb Sandwiches of Georgia, LLC	1507 LaFayette Pkwy, Unit A	LaGrange	GA	30241	706-298-6363	1542
Alimi Investment Group LLC	3375 Sugarloaf Pkwy	Lawrenceville	GA	30044	770-338-4911	359
P&C Ventures, LLC	860 Duluth Hwy, Suite 1040	Lawrenceville	GA	30043	770-682-1626	577
P&C Ventures, LLC	4145 Lawrenceville Hwy, Ste 16	Lilburn	GA	30047	678-380-1110	783
D&R Subs, LLC	1300 W. Corporate Ct.	Lithia Springs	GA	30122	770-485-4552	863
Herrma Enterprises, LLC	8075 Mall Pkwy	Lithonia	GA	30038	(678) 526-1610	255
Vision Foods of Loganville, LLC	4639 Lawrenceville Rd.	Loganville	GA	30052	770-802-5580	1555
Macon Hot Subs, LLC	4921 Riverside Dr.	Macon	GA	31210	(478) 405-8101	102
Macon Hot Subs, LLC	4123 Forsyth Rd. Ste. A	Macon	GA	31208	(478) 477-6461	213
Macon Hot Subs, LLC	4640 Presidential Pkwy Ste A	Macon	GA	31206	(478) 757-1210	318
Lightning Food Services, LLC	145 N. Marietta Pkwy, Ste F	Marietta	GA	30060	770-792-5993	659
Sbaba PSM 4, LLC	2500 Dallas Hwy., Ste. 650	Marietta	GA	30064	770-425-7890	1136
Kimmer, LLC	2745 Sandy Plains Rd	Marietta	GA	30066	(678) 909-2660	1391
FH Augusta, LLC	3836 Washington Rd. Ste. 6	Martinez	GA	30907	(706) 868-1311	48
K&L Hot Subs, LLC	1487 West Hwy 20 Ste D	McDonough	GA	30253	(770) 957-5987	309
GTC Group, LLC	2109 Jonesboro Road	McDonough	GA	30253	678-782-5370	787
Macon Hot Subs, LLC	1909 North Columbia St., Ste C	Milledgeville	GA	31061	(478) 452-3473	797
Lightning Food Services, LLC	13087 Hwy 9, Ste 930	Milton	GA	30004	770-664-7607	428
Beck Jerkins LLC	507 N. Veterans Pkwy	Moultrie	GA	31788	229-529-1727	1533
Subperb Sandwiches of Georgia, LLC	226 Newnan Crossing Bypass	Newnan	GA	30265	678-423-8822	641
Manubhai Investments, LLC	3400 Holcomb Bridge Rd. Ste 300	Norcross	GA	30092	(770) 209-6642	262
AJA Subs, LLC	3650 Mundy Mill Rd	Oakwood	GA	30566	678-971-4140	694
Subperb Sandwiches of Georgia, LLC	321 Commerce Dr.	Peachtree City	GA	30269	770-731-1836	911
Willexis, LLC.	1369 Sam Nunn Blvd.	Perry	GA	31069	(478) 224-7827	1610
Liquid Fire, LLC	481 Pooler Pkwy	Pooler	GA	31322	912-330-9727	828
Liquid Fire, LLC	9116 Ford Ave.	Richmond Hill	GA	31324	912-459-4400	1468
Hip Hop Get Subs, LLC	449 S. Columbia Ave. Ste. H	Rincon	GA	31326	912-2955031	1635
HOTLINEZ OF WEST GEORGIA INC.	723 Turner McCall Blvd.	Rome	GA	30165	(706) 291-2785	393
Lightning Food Services, LLC	10779 Alpharetta Hwy. Suite 180	Roswell	GA	30076	(770) 641-6242	189
Good Food Brands LLC	4648 Woodstock Rd., Ste. 250	Roswell	GA	30075	770-733-1683	1162
FHS 5610 Inc.	5610 Glenridge Dr Suite 102	Sandy Springs	GA	30342	678-705-8878	548
Liquid Fire, LLC	8108 Abercorn St. Ste 110	Savannah	GA	31406	(912) 920-4161	373
Liquid Fire, LLC	1935 East Victory Dr. #200	Savannah	GA	31404	(912) 354-3473	478
Liquid Fire, LLC	4333 Ogeechee Road Suite 200	Savannah	GA	31405	912-201-3829	1785
Sbaba PSM 2, LLC	4624 Camp Highland Rd. SE, Ste 1000	Smyrna	GA	30082	770-436-9880	529
Vision Foods of Snellville, LLC	1830 Scenic Highway	Snellville	GA	30078	(678) 344-8556	170
Fire Cannon LLC	590 Brannen Street, Ste A	Statesboro	GA	30458	912-764-2876	494
GTC Group, LLC	1465 Hudson Bridge Rd., Ste 109	Stockbridge	GA	30281	770-389-5065	440
Ralph & Jill, Inc.	14815 Hwy. 19 S. Suite 700	Thomasville	GA	31792	(229) 228-5553	229
Beck Jerkins LLC	1001 W 8th Street	Tifton	GA	31794	(229) 445-3557	807
DOWNEY FOODS, LLC	1110 Big A Road	Toccoa	GA	30577	(706) 886-4847	1930
Loya, LLC	4306 Lawrenceville Hwy Ste 130	Tucker	GA	30084	(678) 615-3121	416
Ralph & Jill, Inc.	2525 N. Ashley St. Ste. C	Valdosta	GA	31602	(229) 253-1495	89

EXHIBIT N

FIREHOUSE FRANCHISED RESTAURANTS AS OF DECEMBER 31, 2022

Franchise Group	Address	City	State	Zip	Telephone #	Rest. #
Ralph & Jill, Inc.	1525 Baytree Rd. Ste. B	Valdosta	GA	31602	(229) 253-0515	100
This is Our LLC Name, LLC	2351 E. 1st Street	Vidalia	GA	30474	912-537-1884	1738
Macon Hot Subs, LLC	206 Russell Pkwy Ste 100	Warner Robins	GA	31088	(478) 542-9967	161
Macon Hot Subs, LLC	4025 Watson Blvd. Ste 100	Warner Robins	GA	31093	(478) 953-1806	248
DNF Restaurants, Inc.	1905 Memorial Dr.	Waycross	GA	31501	912-285-8050	682
PALMETTO SUB HOUSE, LLC.	108 E. May St. Ste 800	Winder	GA	30680	(770) 586-0528	369
Sbaba PSM Inc	9745-D HWY 92	Woodstock	GA	30188	770-928-8130	188
HeartlandSubs, Inc.	180 Collins Rd., Ste. E	Cedar Rapids	IA	52402	319-373-0456	1112
Heartland Subs 2 LLC	2460 Edgewood Rd. SW. Ste 200	Cedar Rapids	IA	52404	(319) 200-2514	1527
ON A 3, LLC	3815 Metro Dr., Ste 200	Council Bluffs	IA	51501	712-256-5677	640
HeartlandSubs, Inc.	161 Hwy 1 West	Iowa City	IA	52246	(319) 259-7100	1931
Engelstad FHS Two, LLC	5008 Sergeant Rd.	Sioux City	IA	51106	712-224-2920	1149
4C&N, LLC	3419 S. 25th E.	Ammon	ID	83406	(208) 523-2264	1834
J & J Blaze, LLC	1569 North Milwaukee Street	Boise	ID	83704	208-322-2555	952
Montana Restaurant Group LLC	1422 W. Appleway Ave.	Coeur d'Alene	ID	83814	(208) 765-7827	1495
4C&N, LLC	435 South Utah Avenue	Idaho Falls	ID	83402	208-525-2665	1719
J and J Eagle, LLC	2830 North Eagle Rd.	Meridian	ID	83646	208-888-3576	1179
J and J Nampa, LLC	1275 N. Happy Valley Rd. Ste 101	Nampa	ID	83687	(208) 899-8764	1885
4C&N, LLC	231 West Quinn Rd., Ste. F	Pocatello	ID	83201	208-238-6333	1193
Mazanek Restaurants, LLC	317 Homer Adams Parkway Suite J	Alton	IL	62002	618-433-8769	1306
Riggi Restaurant Group, LLC	405 N. Eola Road, Unit N	Aurora	IL	60502	(630) 340-5760	718
H.A.L., LLC	1407 N. Veterans Pkwy, Unit F	Bloomington	IL	61704	309-808-1193	1340
Jones Family Firehouse, Inc.	1609 Illinois Route 50,	Bradley	IL	60914	815-352-6882	1335
Steinacher Restaurants LLC	1095 Belt Line Rd Suite 100	Collinsville	IL	62234	618-855-9565	1514
Wanjala Capital LLC	5909 North Illinois St	Fairview Heights	IL	62202	618-234-3400	789
Om Narayanhari Corp.	290 Randall Road	Lake in the Hills	IL	60156	(224) 484-7007	1562
Samrasandhu4 Inc.	1979 McDowell Rd., Suite #101	Naperville	IL	60563	(331) 213-7077	1986
Lights & Sirens, LLC	11008 S. Cicero	Oak Lawn	IL	60453	708-634-3950	1286
H.A.L., LLC	4123 N. Sterling Ave.	Peoria	IL	61615	309-681-9277	778
Beacon of Light, LLC	3720 Broadway	Qunicy	IL	62305	217-223-8445	1307
NC Restaurants LLC	6470 E. State St.	Rockford	IL	61108	779-210-7372	1731
Meadowbrook Commonz, LLC	4151 Wabash Ave	Springfield	IL	62711	(217) 679-6319	2016
On Fire Hospitality, Inc.	3124 W. North Avenue	Stone Park	IL	60165	708-397-5244	1183
SANDHUSAMRA4 INC.	920 Plainfield Rd	Willowbrook	IL	60527	630-541-8881	1621
H Restaurant Services LLC	124 E. Northfield Dr	Brownsburg	IN	46112	317-858-5082	802
Colossal EV LLC	1031 N Green River Rd., #102	Evansville	IN	47715	812-909-4445	1724
Z Restaurant Services, Inc.	5215 Illinois Rd, Suite 106	Fort Wayne	IN	46804	260-416-0060	653
Z Restaurant Services, Inc.	4423 Coldwater Rd.	Fort Wayne	IN	46825	260-755-5178	853
X Restaurant Services, Inc.	22 East McClarnon Drive	Greenfield	IN	46140	317-462-6570	1066
V Restaurant Services LLC	3516 W. 86th St.	Indianapolis	IN	46268	317-334-1471	491
W Restaurant Services LLC	4576-4578 S. Emerson Ave.	Indianapolis	IN	46203	317-782-9149	616
BIGGER BETTER SUBS, INC.	5841 Crawfordsville Road Suites 104 & 105	Indianapolis	IN	46224	317-802-1379	812
Y Restaurant Services, LLC	170 S. Creasy Lane, Ste 1720	Lafayette	IN	47905	765-449-3473	657
SANDWICHES ARE LIFE, LLC.	1201 W. Eads Pkwy	Lawrenceburg	IN	47025	812-290-2994	1909
Mercury Project Inc.	2627 E. 80th Ave.	Merrillville	IN	46410	219-942-5555	765
J. T. Williams, LLC	5716 Grape Road	Mishawaka	IN	46545	574-204-2451	1552
Y Restaurant Services, LLC	17053 Mercantile Blvd	Noblesville	IN	46060	317-773-7333	546
BIGGER BETTER SUBS, INC.	1850 East Main Street	Plainfield	IN	46168	317-839-9200	584
Emaden Restaurants, LLC	6536 US Hwy 6	Portage	IN	46368	219-763-3473	775
FIRECAP59, LLC	71 Silhavy Rd	Valparaiso	IN	46383	219-286-7382	1282
Incendio Enterprises, LLC	1441 E 30th Ave Ste A	Hutchinson	KS	67502	(620) 259-7777	1569

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FIREHOUSE FRANCHISED RESTAURANTS AS OF DECEMBER 31, 2022

Franchise Group	Address	City	State	Zip	Telephone #	Rest. #
ATQI Partners, LLC #1	2000 W. 31st Street Suite A	Lawrence	KS	66046	785-856-2562	929
ATQI Partners, LLC #2	501 N. 3rd Place, Suite 0	Manhattan	KS	66502	785-473-7346	1633
ATQI Partners, LLC #3	15137 W. 119th St.	Olathe	KS	66062	913-397-8000	567
ATQI Partners, LLC #4	7521 W. 119th St.	Overland Park	KS	66213	913-451-6200	551
Hot Spots, Inc.	6415 Quivira Road	Shawnee	KS	66216	913-631-0033	847
Incendio Enterprises, LLC	2755 N. Maize Rd., Ste. 111	Wichita	KS	67203	316-260-9599	944
Incendio Enterprises, LLC	8007 E Kellogg Dr. #18	Wichita	KS	67207	(316) 440-2950	980
Incendio Enterprises, LLC	2413 N Greenwich Rd, Ste 103	Wichita	KS	67226	316-295-2200	1349
Incendio Enterprises, LLC	446 S. Ridge Rd, Ste 200	Wichita	KS	67209	316-425-6070	1353
SUB HUB LLC	2300 Gary Farms Blvd.	Bowling Green	KY	42104	270-904-1168	1176
Superlative Subs, LLC	1570 N. Dixie Highway Suite 106	Elizabethtown	KY	42701	270-737-5000	1021
J&R Subs, LLC	6805 Houston Rd. Suite 700	Florence	KY	41042	859-918-5622	1648
Daily Bread, LLC	3065 North Bend Rd.	Hebron	KY	41048	(859) 534-2505	1741
Bakers Dozen, LLC	2790 Alexandria Pike	Highland Heights	KY	41076	859-441-1456	1716
Backdraft Subs, LLC	1781 Sharkey Way	Lexington	KY	40511	859-317-8008	573
Backdraft Subs on Richmond Road LLC	101 Sand Lake Drive, Suite 150	Lexington	KY	40509	859-244-8911	1153
CCG Store 1 LLC	215 South Hurstbourne Parkway Suite 104	Louisville	KY	40222	(502) 365-3473	486
CCG Store 2 LLC	4905 Outer Loop	Louisville	KY	40219	(502) 919-7107	2008
T.M. Incorporated	455 Keene Centre DR	Nicholasville	KY	40356	859 881-5011	626
Colossal Subs, LLC	5220 Frederica St	Owensboro	KY	42301	270-683-9019	1264
SNK, LLC	5194 Hinkleville Rd.	Paducah	KY	42001	270-408-1782	1075
DSR Hospitality, LLC	1146 Barnes Mill Rd. Suite 200	Richmond	KY	40475	859-353-5254	996
DSR Hospitality, LLC	525 South US Highway 27	Somerset	KY	42501	606-679-5011	974
H & P Holdings of Louisiana, LLC	700 MacArthur Drive Ste. A	Alexandria	LA	71303	318-643-3473	1735
JAC3 Group, LLC	6555 Siegen Lane, Ste 9	Baton Rouge	LA	70809	225-421-8490	1279
Fire Marshall's, LLC	3011 Airline Drive Suite D	Bossier City	LA	71111	318-747-6344	538
H&P Cajun Holdings LLC	3900 N.E. Evangeline Trwy. Ste. 103	Carencro	LA	70520	337-565-4301	1520
JAC3 Group, LLC	121 Bass Pro Blvd., Ste. G	Denham Springs	LA	70726	225-243-6659	1171
GAP SUBS, LLC	2706 S. Cabela's Parkway Suite 130	Gonzales	LA	70737	225-450-2070	1283
Sodexo Operations, LLC	403 Main Street	Grambling	LA	71245	(310) 274-3382	90012
Southern Subs 609, LLC	1750 W. Thomas, Ste A	Hammond	LA	70401	985 429 1000	609
Southern Subs 1745, LLC	1620 Manhattan Blvd.	Harvey	LA	70058	(504) 766-7688	1745
Sub Properties, LLC	1826 Martin Luther King Blvd. Ste. I	Houma	LA	70360	985-850-2725	942
H&P Cajun Holdings LLC	104 E. Kaliste Saloom Rd. Suite 109	Lafayette	LA	70508	337-210-5915	1175
Juni Restaurant Group, LLC	3814 Veterans Blvd., Ste B	Metairie	LA	70002	504-324-3446	1492
Nichols Holdings, LLC	1191 Lamy Lane	Monroe	LA	71201	318-327-5911	1284
H&P Cajun Two, LLC	901 S. Lewis Street	New Iberia	LA	70560	(337) 608-8802	1942
Southern Subs, LLC	4150 General DeGaulle Dr. Ste. C	New Orleans	LA	70131	504 372 3208	1613
GAP SUBS, LLC	17357 Airline Highway, Suite G	Prairieville	LA	70769	225-673-0100	1625
Fire Marshall's, LLC	7230 Youree Dr. Suite 113	Shreveport	LA	71105	(318) 798-6547	216
AMDG Holdings, Inc.	1521 Gause Blvd.	Slidell	LA	70458	985-326-8485	1079
Contraband Cowboys, LLC	206 S. Cities Service Highway, Suite 6	Sulphur	LA	70663	337-287-4270	1674
Sub Properties, LLC	402 N. Canal Blvd. Suite D	Thibodaux	LA	70301	985-492-1888	1388
D & D Annapolis 1, LLC	2317 Forest Drive	Annapolis	MD	21401	410-571-5858	973
D & D Bel Air, LLC	615 Baltimore Pike	Bel Air	MD	21014	443-787-4776	1486
D & D St. Mary's, LLC	15475 Annapolis Road Suite 170	Bowie	MD	20715	301-383-1742	1403
D & D Clinton, LLC	8801 Woodyard Road Unit 210	Clinton	MD	20735	240-318-3660	1639
SHREE SHIV SHAKTI LLC	5100 Buckeystown Pike Suite 194	Frederick	MD	21704	301-668-6301	459
The Rugged Group, LLC	1700 Kingfisher Dr	Frederick	MD	21701	301-898-2027	756
D & D Waugh Chapel, LLC	2622 Brandermill Boulevard	Gambrills	MD	21054	410-721-3500	629
Metropolitan Subs, Inc.	19851 Century Blvd.	Germantown	MD	20874	240-224-7266	702

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FIREHOUSE FRANCHISED RESTAURANTS AS OF DECEMBER 31, 2022

Franchise Group	Address	City	State	Zip	Telephone #	Rest. #
JZ Restaurant Group, Inc.	9301 Woodmore Center DR suite#513	Lanham	MD	20706	301-341-7000	978
Fresh & Hot Subs LLC	901 Washington Blvd.	Laurel	MD	20707	(301) 725-5679	1460
D & D St. Mary's, LLC	22755 Maple Rd.	Lexington Park	MD	20653	301-862-1221	938
AMoledina, Inc.	10359 Reisterstown Rd	Owings Mills	MD	21117	410-998-9790	603
D & D St. Mary's, LLC	641 Solomon's Island Rd., Unit 18	Prince Frederick	MD	20678	443-432-3438	1404
MN&T Subs, Inc.	28 Upper Rock Circle #B	Rockville	MD	20850	240-499-8991	1348
FHSOC, LLC	2412 B North Salisbury Blvd.	Salisbury	MD	21801	443-736-3154	1611
Steaming Hot, LLC	574 Ritchie Hwy	Severna Park	MD	21146	443-906-2781	912
Astitva, LLC	2080 York Rd., Ste. 145	Timonium	MD	21093	443-991-5954	758
D & D Waldorf, LLC	2875 Crain Hwy	Waldorf	MD	20601	(240) 448-5542	1390
JCD Holdings, LLC	625 Baltimore Blvd., Ste R	Westminster	MD	21157	410-848-0789	784
S & L Auburn, LLC	410 Center St.	Auburn	ME	4210	207-241-8270	1600
CRW Subs, Inc.	920 Stillwater Ave.	Bangor	ME	4401	207-307-7526	1795
MMK Family Investments, Inc.	580 Alfred Street	Biddeford	ME	4005	207-494-7742	1157
EMW Enterprises, LLC	56 Topsham Fair Mall Rd.	Topsham	ME	4086	207-406-2517	1014
S&L Waterville, LLC	8 Waterville Commons Dr.	Waterville	ME	4901	207-616-3074	1526
MMK Subs, LLC	58 Main Street	Westbrook	ME	4092	(207) 747-5751	1586
BK Canton Ventures LLC	3500 Washtenaw Ave	Ann Arbor	MI	48104	(734) 718-7782	1914
Nozzle 57, LLC	101 Brookside Lane	Brighton	MI	48116	810-220-3500	648
Single Bach, LLC	3850 Alpine Ave. Suite B.	Comstock Park	MI	49321	616-647-0577	1074
Hoffman Earle, LLC	1100 West Main Street	Gaylord	MI	49735	989-448-8520	1875
MotorCity Diners, LLC	11501 S. Saginaw St., Suite B	Grand Blanc	MI	48439	810-603-7205	905
R3M, LLC	5557 28th St. SE, Suite A	Grand Rapids	MI	49512	616-443-2132	1295
JRGRR, LLC	1750 S. Drake Rd., Ste A	Kalamazoo	MI	49006	269-372-8400	1462
MotorCity Diners, LLC	1085 S. Lapeer Rd	Lake Orion	MI	48360	248-834-3003	1401
Loud Sirens, Inc.	200 S Washington St.	Lansing	MI	48933	517-316-0483	909
Daughters LLC	11492 Middlebelt Rd	Livonia	MI	48150	(734) 744-4007	1951
K & S Hoffman Brothers, LLC	7215 Eastman Avenue	Midland	MI	48642	989-631-3800	953
K & S Hoffman Brothers, LLC	1729 South Mission Street	Mt. Pleasant	MI	48858	989-775-8800	866
Single Bach, LLC	3194 Henry St.	Muskegon	MI	49441	231-733-0202	924
Single Bach, LLC	1701 E. Apple Ave.	Muskegon	MI	49442	231-375-8699	1804
Nozzle 57, LLC	48955 Grand River Ave., Ste 100	Novi	MI	48374	248-308-2550	1558
Code 7, LLC	41608 Ann Arbor Rd.	Plymouth	MI	48170	734-451-6200	843
JRGRR, LLC	5311 S. Westnedge Avenue	Portage	MI	49002	269-365-4930	1686
Golden Processing Innovations, LLC	27115 Gratiot	Roseville	MI	48066	586-359-2603	899
K & S Hoffman Brothers, LLC	5208 Bay Rd.	Saginaw	MI	48604	989-790-3300	1288
Northern Foods, LLC	15064 Hall Road	Sterling Heights	MI	48313	586-580-7990	876
Hoffman Earle, LLC	3664 N. US-31 S.	Traverse City	MI	49684	231-421-8236	1711
Karadolian Holdings, Inc.	5832 Highland Rd.	Waterford	MI	48327	248-618-7777	904
Metro Fire Brigade, LLC	35579 Warren Road	Westland	MI	48185	734-858-7040	1662
JMNL Enterprises, LLC	19265 West Rd.	Woodhaven	MI	48183	734-671-2100	1117
Tall Ladders LLC	7875 150th Street	Apple Valley	MN	55124	applevalleymn@firehousesubs.com	1932
Blazing Fire Foods, LLC	15094 Dellwood Drive, Suite 102	Baxter	MN	56425	218-828-0629	1737
DR LLC	10700 France Ave. S. Ste. 116	Bloomington	MN	55430	952-322-7364	1717
Sodexo Operations, LLC	7 Centennial Student Union	Mankato	MN	56001	SodexoMinnesotastatemankato@firehousesubs.com	90018
RH Business Venture, Inc.	2303 White Bear Ave., Ste G	Maplewood	MN	55109	651-731-7827	605
MR Investments LLC	2855 Glacier Lane Suite 400	Plymouth	MN	55447	763-276-9514	908
JCSB, LLC	6535 Lyndale Ave. South	Richfield	MN	55423	612-869-8504	935

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FIREHOUSE FRANCHISED RESTAURANTS AS OF DECEMBER 31, 2022

Franchise Group	Address	City	State	Zip	Telephone #	Rest. #
J&M Bell Properties, LLC	1290 Salem Road	Rochester	MN	55902	507-322-0556	1682
MR Investments LLC	2111 Snelling Ave North, Suite B	Roseville	MN	55113	651-493-7559	1065
Edwards FHS 1, LLC	335 5th Avenue South Suite 160	St. Cloud	MN	56301	320-259-7889	937
HOST INTERNATIONAL, INC.	4300 Glumack Dr. Suite LT-3256	St Paul	MN	55111	(240) 694-4893	90006
MR Investments LLC	8390 Tamarack Village	Woodbury	MN	55123	651-493-7807	1161
AAA Quality Subs, LLC	14948 Manchester Rd	Ballwin	MO	63011	636-220-9220	885
Warhawk, LLC	715 N 7 Hwy	Blue Springs	MO	64014	816-229-2440	806
LEJends Restaurants, LLC	3047 Williams Street Suite 108	Cape Girardeau	MO	63703	573-803-3300	991
AAA Quality Subs, LLC	79 Forum Center	Chesterfield	MO	63017	314-579-0700	1054
Karrenbrock Transport, LLC	2703 East Broadway, Ste. 125	Columbia	MO	65201	573-228-6081	1211
Karrenbrock Transport, LLC	3507 Norfleet Dr. Suite 101	Columbia	MO	65201	573-499-1001	1653
Triple C Restaurants, LLC	4508 Mid Rivers Mall Dr	Cottleville	MO	63376	636-244-1292	1471
Wanjala Capital 2 LLC	2312 N. Hwy. 67	Florissant	MO	63033	314-736-6959	1098
Steam 2 Please, LLC	2103 Missouri Blvd., Ste D	Jefferson City	MO	65109	573-635-8150	798
FHS Co. #1, LLC	1816 South Range Line Rd	Joplin	MO	64804	417-782-1210	1281
Warhawk, LLC	4167 Sterling	Kansas City	MO	64133	(816) 997-9555	484
MEATBALL DREAMS II, LLC	2698 NE Vivion Rd	Kansas City	MO	64119	816-455-0864	553
NLN Subs, LLC	8600 Ward Parkway, Ste 2126	Kansas City	MO	64114	816-214-6815	779
Meatball Dreams III, LLC	8934 NW Skyview Ave	Kansas City	MO	64154	816-382-3457	1372
Meatball Dreams IV, Inc.	919 NW 84th Terrace	Kansas City	MO	64155	(816) 326-7608	1855
MANIFEST LLC	111 RTE 291 Hwy	Lee's Summit	MO	64063	816-434-5122	1887
Meatball Dreams, LLC	228 N 291 Hwy	Liberty	MO	64068	816-407-7827	611
LBF Enterprises, LLC	12312 Dorsett Rd.	Maryland Heights	MO	63043	314-548-6710	949
Triple C Restaurants, LLC	104 Laura K Dr.	O'Fallon	MO	63366	636-272-5877	766
MANIFEST LLC	1943 Foxwood Drive	Raymore	MO	64083	816-388-3865	1602
Triple C Restaurants, LLC	8027 Dale Avenue	Richmond Heights	MO	63117	314-354-6468	1640
FHS Co. #1, LLC	4135 South National Avenue	Springfield	MO	65807	417-887-4848	906
FHS Co. #1, LLC	401 S. Kimbrough Ave.	Springfield	MO	65806	417-360-1890	1142
FHS Co. #1, LLC	3309 East Sunshine St., Ste B	Springfield	MO	65804	417-350-1994	1521
Wanjala Capital 3, LLC	38 Hampton Village Plaza	St Louis	MO	63109	314-353-7827	1045
W&W Firelane Developments, LLC	1365 Bass Pro Drive	St. Charles	MO	63301	636-724-4668	856
Allfive Subs, LLC	4595 Chestnut Park Plaza	St. Louis	MO	63129	314-200-3200	1015
Allfive Subs, LLC	9964 A Kennerly Rd	St. Louis	MO	63128	314-270-4444	1416
All Luk LLC	3949 Lindell Blvd Suite 2-B	St.Louis	MO	63108	314-582-6752	1710
Patriot Subs, LLC	800 N. Maguire Street Ste. D	Warrensburg	MO	64093	660-362-0382	1901
Triple C Restaurant Group, LLC	1954 Wentzville Parkway	Wentzville	MO	63385	(636) 856-0557	1927
Gulfco Subs, LLC	296 Beauvoir Road	Biloxi	MS	39530	228-388-5200	950
Sodexo Operations, LLC	4L Nowell Student Union, 50 Coahoma St.	Cleveland	MS	38732	(901) 590-7438	90014
CMG Subs, LLC	1914 Hwy 45 N.	Columbus	MS	39705	662-570-1363	1825
Craig-Rogers Investments, LLC	153 Ridge Way, Ste D	Flowood	MS	39232	601-919-1819	510
Gulfco Subs, LLC	10573 Hwy 49, Suite D	Gulfport	MS	39503	228-206-6404	1434
JLG Firestation LLC.	2401 Hardy St.	Hattiesburg	MS	39401	(601) 599-7827	278
Craig-Rogers Investments, LLC	179 Grandview Blvd Suite 940	Madison	MS	39110	(601) 856-4143	1352
Gulfco Subs, LLC	1545 Bienville Blvd	Ocean Springs	MS	39564	228-215-0185	1828
Whiddenprise MS, LLC	5338 Goodman Rd, Ste 111	Olive Branch	MS	38654	662-932-8190	1494
Craig-Rogers Investments, LLC	1501 Jackson Ave West, Suite 107	Oxford	MS	38655	662-234-0707	574
Whiddenprise MS II, LLC	7111 Southcrest Parkway Ste 11	Southaven	MS	38671	(662) 349-5940	408
Craig-Rogers Investments, LLC	327 Highway 12	Starkville	MS	39759	662-324-1701	793
Craig-Rogers Investments, LLC	2438 West Main St	Tupelo	MS	38801	662-620-7777	858
M & R Family Restaurants, Inc.	2950 King Avenue West, Suite 4	Billings	MT	59102	(406) 969-1860	1876
Catron Family Foods, Inc.	867 S. 29th Avenue #104	Bozeman	MT	59718	406-551-1144	1146

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FIREHOUSE FRANCHISED RESTAURANTS AS OF DECEMBER 31, 2022

Franchise Group	Address	City	State	Zip	Telephone #	Rest. #
Kleinman Family Holdings, Inc.	110 Hutton Ranch Rd Suite 102	Kalispell	MT	59901	406-314-4104	1818
Kleinman Family Holdings, Inc.	2845 N. Reserve Street	Missoula	MT	59808	(406) 317-1698	1890
Amaya Subs LLC	1844 North Sandhills Blvd	Aberdeen	NC	28315	910-684-8559	1402
Renaissance Restaurant Group, LLC	1047 Beaver Creek Commons Dr.	Apex	NC	27502	(919) 367-0111	233
WESTLAND ENTERPRISE INC	100 Julian Lane ste 150	Arden	NC	28704	828-681-0850	364
G C W Enterprises, Inc.	229 Airport Rd. #5	Arden	NC	28704	828-654-9095	1048
Spencer Third Generation, LLC	1214-D East Dixie Dr.	Asheboro	NC	27203	336-318-4632	1207
G C W Enterprises, Inc.	168 Tunnel Rd. Ste. 10	Asheville	NC	28805	(828) 299-7552	313
G C W Enterprises, Inc.	1334 Patton Ave.	Asheville	NC	28806	828-254-4133	941
Spencer Third Generation, LLC	2471 S. Church St.	Burlington	NC	27215	336-229-4405	752
CMVK FOOD SERVICES LLC	260 Grande Heights Dr.	Cary	NC	27513	(919) 468-1822	122
Bello Restaurant Group, LLC	2222 Walnut Street	Cary	NC	27518	919-322-1986	1530
Renaissance Restaurant Group, LLC	1726 Fordham Blvd. Ste. 110	Chapel Hill	NC	27514	984-999-4793	1603
Subperb Sandwiches Charlotte South Blvd, LLC	4732 South Blvd.	Charlotte	NC	28217	(704) 565-5230	24
JKESHVI LLC	8516 South Tryon St. Ste 105	Charlotte	NC	28273	(704) 583-0444	81
TLC Enterprises, LLC	2700 W. Mallard Creek Church Rd. Suite #220	Charlotte	NC	28262	(704) 503-1111	219
TLC Enterprises, LLC	9335 Center Lake Dr. Ste 130	Charlotte	NC	28216	(704) 494-3330	329
Professional Restaurant Group, Inc.	8020 Providence Rd.	Charlotte	NC	28277	704-341-4299	493
Professional Restaurant Group, Inc.	7211 Waverly Walk Ave., Ste B-1	Charlotte	NC	28277	980-339-8204	1321
TLC Enterprises, LLC	6925 University City Blvd. Suite 430	Charlotte	NC	28262	704-598-2479	1730
G C W Enterprises, Inc.	17 Big Cove Road	Cherokee	NC	28719	828-554-5617	1900
Meador Brothers, LLC	476 Shotwell Rd.	Clayton	NC	27520	919-550-7000	1237
FoodConcepts NC LLC	7712 Sossaman Lane Suite 100	Concord	NC	28027	(704) 979-3737	272
KGSP 1 Inc.	8111 Concord Mills Blvd., Ste 670	Concord	NC	28027	704-979-9900	505
FoodConcepts NC LLC	28 Raiford Dr. NW	Concord	NC	28027	704-721-0200	1458
Renaissance Restaurant Group, LLC	2608 Erwin Rd Ste 128	Durham	NC	27705	(919) 383-2100	325
Renaissance Restaurant Group, LLC	4201 N. Roxboro Street Suite 110	Durham	NC	27704	919-479-1333	1413
Bello Restaurant Group, LLC	5431 Page Road	Durham	NC	27703	984-888-0688	1657
DJKB Management Inc.	316 W. Ehringhaus St.	Elizabeth City	NC	27909	252-337-9111	749
Lt. Dawes, LLC	300 Glensford Dr.	Fayetteville	NC	28314	910-491-8341	642
Gotaplace Investments, LLC	5590 Camden Road	Fayetteville	NC	28306	910-425-9648	878
OM Hot Subs, LLC	1445 Walter Reed Road	Fayetteville	NC	28304	910-475-0107	1094
VKSS, Inc.	1303 N. Main St.	Fuquay Varina	NC	27526	(919) 762-5328	917
Meador Brothers, LLC	1539 Highway 70, Ste 1551	Garner	NC	27529	919-662-4801	487
TLC Enterprises, LLC	2290 E. Franklin Blvd. Suite 100	Gastonia	NC	28054	980-888-0927	850
Best Development, Inc.	501 N. Berkeley Blvd. Suite B	Goldsboro	NC	27534	919-751-7330	1395
Sona 1 Inc.	1562B Highwoods Blvd	Greensboro	NC	27410	336-763-6426	1297
Sona & Veer 1, Inc.	3704 W. Gate City Blvd.	Greensboro	NC	27407	336-500-8882	1336
Best Investors Group, Inc.	1852 W. Arlington Blvd	Greenville	NC	27858	252-565-8540	767
Best Development, Inc.	205 Greenville Blvd. SE Suite 100	Greenville	NC	27834	252-689-6300	1190
SUBPERB SANDWICHES HENDERSONVILLE LLC	825 Spartanburg Hwy	Hendersonville	NC	28792	828-697-8344	517
Subperb Sandwiches Hickory, LLC	2034 US Highway 70 SE	Hickory	NC	28602	828-358-3239	1418
AP & RP, LLC	1025 2nd St NE	Hickory	NC	28601	(828) 405-1239	1961
Align Trends, Inc.	5815 Samet Dr.	High Point	NC	27265	(336) 885-9760	291
Meador Brothers, LLC	413 Village Walk Dr.	Holly Springs	NC	27540	984-225-2550	1052
TLC Enterprises, LLC	9826 Gilead Rd., Ste C-102	Huntersville	NC	28078	704-992-2282	447
AP & RP, LLC	14039 Highway 74 E	Indian Trail	NC	28079	(704) 893-2888	334
SHRP, LLC	331-A Western Blvd.	Jacksonville	NC	28546	910-219-0192	545
Sona & Veer, Inc.	2251 Spider Dr. NE	Kannapolis	NC	28083	(704) 721-1100	116
MTK Enterprise Group, Inc.	1020 S. Main St. Suite C	Kernersville	NC	27284	336-310-4236	1725
TLC Enterprises, LLC	890 US 401 Bypass North	Laurinburg	NC	28352	(910) 361-4180	1826

EXHIBIT N

FIREHOUSE FRANCHISED RESTAURANTS AS OF DECEMBER 31, 2022

Franchise Group	Address	City	State	Zip	Telephone #	Rest. #
Tabor Foods LLC	3572 Leland Town Center Drive	Leland	NC	28541	910-408-1007	1829
PALMETTO SUB HOUSE, LLC.	417 Blowing Rock Blvd.	Lenoir	NC	28645	(828) 754-8989	155
TLC Enterprises, LLC	5082 Kahn Drive	Lumberton	NC	28358	910-737-6006	984
AP & RP, LLC	1808 Windsor Sq. Dr.	Matthews	NC	28105	(704) 708-5555	40
PC SUBS LLC	2319 W. Roosevelt Blvd., Ste D	Monroe	NC	28110	980-269-8025	1330
TLC Enterprises, LLC	489 River Highway, Ste. C	Mooresville	NC	28117	704-360-2323	1170
Subperb Sandwiches Morganton, LLC	905 N Green St.	Morganton	NC	28655	828-438-1188	1100
MPNK, LLC	3123 Dr. ML King Jr. Blvd.	New Bern	NC	28562	252-636-3473	1058
AP & RP, LLC	9101 Pineville-Matthews Rd.	Pineville	NC	28134	(704) 341-6116	9
SHRI SHIVAM SHAKTI LLC	10251 Little Brier Creek Lane	Raleigh	NC	27617	(919) 806-3900	178
Shaaa LLC	7901 Falls of Neuse Rd., Ste. 133	Raleigh	NC	27615	919-322-0384	785
Meador Brothers, LLC	4111 Ed Dr	Raleigh	NC	27612	919-783-7102	1138
TLC Enterprises, LLC	1355 East Broad Avenue, Unit A	Rockingham	NC	28379	910-817-7453	1800
OM Hot Subs, LLC	3248 NC Route 87 South	Sanford	NC	27330	(919) 777-2996	173
TLC Enterprises, LLC	709 East Dixon Blvd	Shelby	NC	28150	704-481-7567	1727
JJKC Investments, LLC	515 Outlet Center Dr.	Smithfield	NC	27577	919-938-8593	1681
FH Wake Forest, LLC	11704 Retail Drive	Wake Forest	NC	27587	919-556-1010	1517
G C W Enterprises, Inc.	58 Weaver Village Way Unit 101	Weaverville	NC	28787	828-519-9050	1150
Tabor Foods LLC	3608 Oleander Dr.	Wilmington	NC	28403	(910) 791-7827	276
Tabor Foods LLC	5920 Carolina Beach Rd.	Wilmington	NC	28412	(910) 799-5525	397
Pure Trident, Inc.	205 S. Stratford Rd.	Winston-Salem	NC	27103	336-293-6230	532
Cada Mada, LLC	5675 26th Ave. S.	Fargo	ND	58103	701-205-1268	1101
Cada Mada, LLC	2650 32nd Ave. S., Ste F-1	Grand Forks	ND	58201	(701) 757-1391	1415
Minot FHS Seven, LLC	3112 16th St SW, Suite D	Minot	ND	58701	701-852-7827	1902
ON A 3, LLC	1220 E. 23rd St. Ste. 200	Fremont	NE	68025	402-816-4454	1513
FHKrny, LLC	1010 3rd Ave., Ste B	Kearney	NE	68845	308-455-3330	1523
TLM Enterprises, LLC	200 N. 66th St., Ste 201	Lincoln	NE	68505	402-904-4886	1433
TLM Enterprises, LLC	5308 S 56th Street	Lincoln	NE	68516	(531) 254-5216	1881
ON A 3, LLC	721 S. 72nd St.	Omaha	NE	68114	402-619-5501	816
Gulfshore Partners, LLC	2457 S. 132nd St	Omaha	NE	68144	402-933-4888	1407
ON A 3, LLC	14919 W. Maple Rd., Ste 103	Omaha	NE	68116	402-800-3675	1422
Gulfshore Partners, LLC	8920 S. 71st Plaza, Ste. 105	Papillion	NE	68133	402-934-5913	1093
MMK Subs of Dover, LLC	826 Central Ave.	Dover	NH	3820	603-343-4267	1631
Kaby Subs LLC	655 S. Willow St.	Manchester	NH	3103	603-932-2857	1665
ILSEDA Restaurant Group, Inc.	41 W. Palisade Ave.	Englewood	NJ	7631	201-731-3148	1722
ILSEDA Restaurant Group, Inc.	450 Hackensack Ave.	Hackensack	NJ	7601	201-880-8018	1614
Dreamworkers, Inc	1203 Nixon Drive	Moorestown	NJ	8057	856-372-2840	1780
HOST INTERNATIONAL, INC.	Newark Liberty International Airport Terminal B P.O Box 29	Newark	NJ	7114	(240) 694-4893	90005
BMF MGMT, LLC	205 US Hwy 46 West Unit E	Totowa	NJ	7512	973-837-8022	1156
Lucaba, LLC	8050 Academy Rd.	Albuquerque	NM	87111	505-797-4554	555
Lucaba, LLC	4411 San Mateo Blvd. NE Suite E9	Albuquerque	NM	87109	505-888-8850	731
Lucaba751 LLC	3707 Ellison Drive NW, Ste I	Albuquerque	NM	87114	505-898-1671	751
Lucaba, LLC	2100 Louisiana Blvd. NE Ste. 814	Albuquerque	NM	87110	505-916-0402	1564
Fitz's Blazing Investments, LLC	3030 E. Main; Ste A10	Farmington	NM	87402	505-258-4488	1424
4K Restaurant Group, LLC	3734 N. Grimes St. Suite A	Hobbs	NM	88240	575-392-7827	1628
Lucaba, LLC	3777 Cerrillos Rd., Ste. C	Santa Fe	NM	87507	505-438-3388	1272
LHK, LLC	3120 Hwy 50	Carson City	NV	89701	775-882-8400	1262
Eastgate FHS, LLC	510 Marks Street, Suite 110	Henderson	NV	89014	702-565-4444	795
J & M Restaurant Group, LLC	9555 S. Eastern Ave. Ste 130	Las Vegas	NV	89123	(702) 893-3473	330
Lake Mead FHS 534, LLC	7290 W. Lake Mead Blvd. Suite 100	Las Vegas	NV	89128	702-240-3473	534
FHR Number 1, LLC	6070 S. Rainbow Blvd., Ste 1	Las Vegas	NV	89118	702-463-3900	651

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FIREHOUSE FRANCHISED RESTAURANTS AS OF DECEMBER 31, 2022

Franchise Group	Address	City	State	Zip	Telephone #	Rest. #
IAmix Group LLC	9921 W Charleston Boulevard, Suite 4	Las Vegas	NV	89117	702-463-9800	671
OMPATEL LLC	5905 S. Eastern. Ave., Ste 109	Las Vegas	NV	89119	702-262-7805	777
Teffs Food, LLC	7250 S. Durango Drive Suite 160	Las Vegas	NV	89113	702-614-1633	883
Sun Light Sub LLC	4761 S. Maryland Parkway	Las Vegas	NV	89119	702-262-1222	960
OM'S 2, LLC	2208 S. Nellis Blvd., Ste. 7	Las Vegas	NV	89104	702-462-5300	1023
Rice/215 1044 FHS, LLC	6171 N. Decatur, Ste 170	Las Vegas	NV	89130	702-826-4877	1044
FHR Number 2, LLC	1121 S. Decatur Blvd., Ste 140	Las Vegas	NV	89102	702/644-0043	1430
FHR Number 3, LLC	8461 Farm Road Ste. 170	Las Vegas	NV	89131	(702) 395-0555	1671
FHR Number 4, LLC	8239 Dean Martin Drive Ste. A	Las Vegas	NV	89139	702-395-2888	1709
LHK, LLC	199 Damonte Ranch Pkwy. Unit K	Reno	NV	89521	775-851-1072	1815
LHK, LLC	925 W. 5th St. Suite #125	Reno	NV	89503	(775) 622-1078	1916
LHK, LLC	593 E. Prater Way	Sparks	NV	89431	775-376-8200	1663
WNY Ladder Company, LLC	4405 Milestrip Rd.	Blasdell	NY	14219	716-604-5639	966
WNY Ladder Company, LLC	7870 Transit Rd.	Buffalo	NY	14221	716-276-3259	739
Southern Tier Firehouse LLC	5308 West Genesee St	Camillus	NY	13031	315-487-5979	1266
Southern Tier Firehouse LLC	740 South Meadow Drive, Suite 1100	Ithaca	NY	14850	607-256-3473	989
IT'S NOT A WRAP LLC	2830 West Henrietta Rd	Rochester	NY	14623	(585) 413-3999	1896
Southern Tier Firehouse LLC	805 North Main St.	Syracuse	NY	13212	315-458-2050	1706
OZKL LLC	35682 Detroit Rd., Suite 3	Avon	OH	44011	(440) 444-1120	1691
Youngstown Sub Club, LLC	700 Boardman Poland Rd Suite #2	Boardman	OH	44512	330-965-7827	1729
MIK 5 LLC	4748 Ridge Rd.	Brooklyn	OH	44144	(216) 417-0149	1980
MIK 3, LLC	4606 Belden Village St.	Canton	OH	44718	330-491-9844	1670
D&S Subs 3, LLC	5239 Cornerstone North Blvd	Centerville	OH	45440	937-310-1160	1473
FirstResponder Restaurant Group, LLC	7426 Beechmont Ave. #204	Cincinnati	OH	45255	513-233-3473	686
Rescue Restaurant Group, LLC	830 Eastgate South Dr.	Cincinnati	OH	45245	513-943-7827	1208
St. Charles Enterprises, LLC	10869 Montgomery Rd.	Cincinnati	OH	45242	513 429-4106	1616
Czer Subs Polaris, LLC	2140 Polaris Pkwy	Columbus	OH	43240	614-515-5882	515
PDSA, INC.	6454 Sawmill Rd.	Columbus	OH	43235	614-889-1000	518
HAKV, LLC	1511 Hilliard Rome Road	Columbus	OH	43228	614-851-3100	663
Czer Subs Grandview, LLC	955 W. 5th Ave.	Columbus	OH	43212	614-298-1324	693
TDK Sub 1, LLC	4994 North Hamilton, Space B	Columbus	OH	43230	614-428-0092	1203
D&S Subs, LLC	8436 Old Troy Pike	Dayton	OH	45424	937-938-9737	815
D&S Subs, LLC	6 Oakwood Ave., Ste. A	Dayton	OH	45409	937-813-1585	970
D&S Subs, LLC	1092 S. Main St	Englewood	OH	45322	937-771-0806	1370
MIK LLC 2	3023 West Market St.	Fairlawn	OH	44333	330-835-4841	1540
Patel Subs Inc.	1978 Tiffin Ave	Findlay	OH	45840	567-525-3600	1213
Czer Subs Gahanna, LLC	406 Granville St	Gahanna	OH	43230	614-269-8600	680
D&S Leising, LLC	3195 Princeton Rd	Hamilton	OH	45011	513-714-4115	1332
J, D & N Subs, LLC	10467 Harrison Ave	Harrison	OH	45030	513-845-4672	1331
D&S Subs 2, LLC	4301 Far Hills Ave	Kettering	OH	45429	937-298-4444	945
TDs Restaurant Group, LLC	845 N. Memorial Dr.	Lancaster	OH	43130	(740) 785-4801	1699
FHS of Cleveland, LLC	6232 Mayfield Road	Mayfield Heights	OH	44124	440-442-0782	683
LAB 26.2, LLC	9209 Mentor Ave	Mentor	OH	44060	440-974-8515	803
MIK4 LLC	19125 East Bagley Rd.	Middleburg Heights	OH	44103	440-403-9494	1813
TDs Restaurant Group, LLC	1222 N. 21st St.	Newark	OH	43055	740-281-3017	1345
RJ Subs, LLC	3246 Navarre Ave	Oregon	OH	43616	419-214-0904	1419
Czer Subs, LLC	152 Clint Drive	Pickerington	OH	43147	614-892-7020	1057
KAYLOG LLC	21860 Center Ridge Rd	Rocky River	OH	44116	216-772-2300	1501
Black Bear Restaurant Development, LLC	2034 W. Michigan St.	Sidney	OH	45365	937-492-1717	1585
MIK, LLC	17250 Royalton Rd	Strongsville	OH	44136	440-238-1133	780
AEE Subs, Inc.	5208A Monroe St.	Toledo	OH	43623	419-725-9090	769

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FIREHOUSE FRANCHISED RESTAURANTS AS OF DECEMBER 31, 2022

Franchise Group	Address	City	State	Zip	Telephone #	Rest. #
St. Charles Enterprises, LLC	7770 Dudley Drive	West Chester	OH	45069	513-759-6700	549
FHS of Willoughby, LLC	36161 Euclid Avenue	Willoughby	OH	44094	440-942-7827	1690
Oklahoma Bucket Brigade, LLC	1124 North 9th Street	Broken Arrow	OK	74012	918-251-4953	871
DJP & JPB Management Inc.	19361 Robson Rd., Suite #2	Catoosa	OK	74015	(918) 739-3950	1917
Blue Eagle Contractors Group, Inc.	2501 W. Main St. Ste. 103	Durant	OK	74701	(580) 745-8127	1624
JS ONE EDMOND LLC	1597 S. Broadway	Edmond	OK	73013	405-513-7100	1110
TGD Investments, Inc.	3407 NW Cache Rd.	Lawton	OK	73505	580-699-7100	1751
JS ONE MIDWEST CITY, LLC	2301 S. Douglas Blvd. Ste. 100	Midwest City	OK	73130	405 455 6456	1461
JS ONE MOORE, LLC	1301 S. I35 Service Rd. Suite #104	Moore	OK	73160	405-703-2805	891
JS ONE NORMAN LLC	320 12th Ave SE Suite 120	Norman	OK	73071	405-701-7002	733
JS ONE OKC.1, LLC	5959 NW Expressway	Oklahoma City	OK	73132	405-721-2000	868
JS ONE OKC.2, LLC	5924 SW 3rd St. NOT A MAILING ADDRESS!	Oklahoma City	OK	73127	405-792-2236	1389
Oklahoma Bucket Brigade, LLC	9538 N. Garnett Rd	Owasso	OK	74055	918-272-4401	1198
Oklahoma Bucket Brigade, LLC	6630 S. Memorial Dr.	Tulsa	OK	74133	(918) 249-3473	370
Tulsa Rescue, LLC	7030 South Lewis Ave Suite A	Tulsa	OK	74136	918-576-6100	1152
V1 Restaurant Group, LLC	2755 SW Cedar Hills Blvd., Suite 102	Beaverton	OR	97005	503-747-0910	1062
V1 Restaurant Group, LLC	9120 SW Hall Blvd Suite C	Beaverton	OR	97223	503-521-7193	1515
River City Subs, Inc.	2442 SE Burnside Rd.	Gresham	OR	97080	503-491-3585	1252
V4 Enterprises LLC	5930 Ulali Drive NE	Keizer	OR	97303	503-584-1071	1605
V5 Enterprises, LLC	540 NE Highway 99W, Suite A	McMinnville	OR	97128	971-706-2138	1606
RKS Enterprises, Inc.	625 Medford Center	Medford	OR	97504	541-622-8880	1518
River City Subs, Inc.	3810 Commercial St. SE	Salem	OR	97302	971-719-2941	1296
RKS Enterprises, Inc.	2820 Gateway St suite MT-104	Springfield	OR	97477	458-205-8250	1406
V1 Restaurant Group, LLC	7665 SW Nyberg St.	Tualatin	OR	97062	503-747-4124	1249
Mojo Foods, Inc.	1002 Logan Blvd., Suite #116	Altoona	PA	16602	(814) 201-2804	1991
S & L Foods, LLC	620 Butler Crossing Suite 1	Butler Township	PA	16001	724-841-0114	1498
J & R Sub Shops, LLC	10 Noble Blvd. #5	Carlisle	PA	17013	717-701-8636	1830
JAW Stretchin' Subs, LLC	20436 US HWY 19 Suite 600	Cranberry Twp	PA	16066	724-591-8668	723
Moon & Charlton, LLC	2203 West 12th St.	Erie	PA	16505	814-731-8568	1500
IMOJOEL, INC.	5109-B Route 30	Greensburg	PA	15601	724-600-7220	1472
KRICK1575 LLC	100 Eisenhower Dr Ste. 220	Hanover	PA	17331	717-698-1565	1575
Mojo Foods, Inc.	1513 Scalp Ave, Ste 60	Johnstown	PA	15904	814-254-4668	1278
Baluga Bay Enterprise, LLC	120 Rohrerstown Rd. Ste. 8A	Lancaster	PA	17603	717-824-4350	1453
KRA Enterprises, LLC	126 Gallery Drive	McMurray	PA	15317	724 260-5345	602
Youngstown Sub Club, LLC	100 Beaver Valley Mall Blvd #2	Monaca	PA	15061	724-709-8787	1872
S & L Foods, LLC	320 McHolme Drive	Pittsburgh	PA	15275	412-788-4070	894
Squad 8 LLC	378 Washington Rd	Washington	PA	15301	724-470-9884	1529
Astitva1 LLC	2531 East Market St	York	PA	17402	717-430-4847	1456
Latin American Subs, LLC	Carr. #2 Int. 107 Lote E	Aguadilla	Puerto Rico	603	787-658-0999	1325
Latin American Subs, LLC	Carretera 830 Km 0.5 Barrio Cerro Gordo	Bayamon	Puerto Rico	957	939-225-2791	898
Latin American Subs, LLC	Intersection SR 156 & Los Prados Blvd.	Caguas	Puerto Rico	727	787-961-7076	697
Latin American Subs, LLC	Plaza Canovanas Local B18B, PR-3 Km 17.8 Esquina PR-188	Canóvanas	Puerto Rico	729	787-500-2030	799
Latin American Subs, LLC	Perez Hermanos Plaza Carretera #1 KM 56.2 Barrio Monte Llano	Cayey	Puerto Rico	736	787-694-7739	1051
Latin American Subs, LLC	State Rd 3 Carr. 698	Dorado	Puerto Rico	646	787-626-4402	1324
Latin American Subs, LLC	Los Jardines de Guavnabo Mall Marginal Expreso Martinez Nadal 21B	Guaynabo	Puerto Rico	969	939-205-2600	726
Latin American Subs, LLC	State Road PR-2 Int. PR-130	Hatillo	Puerto Rico	659	787-936-7297	1831
Latin American Subs, LLC	Intersection of SR 30 with SR 31	Juncos	Puerto Rico	777	787-687-3031	656
Latin American Subs, LLC	Carr #1, km. 159.5 Barrio Guanajibo West End Plaza	Mayaguez	Puerto Rico	682	939-475-1565	1718

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FIREHOUSE FRANCHISED RESTAURANTS AS OF DECEMBER 31, 2022

Franchise Group	Address	City	State	Zip	Telephone #	Rest. #
Latin American Subs, LLC	Reina del Sur Shopping Center B1 Ave. Baramaya	Ponce	Puerto Rico	962	787-474-7917	1817
Latin American Subs, LLC	525 Roosevelt Ave, Plaza Las Americas Shopping Center, Food Court Local 320	San Juan	Puerto Rico	921	939-205-1138	681
Latin American Subs, LLC	Plaza Esmerald, Carr 153 km 7	Santa Isabel	Puerto Rico	757	(787) 474-7777	2004
Latin American Subs, LLC	Plaza Los Palacios PR 167 & PR 5	Toa Alta	Puerto Rico	953	939-225-2600	725
Morya LLC	1000 Chapel View Blvd., Suite 108	Cranston	RI	2920	401-415-8101	1645
DOWNEY FOODS, LLC	152 South Aiken Lane	Aiken	SC	29803	(803) 649-5170	235
DOWNEY FOODS, LLC	3555 Richland Ave. W.	Aiken	SC	29801	(803) 643-9677	419
Goldsmith Development, Inc.	3321 N. Main St. Suite D	Anderson	SC	29621	(864) 222-3702	90
Mama Vilas Sandwich Works, LLC	2219 Boundary St.	Beaufort	SC	29902	843-379-3443	497
Liquid Fire, LLC	32 Malphrus Rd	Bluffton	SC	29910	843-815-7827	562
Fire Brigade Restaurant Group, Inc.	3605 Boiling Springs Rd. Hwy 9	Boiling Springs	SC	29316	864-578-9797	258
TLC Enterprises, LLC	2184-B West Dekalb Street	Camden	SC	29020	(803) 272-0222	1351
TLC Enterprises, LLC	542 Knox Abbott Drive	Cayce	SC	29033	(803) 834-4411	1975
Second Alarm Restaurant Group, LLC	1836 Ashley River Rd. Ste I	Charleston	SC	29407	(843) 766-9111	112
NOLEX LLC	3032 W. Montague Unit 104	Charleston	SC	29418	(843) 740-1734	389
TLC Enterprises, LLC	633 Main St.	Columbia	SC	29201	(803) 733-9836	307
TLC Enterprises, LLC	150-A Harbison Blvd.	Columbia	SC	29212	803-749-5535	446
TLC Enterprises, LLC	3250 Forest Dr.	Columbia	SC	29204	803-445-1312	665
TLC Enterprises, LLC	1516 Ellie Dr. Ste. 104	Columbia	SC	29203	803-735-3997	1629
TLC Enterprises, LLC	6041-A Garners Ferry Rd.	Columbia	SC	29209	803-995-5855	1692
TLC Enterprises, LLC	152-A Middle Ridge Avenue	Conway	SC	29526	843-349-4300	865
TLC Enterprises, LLC	924 Enterprise Road	Dillon	SC	29536	(843) 506-8946	1976
Fire Brigade Restaurant Group, Inc.	1634 E. Main St.	Duncan	SC	29334	(864) 486-9890	357
PALMETTO SUB HOUSE, LLC.	6310 Calhoun Memorial Hwy.	Easley	SC	29640	(864) 859-5450	245
TLC Enterprises, LLC	1925 Mountain Laurel Ct. Suite C	Florence	SC	29505	(843) 679-9633	54
TLC Enterprises, LLC	3007-B West Radio Drive	Florence	SC	29501	843-669-1411	454
Compass Group USA, Inc.	555 East Cheves Street	Florence	SC	29506	(555) 555-5555	90019
Tiricorp Enterprises, Inc.	1826 Hwy 160 W, Ste. 106	Fort Mill	SC	29708	803-548-8877	1583
Subperb Sandwiches Gaffney, LLC	1542 West Floyd Baker Blvd	Gaffney	SC	29341	864-488-8004	768
Goldsmith Development, Inc.	765 Haywood Rd., Ste. B-3	Greenville	SC	29607	(864) 271-7200	131
Goldsmith Development, Inc.	1781 Woodruff Rd	Greenville	SC	29607	864-509-1556	852
DOWNEY FOODS, LLC	310 Hwy 72 Bypass NW	Greenwood	SC	29649	(864) 227-1698	404
Goldsmith Development, Inc.	1205-A West Wade Hampton Blvd.	Greer	SC	29650	(864) 879-2306	346
TLC Enterprises, LLC	10092 Charlotte Hwy, Suite 101	Indian Land	SC	29707	(704) 540-5995	109
TLC Enterprises, LLC	7467 St. Andrews Rd.	Irmo	SC	29063	(803) 407-8548	114
TLC Enterprises, LLC	109 Old Chapin Road	Lexington	SC	29072	(803) 957-1100	197
Goldsmith Development, Inc.	301 W. Butler Rd. Unit C	Mauldin	SC	29662	(864) 286-6464	70
Three Alarm Subs, Inc.	469 N US HWY 52 Suite D	Moncks Corner	SC	29461	843-761-7827	1612
AJ Hatton, LLC	623 Johnnie Dodds Blvd.	Mt. Pleasant	SC	29465	(843) 375-5965	203
Fireside Restaurant Company, Inc.	1211 38th Ave. N.	Myrtle Beach	SC	29577	(843) 626-9111	35
TLC Enterprises, LLC	3068 Dick Pond Road Unit 3	Myrtle Beach	SC	29588	843-294-0126	1827
FH Augusta, LLC	1237 Knox Ave N	N. Augusta	SC	29841	(803) 279-5534	140
TLC Enterprises, LLC	1214 Wilson Rd.	Newberry	SC	29108	803-723-0068	1794
Second Alarm Restaurant Group, LLC	7250 Rivers Ave. Bldg. 200 Suite #5	North Charleston	SC	29406	(843) 572-8766	158
Three Alarm Subs, Inc.	8966 University Blvd., Ste. 101	North Charleston	SC	29406	843-203-3881	1107
Three Alarm Subs, Inc.	8819 Dorchester Rd., Suite #101	North Charleston	SC	29420	843-494-9160	1968
TLC Enterprises, LLC	560 Highway 17 N.	North Myrtle Beach	SC	29582	(843) 663-3473	192
TLC Enterprises, LLC	3291 St Matthews Road	Orangeburg	SC	29118	803-662-9980	1960
Goldsmith Development, Inc.	3427 Highway 153	Powdersville	SC	29673	864-520-8698	1245
TLC Enterprises, LLC	2674 Celanese Rd, Suite 109	Rock Hill	SC	29732	803-329-7827	1339

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FIREHOUSE FRANCHISED RESTAURANTS AS OF DECEMBER 31, 2022

Franchise Group	Address	City	State	Zip	Telephone #	Rest. #
Tiricorp Enterprises, Inc.	1969 Canterbury Glen Lane, Ste 108	Rock Hill	SC	29730	803-329-0004	1366
PALMETTO SUB HOUSE, LLC.	1026 Bypass 123 Ste B	Seneca	SC	29678	(864) 888-2900	367
Goldsmith Development, Inc.	679 Fairview Rd	Simpsonville	SC	29680	864-757-1577	730
Fire Brigade Restaurant Group, Inc.	127 E. Blackstock Rd. Ste 700	Spartanburg	SC	29301	(864) 541-7523	358
Fire Brigade Restaurant Group, Inc.	159 S. Pine St., Ste A	Spartanburg	SC	29302	864-541-7929	658
Three Alarm Subs, Inc.	220-c Azalea Square	Summerville	SC	29483	(843) 871-6107	1467
TLC Enterprises, LLC	1297 Broad St.	Sumter	SC	29150	803-469-7000	462
Fireside Restaurant Company, Inc.	1610 Highway 17 Business South	Surfside Beach	SC	29575	843-650-9111	159
Fire Brigade Restaurant Group, Inc.	3023 Wade Hampton Blvd. Ste A	Taylors	SC	29687	(864) 292-6887	162
TLC Enterprises, LLC	2805-B Sunset Blvd.	West Columbia	SC	29169	803-708-4761	460
TLC Enterprises, LLC	2301 Augusta Rd.	West Columbia	SC	29169	803-764-1940	1186
Brookings FHS 8, LLC	2304 6th St.	Brookings	SD	57006	(605) 692-8844	1905
Engelstad FHS One, LLC	3504 W. 41st St.	Sioux Falls	SD	57106	605-275-2400	845
Engelstad FHS Three, LLC	5200 E Arrowhead Pwky	Sioux Falls	SD	57110	605-275-3473	1163
Engelstad FHS Four, LLC	2702 9th Ave. SE	Watertown	SD	57201	605-878-0264	1484
Black Dog Investments, LLC	1812 Decatur Pike	Athens	TN	37303	(423) 744-3014	412
J&J Hospitality, LLC	700 Old Hickory Blvd. Suite 201	Brentwood	TN	37027	615-750-2955	1019
Greater Chattanooga Restaurant Group, LLC	3849 Dayton Blvd. Ste 101	Chattanooga	TN	37415	(423) 877-2345	316
Greater Chattanooga Restaurant Group, LLC	1820 Gunbarrel Rd. Ste 700	Chattanooga	TN	37421	(423) 475-5491	439
BooCoo Subs, LLC	3075 Wilma Rudolph Blvd. B 4	Clarksville	TN	37040	931-919-2222	889
BooCoo Subs, LLC	1839 Madison Street, Building E	Clarksville	TN	37040	931-919-2772	1263
Black Dog Investments, LLC	201 Keith St. SW #18	Cleveland	TN	37311	(423) 476-7827	315
Black Dog Investments, LLC	615 Paul Huff Parkway	Cleveland	TN	37312	423-476-0500	654
Swain Station Inc.	2217 N. Charles G Seivers Blvd.	Clinton	TN	37716	865-269-4094	1578
Whiddenprise, LLC	910 W. Poplar Ave., Ste 3	Collierville	TN	38017	901-850-2109	721
ISP Corp	1940 Shady Brook St	Columbia	TN	38401	931-548-2504	703
Tej Subs, LLC	670 S. Jefferson Ave.	Cookeville	TN	38501	931-854-9176	678
J3L ENTERPRISES, INC.	7505 Hwy 64 Ste #109	Cordova	TN	38133	(901) 373-9200	311
PRG II LLC	1400 N. Germantown Pkwy, Ste 108	Cordova	TN	38016	901-756-1104	1427
CB Restaurant Group, LLC	424 Obed Plaza, Ste 3	Crossville	TN	38555	931-337-0135	1864
FITFO Investments, LLC	3035 Rhea County Highway	Dayton	TN	37321	(423) 285-5522	1937
Greater Chattanooga Restaurant Group, LLC	6408 Ringgold Rd. Ste. C	East Ridge	TN	37412	423-531-8081	1570
B Squared Enterprises, LLC	119 Brooklawn St	Farragut	TN	37934	865-966-3473	575
Way Better Subs III, Inc.	1844 West McEwen Dr ste 120	Franklin	TN	37067	615-905-5552	800
Max Management Inc.	7685 Farmington Blvd. Ste 108	Germantown	TN	38138	(901) 755-8633	266
BMRG, LLC	480 Long Hollow Pike	Goodlettsville	TN	37072	615-448-6069	506
BMRG II, LLC	280 Indian Lake Blvd., Ste 120	Hendersonville	TN	37075	615-590-7145	627
Edens Sub Shop I, LLC.	5225 Old Hickory Blvd., Ste 203	Hermitage	TN	37076	615-730-7593	468
Greater Chattanooga Restaurant Group, LLC	5546 TN Hwy 153, Ste 102	Hixson	TN	37343	423-803-5999	1235
Whiddenprise II, LLC	907 Vann Dr., Ste. A & L	Jackson	TN	38305	731-300-0003	1173
FOURTH ALARM MANAGEMENT, INC.	1708 W. Cumberland Ave.	Knoxville	TN	37916	(865) 673-0864	191
B Squared Enterprises, LLC	8853 Town & Country Cir.	Knoxville	TN	37923	(865) 531-2303	240
FOURTH ALARM MANAGEMENT, INC.	5226 N. Broadway	Knoxville	TN	37918	(865) 357-9866	314
Swain Station Inc.	2431 Callahan Dr.	Knoxville	TN	37912	(865) 947-3473	392
B Squared Enterprises, LLC	128 Buckingham Dr.	Knoxville	TN	37909	(865) 212-5507	394
B Squared Enterprises, LLC	10728 Hardin Valley Rd	Knoxville	TN	37922	865-692-1946	482
Swain Station Inc.	4419 Western Ave. #101	Knoxville	TN	37920	865-200-8681	788
Orange Fire Management, Inc.	7614 Chapman Highway #116	Knoxville	TN	37920	865-951-0157	1680
B Squared Enterprises, LLC	149 Kelsey Lane, Ste 101	Lenoir City	TN	37772	865-816-6600	791
B Squared Enterprises, LLC	419 S. Washington St.	Maryville	TN	37804	(865) 980-3332	395
J3L ENTERPRISES, INC.	5062 Park Ave.	Memphis	TN	38117	(901) 763-3066	371

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FIREHOUSE FRANCHISED RESTAURANTS AS OF DECEMBER 31, 2022

Franchise Group	Address	City	State	Zip	Telephone #	Rest. #
Whiddenprise IV, LLC	1571 Union Avenue	Memphis	TN	38104	901-276-9599	771
Orange Fire Management, Inc.	140 Hatfield Dr. Ste. 3	Morristown	TN	37814	423-839-2354	1541
Edens Sub Shop II, LLC.	650 S. Mt. Juliet Rd Suite #130	Mt. Juliet	TN	37122	615-553-2671	774
Way Better Subs II, Inc.	2018 Medical Center Pkwy	Murfreesboro	TN	37129	615-796-6058	598
Way Better Subs VI, LLC	2445 Memorial Blvd., Ste A	Murfreesboro	TN	37129	615-962-8051	1847
Way Better Subs VII, LLC	2854 South Church Street	Murfreesboro	TN	37127	(615) 900-3130	1891
J&J Hospitality, LLC	6606 Charlotte Pike, Ste 101	Nashville	TN	37205	615-739-6277	526
J&J Hospitality, LLC	708 Thompson Lane	Nashville	TN	37204	615-730-5004	561
B Squared Enterprises, LLC	1143 Oak Ridge Turnpike Ste 109	Oak Ridge	TN	37830	(865) 483-0866	312
Greater Chattanooga Restaurant Group, LLC	9032 Old Lee Hwy. Suite 114	Ooltewah	TN	37363	423-910-1800	1397
B Squared Enterprises, LLC	2726 Parkway	Pigeon Forge	TN	37863	865-365-1099	700
Orange Fire Management, Inc.	603 E. Emory Rd.	Powell	TN	37849	865-859-0447	449
B Squared Enterprises, LLC	209 Middle Creek Rd.	Sevierville	TN	37862	865-365-1173	509
WAY BETTER SUBS INC	337 Sam Ridley Pkwy. West	Smyrna	TN	37167	615-267-0434	498
ISP Corp	1000 Crossings Blvd. Suite 1000	Spring Hill	TN	37174	931 486-3888	977
Smoke N' Bones, LLC	3858 Ridgemont Dr.	Abilene	TX	79606	325-695-5700	890
Allen-Fifth Watch, LLC	503 W. McDermott Drive, Ste. 150	Allen	TX	75013	972-649-6482	1172
BWSW, LLC	253 Bypass 35 N, Ste. C	Alvin	TX	77511	281-585-1782	1474
JS One.4 LLC	1901 South Georgia	Amarillo	TX	79109	806-418-6651	1594
JS One.5, LLC	3450 S. Soncy Rd. Suite #100	Amarillo	TX	79119	(806) 398-0056	1749
Fire Dancer Arlington LLC	1001 W. Arbrook Blvd.	Arlington	TX	76015	(817) 466-1227	328
CTRG Station 1 Incorporated	4301 W. William Cannon Dr. Bldg B Ste 180	Austin	TX	78749	(512) 899-3473	362
CTRG Station 5, LLC	11101 Burnet Rd., Ste A120	Austin	TX	78758	(512) 821-3473	431
Six Red Chefs, LLC	7318 McNeil Dr., Ste 105	Austin	TX	78729	512-258-2288	465
Fire Dancer Burleson Inc.	12650 South Freeway	Burleson	TX	76028	817-426-0606	455
MTB Family Investments, LLC	352 N. Hwy 67 Ste. C	Cedar Hill	TX	75104	972-293-8270	1108
CTRG Station 7 LLC	1540 Cypress Creek Rd.	Cedar Park	TX	78613	(512) 335-3473	236
The Big Six, LLC	1465 E. Whitestone Blvd., Ste H-340	Cedar Park	TX	78613	(512) 259-9696	466
Houston Pizza Venture LP.	1507 S. Texas Ave.	College Station	TX	77840	979-703-5983	456
A & J Subs, LLC	3021 I-45 North	Conroe	TX	77304	(936) 760-3608	699
CTRG Station 8 LLC	6418 S. Staples St. Suite 140	Corpus Christi	TX	78413	361-994-4990	967
Fire Dancer Burleson Inc.	11750 Hwy 380 Suite 150	Cross Roads	TX	76227	(940) 488-5252	1854
Houston Subs Unlimited, LLC	17400 Spring Cypress #100-B	Cypress	TX	77429	281-256-8039	1004
FHS DFW Restaurant Group, LLC	18208 Preston Rd. D-10	Dallas	TX	75252	469-573-6899	1452
Southlake Sandwich CSW, LLC	6411 E. Northwest Highway, Ste 120	Dallas	TX	75231	972 803 6247	1792
Firedog, LLC	3717 Center Street, Suite E	Deer Park	TX	77536	281-542-7820	597
Denton Sandwich CSW, LLC	2735 W. University Dr., Ste 1059	Denton	TX	76201	940-243-5660	1485
Inventa Ventures, LLC	4201 South McColl Rd	Edinburg	TX	78539	956-800-4506	1347
Milean, Inc.	8889 Gateway West Blvd Suite 525	El Paso	TX	79925	915-219-7123	747
Milean, Inc.	436 Redd Rd., Ste 103-104	El Paso	TX	79912	915-222-8435	1323
Milean, Inc.	1505 George Dieter	El Paso	TX	79936	(915) 307-5401	1464
Altabanks Holdings, LLC	2750 State Hwy 121, Ste 500	Euless	TX	76039	(817) 358-2700	381
Danilowicz Family Investments FM, LLC	6100 Long Prairie Rd. Suite 150A	Flower Mound	TX	75028	972-219-9000	880
Fire Dancer Dave WC, LLC	2901 Western Center Blvd., Ste 145	Fort Worth	TX	76131	817-232-4000	406
JAD Cowtown Sandwich Works, LLC	9180 N. Freeway, ste 524	Fort Worth	TX	76177	(817) 750-7827	710
Fire Dancer Dave CV, LLC	4845 Bryant Irvin Road	Fort Worth	TX	76132	817 294 8000	893
Rosedale Sandwich CSW, LLC	1600 W. Rosedale	Fort Worth	TX	76104	817-870-3841	1060
FHS DFW RESTAURANT GROUP II, LLC	501 Alta Mere Dr. #1009	Fort Worth	TX	76114	817-377-0605	1188
All Fired Up, LLC	3184 Preston Rd. Ste 300	Frisco	TX	75034	(214) 387-0088	290
FHS DFW Restaurant Group, LLC	5999 Custer Rd., Ste 100	Frisco	TX	75035	(214) 618-8277	355
ROR United, LLC	6025 Main St.	Frisco	TX	75034	214-387-4353	434

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Franchise Group	Address	City	State	Zip	Telephone #	Rest. #
KC Inspirations, Inc.	3003 N. President George Bush Fwy Suite 500	Garland	TX	75040	(972) 496-3000	402
KLMA Casa en la Brazos, LLC	325 East Highway 377	Granbury	TX	76048	817-579-9339	1256
Kahlon Investments LLC	1215 West Pioneer Parkway Ste. 220	Grand Prairie	TX	75052	972-639-3737	1410
ROR United, LLC	3110 Interstate Hwy 30 #103	Greenville	TX	75402	903-494-5253	1601
El Tamaulipeco Restaurant & Bar, Inc.	2709 West Expressway 83, Ste 150	Harlingen	TX	78550	(956)230-1472	1713
HOUSTON RESTAURANT GROUP, LLC.	12149 FM 1960 W. Ste A	Houston	TX	77065	(281) 807-0005	253
HOUSTON RESTAURANT GROUP, LLC.	9359 Katy Freeway	Houston	TX	77024	(713) 468-7827	390
TEXAS BACKDRAFT, LLC	3924 Bellaire Blvd.	Houston	TX	77005	713-665-7827	403
FIRELAND IN MEYERLAND, LLC	170 Meyerland Plaza	Houston	TX	77096	713-660-7827	554
NRA Subs Ventures LLC	10916 Westheimer Rd	Houston	TX	77042	713-266-7827	590
RICHMOND RESTAURANT GROUP INC.	14520-L Memorial Drive	Houston	TX	77079	281-741-9124	857
Houston Subs Unlimited, LLC	22556 Tomball Pkwy	Houston	TX	77070	832-843-6205	1379
Star Subs Ventures III, LLC	7505 Southwest Freeway, Ste 300	Houston	TX	77074	(512) 577-5038	1421
Redheaded Stepchild, LLC	7036 FM 1960 E., Unit A-2	Humble	TX	77346	281/446-0925	1008
Zaiden Star LLC	9473 FM 1960 Bypass West	Humble	TX	77338	281-973-9436	1160
Bald Eagle Group Corp	235 I-45 S., Ste A	Huntsville	TX	77340	936-435-1829	1457
MacArthur Sandwich CSW, LLC	7601 N. MacArthur Park, Suite 140	Irving	TX	75063	(972) 373-8500	399
FHS DFW Restaurant Group, LLC	2450 N. Beltline	Irving	TX	75062	(972) 252-1429	993
Katy Restaurant Group, LLC	20900 Katy Freeway	Katy	TX	77449	832-321-5145	819
Katy Restaurant Group, LLC	25551 Kingsland Blvd.	Katy	TX	77494	832-437-2885	1405
Katy Restaurant Group, LLC	6630 FM 1463	Katy	TX	77494	(281) 346-8097	1525
FHS DFW Restaurant Group, LLC	1411 Keller Pkwy Ste. 200	Keller	TX	76248	682 593 7782	1579
Firedog II, LLC	1000 Lowes Blvd. B-400	Killeen	TX	76543	254-680-3473	525
CTRG Station 2, LLC	5695 Kyle Parkway, Suite 110	Kyle	TX	78640	512-504-9443	1715
BWSW, LLC	112 Hwy 146 S., Ste A	La Porte	TX	77571	281-402-5848	1531
Garam Cha, LLC	121 Hwy 332 West Suite E	Lake Jackson	TX	77566	979-292-5114	1140
FHS DFW Restaurant Group, LLC	6060 Azle Avenue #900	Lake Worth	TX	76135	817-238-6500	469
CTRG Station 10 LLC	900 Ranch Road 620 S Suite A110	Lakeway	TX	78734	512-402-1919	832
Sauce2 Enterprizes, LLC	2438 Monarch Dr., Ste. A-160	Laredo	TX	78045	956-753-3404	1165
Subs on Casa Blanca, LLC	2402 Bob Bullock Loop Unit 5	Laredo	TX	78043	956-568-3296	1658
ROR United, LLC	2325 S. Stemmons Fwy Ste 308	Lewisville	TX	75067	972-956-5555	363
Lubbock On Fire, Inc.	2510 Marsha Sharp Freeway Ste. 150	Lubbock	TX	79401	(806) 747-9600	489
CMK Services, LLC	5027 Milwaukee Ave., Ste 200	Lubbock	TX	79407	806-799-1098	701
JS One.3, LLC	9810 Slide Rd., Ste 500	Lubbock	TX	79424	806-702-8251	1437
Station 1 Lumberton LLC	301 N. LHS Drive, Suite #100	Lumberton	TX	77657	(409) 227-4710	1953
Mansfield Sandwich CSW, LLC	2950 Matlock Rd	Mansfield	TX	76063	817-539-9200	1314
Hasten Group, LLC	4901 W Expy 83 Suite 125	McAllen	TX	78503	956-631-0345	916
Triple Capital, LLC	1400 E. Expressway 83, Suite #160	McAllen	TX	78503	(956) 322-3273	1687
FHS DFW RESTAURANT GROUP II, LLC	2890 Craig Dr.	McKinney	TX	75070	469-952-6398	877
Lee Restaurant Group, LLC	18661 LBJ Frwy.	Mesquite	TX	75150	972-279-3473	1082
Lubbock On Fire, Inc.	2900 West Loop 250 N., Ste 162	Midland	TX	79705	432-689-6500	933
SHK Group, LLC	231 E FM 544 Suite 701	Murphy	TX	75094	972-424-9000	520
Lewisville Sandwich CSW, LLC	6020 Parker Rd.	N. Richland Hills	TX	76180	(817) 581-7500	400
CTRG Station 6 LLC	1659 IH 35 South, Ste 101	New Braunfels	TX	78130	(830)626-1305	1305
JS One Development Odessa, LLC	6123 Texas 191 Frontage NOT A MAILING ADDRESS!	Odessa	TX	79762	(432) 366-0244	1159
Garam Cha, LLC	10201 Broadway, Ste 109	Pearland	TX	77584	713-436-7930	523
Firedog, LLC	2326 N. Main Street	Pearland	TX	77581	281-485-7827	1005
SHK Group, LLC	2304 Coit Rd., Ste 680	Plano	TX	75075	972-612-0055	537
ISUBS, LLC	901 N. US 75-Central Expy #300	Plano	TX	75075	(469) 573-9500	1988
Station 6 PA. F.S., LLC	2780 Hwy. 365, Ste. A	Port Arthur	TX	77640	409-729-8500	1151
CTRG Station 9 LLC	1850 US Highway 181 Ste. A	Portland	TX	78374	361-643-3160	1259

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FIREHOUSE FRANCHISED RESTAURANTS AS OF DECEMBER 31, 2022

Franchise Group	Address	City	State	Zip	Telephone #	Rest. #
ROR United, LLC	1141 S Preston Rd. Ste 20	Prosper	TX	75078	469-481-2978	1547
KDC ENTERPRISES, LLC	106 E. Ovilla Rd., Suite 3	Red Oak	TX	75154	(469) 820-9544	1938
Trillis, Inc.	1390 East Beltline Rd	Richardson	TX	75081	972-707-7638	1435
Compass Group USA, Inc.	800 West Campbell Road, Student Union 2.208	Richardson	TX	75080	(303) 929-2313	90010
Lee Restaurant Group, LLC	1067 E. I-30 #105	Rockwall	TX	75087	(972) 722-3473	322
Star Sub Group, LLC	23511 Brazos Town Crossing	Rosenberg	TX	77471	832-471-6459	711
Six Red Chefs, LLC	3151 S. IH-35 Ste 630	Round Rock	TX	78664	(512) 310-0300	380
Smoke N' Bones, LLC	5789 Sherwood Way	San Angelo	TX	76904	325-703-6021	1580
Varahi Restaurants, LLC	5887 Babcock Road	San Antonio	TX	78240	(210) 558-6700	152
Hotchkiss Enterprises of Texas, LTD	1802 N. Loop 1604 E. #104	San Antonio	TX	78232	(210) 490-7610	220
CEDARS UNLIMITED LLC	9961 IH-10 West	San Antonio	TX	78230	210-696-4500	954
Fire Station No. 2611, LLC	2611 S.E. Military Drive Suite 101	San Antonio	TX	78223	(210) 337-8888	1027
WN Biz II, LLC	226 W. Bitters Rd., Ste 110	San Antonio	TX	78216	210-490-2217	1236
Adams Subs of San Antonio, LLC	7431 NW Loop 410, suite 111	San Antonio	TX	78245	210-521-3473	1253
Fire Station No. 6, LLC	430 W. Loop 1604 N #115	San Antonio	TX	78251	210-474-6586	1399
FHSA, LLC	11600 Bandera Rd., Ste 102	San Antonio	TX	78250	210-680-0519	1431
Fire Station No. 2810 LLC	2810 SW Military Dr. #108	San Antonio	TX	78224	210-265-1512	1571
CTRG Station 4, LLC	2586 S.IH 35,	San Marcos	TX	78666	512-353-3473	1268
Hotchkiss Enterprises of Texas, LTD	8211 Agora Pkwy., Ste. 110	Selma	TX	78154	(210) 658-6870	265
BLAZINGINFERNO - SHERMAN LLC	853 North Creek Dr.	Sherman	TX	75092	(903) 892-6400	435
Lefty's Subs Inc.	257 Cypresswood Dr.	Spring	TX	77388	281-288-3488	423
Legendary Grit Inc.	2675 W. Washington St., Unit #200	Stephenville	TX	76401	(254) 434-5050	1998
Star Sub Group, LLC	3135 Highway 6 South	Sugar Land	TX	77478	281-980-7827	540
JK Restaurants, LLC.	3213 Kennedy Lane	Texarkana	TX	75503	903-831-2372	544
Houston Subs Unlimited, LLC	1640 Lake Woodlands Dr. Suite C	The Woodlands	TX	77380	832-616-3002	896
Tyler FHS, LLC	3304 Troup Highway	Tyler	TX	75701	903-787-7472	927
Firedog II, LLC	4215 Franklin Ave.	Waco	TX	76710	254-732-3715	849
Waxahachie Sandwich CSW, LLC	1400 N. Highway 77 Ste 400	Waxahachie	TX	75165	(214) 903-7686	1962
Adams Parker County House, LLC	415 Adams Drive	Weatherford	TX	76086	817-599-6474	1450
BWSW, LLC	304 W Bay Area Blvd, Ste. 100	Webster	TX	77598	281-338-7829	425
TGD Investments, Inc.	3201 Lawrence Road Suite 536	Wichita Falls	TX	76308	940-696-8775	1479
M & Z Subs of Utah, Inc.	218 North West State Rd, Ste 4	American Fork	UT	84003	801-756-4449	1241
Cedar Fire Inc.	78 N Main Street	Cedar City	UT	84720	435-867-6052	1242
Ignacious Endeavours, LLC	2151 N Hill Field Rd.	Layton	UT	84041	(801) 820-6000	1963
S.T.A. Group, LLC	2975 West Clubhouse Drive Suite A	Lehi	UT	84043	801 768-0227	750
Ignacious Endeavours, LLC	1077 North Main #110	Logan	UT	84341	435-753-1773	1049
Ignacious Endeavours, LLC	1008 East Ft. Union Blvd.	Midvale	UT	84047	801-561-3117	519
Ignacious Endeavours, LLC	490 East 1100 North #5	North Salt Lake	UT	84054	(801) 397-5567	1821
M & Z Subs of Utah, Inc.	62 West Bulldog Blvd.	Provo	UT	84604	801-224-5800	1043
Ignacious Endeavours, LLC	4197 Riverdale Rd	Riverdale	UT	84405	(801) 823-1800	1972
Kokopelli Subs, LLC	15 South River Road, Ste 310	Saint George	UT	84790	435-688-9020	814
Jai Jala Group, LLC	3798 South 700 East	Salt Lake City	UT	84106	801-261-9744	632
AJ Union LLC	10325 South State Street	Sandy	UT	84070	801-432-2162	539
TAWK, LLC	11521 South 4000 West, Ste. 101	South Jordan	UT	84095	(801)666-7531	1178
Jai Shiva Group, LLC	5567 West High Market Drive, K-400	West Valley City	UT	84120	801-456-4677	969
MNT Subs 1158, Inc.	8628A Richmond Highway	Alexandria	VA	22309	571-481-4215	1158
NRS ALEXANDRIA, LLC	6550-H Little River Turnpike	Annandale	VA	22312	703-333-5151	530
Z2A LLC	20544 Easthampton Plaza	Ashburn	VA	20147	703-729-3473	1002
FIREBALLSUBS, LLC	800 University City Blvd.	Blacksburg	VA	24060	540-961-0371	556
DL Subs LLC	14245-L Centreville Square	Centreville	VA	20121	703-942-5200	763
FHS Park, Inc.	13812 Metrotech Dr.	Chantilly	VA	20151	703-631-3473	646

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FIREHOUSE FRANCHISED RESTAURANTS AS OF DECEMBER 31, 2022

Franchise Group	Address	City	State	Zip	Telephone #	Rest. #
D & E Management, LLC	820 29th Place Ct.	Charlottesville	VA	22901	434-995-5921	1026
Buttermaker, LLC	836 Eden Way North Suite 1456B	Chesapeake	VA	23320	(757) 222-9466	386
Smartzone, LLC	334 Southpark Circle	Colonial Heights	VA	23834	804-524-9500	535
Five Kae LLC	450 Mall Dr. Ste. 120	Danville	VA	24540	434-835-4719	1638
Castro FH LLC	12120 Fairfax Towne Center	Fairfax	VA	22033	(703) 865-7997	411
Castro FH LLC	9548-D Main St.	Fairfax	VA	22031	703-268-5545	644
River Dog Rescue, LLC	16955 Forest Road, Suite K	Forest	VA	24551	(434) 616-2328	1357
A2Z Foods, Inc.	1251 Carl D. Silver Parkway	Fredericksburg	VA	22401	(540) 785-3473	298
FHS LEE, INC.	10223 Patriot Hwy., STE 108	Fredericksburg	VA	22407	(540) 710-7827	421
4 ALARM, LLC.	4028-K Cox Rd.	Glen Allen	VA	23060	(804) 270-4242	285
4 Alarm #5, LLC	1070 Virginia Center Parkway #107	Glen Allen	VA	23059	804-308-8484	837
Hollywood Business Services LLC	2040 Coliseum Dr	Hampton	VA	23666	757-251-2684	860
Castro FH LLC	2545 Centreville Road	Herndon	VA	20171	703-376-8000	1042
MFG Kingstowne, LLC	5900 Kingstowne Towne Center Ste 120	Kingstowne	VA	22315	(703) 822-9400	302
LVA, Inc.	4018 Wards Rd	Lynchburg	VA	24502	434-237-2290	432
IL Subs, LLC	9660 Liberia Ave.	Manassas	VA	20110	571-364-8251	1113
4 ALARM #3, LLC	6300-D Mechanicsville Turnpike	Mechanicsville	VA	23111	804-730-1880	451
Smartzone, LLC	12059 Southshore Pointe Dr.	Midlothian	VA	23112	804-639-5101	649
PENINSULA FIREHOUSE INC.	12515 Jefferson Ave. Unit E-200	Newport News	VA	23602	757-968-5880	607
JAAM, LLC	1560 Mall Drive	Norfolk	VA	23511	757-965-3944	513
Buttermaker, LLC	5802 E. Virginia Beach Blvd Suite A-117	Norfolk	VA	23502	757-455-5201	624
Buttermaker, LLC	124 E. Little Creek Rd., Ste. 126	Norfolk	VA	23505	757-962-1401	1080
JPFHS, LLC	4028 Victory Blvd.	Portsmouth	VA	23701	757 673 1234	689
BLU 5, LLC	11553 Busy St.	Richmond	VA	23236	(804) 897-7837	349
4 ALARM #2, LLC	9069 Staples Mill Rd.	Richmond	VA	23228	(804) 266-9444	388
FHS Lee White Oak, Inc.	4500 South Laburnum Ave. Suite 170	Richmond	VA	23231	(804) 236-2290	422
4 Alarm #4, LLC	8191-A Brook Road	Richmond	VA	23227	804-262-2777	591
Maha Shiv, Inc.	2554 Sheila Lane	Richmond	VA	23225	804-308-3185	1226
BWISS3, LLC	2019 Colonial Ave.	Roanoke	VA	24015	(540) 345-3131	183
Fire Dogs, Inc.	5044 Keagy Road Suite #106	Roanoke	VA	24018	(540) 204-4471	472
FIREBALLSUBS, LLC	5050 Rutgers St.	Roanoke	VA	24012	540-491-9935	608
FIRE FEEDER LLC	1421 W. Main St.	Salem	VA	24153	(540) 375-9125	375
ORION-ASHER MANAGEMENT, INC.	1465 stafford market place	Stafford	VA	22556	540 659 3400	495
East & West Investments LLC	1036 Warrenton Rd Suite 103	Stafford	VA	22406	540-752-1400	851
BERI-FS LLC	1028 Richmond Ave. #102	Staunton	VA	24401	540-885-0001	759
Z2A LLC	47010 Community Plaza Suite 110	Sterling	VA	20164	571-267-7717	668
More Fire Inc.	1201 N Main St	Suffolk	VA	23434	757-539-0980	1536
Fire Dogs, Inc.	6255 College Drive, Suite K	Suffolk	VA	23435	(757)484-8187	1820
Hollywood Business Services	1577 Laskin Rd. Ste #101	Virginia Beach	VA	23451	(757) 425-3473	295
DFA Enterprises, Inc.	3388 Princess Anne Rd.	Virginia Beach	VA	23456	(757) 468-7827	387
Buttermaker, LLC	5224 Indian River Rd., Ste 101	Virginia Beach	VA	23462	757-962-5776	488
JPFHS2, LLC	2165 General Booth Blvd. Suite 156	Virginia Beach	VA	23454	757-453-6700	831
Vector Food Service LLC	251 W. Lee Hwy, Ste 634	Warrenton	VA	20186	(540)341-7500	859
HCLake Enterprises, Inc.	2088 S. Pleasant Valley Rd.	Winchester	VA	22601	540-773-8684	1622
Hira Holdings, Inc.	13305 Worth Ave	Woodbridge	VA	22192	703-910-7146	610
Sun Pacific Energy, Inc.	838 Uhling Road	Burbank	WA	99323	509-380-5101	1672
FH Investments - WA, LLC	1109 Harrison Ave	Centralia	WA	98531	(360) 669-0425	1782
FH Investments - WA, LLC	221 SE Everett Mall Way	Everett	WA	98208	425-263-9312	1318
Sun Pacific Energy, Inc.	10799 Ridgeline Drive	Kennewick	WA	99337	509-764-8652	1702
JUMP START CORP	1110 Galaxy Dr NE, Ste G	Lacey	WA	98516	(360) 878-9180	1420
Kyck Start Corp	5700 100TH St. SW, Suite 350	Lakewood	WA	98499	(253) 302-4566	1491

EXHIBIT N

FIREHOUSE FRANCHISED RESTAURANTS AS OF DECEMBER 31, 2022

Franchise Group	Address	City	State	Zip	Telephone #	Rest. #
FH Investments - WA, LLC	2631 172nd St. NE, Ste 103	Marysville	WA	98271	360-652-8368	1361
FH Investments - WA, LLC	324 E. College Way ste 103	Mount Vernon	WA	98273	(360) 588-4632	1567
Sun Pacific Energy, Inc.	4845 Broadmoor Blvd., Suite 102	Pasco	WA	99301	509-567-7183	1770
Sun Pacific Energy, Inc.	2607 Kingsgate Way	Richland	WA	99354	509-578-1506	1883
Big Sky Restaurant Group, LLC	7808 N. Division Street	Spokane	WA	99208	509-868-0214	1509
FH Investments - WA, LLC	19151 SE Mill Plain Blvd. Suite 102	Vancouver	WA	98683	360-253-4200	1071
FH Investments - WA, LLC	8101 NE Parkway Dr., C-1	Vancouver	WA	98662	360-718-2609	1232
Sun Pacific Energy, Inc.	6255 Keene Rd	West Richland	WA	99353	(509) 371-9392	1936
DSB Development, LLC	3845 E. Calumet St.	Appleton	WI	54915	(920) 574-3358	1947
NC Restaurants LLC	2787 Milwaukee Rd.	Beloit	WI	53511	608-312-4800	1581
J2 eNjoy More, LLC	9070 N. Green Bay Rd	Brown Deer	WI	53209	(414) 355-7827	1454
Hagen Investments LLC	5314 Prill Rd. Suite 3	Eau Claire	WI	54701	715-514-3600	971
J2 eNjoy Home, LLC	1550 Port Washington Rd.	Grafton	WI	53024	262-421-5566	1532
SKS Enterprises, LLC	2665 S. Oneida St., Ste E	Green Bay	WI	54304	920-544-4690	628
SKS Enterprises, LLC	2304 Lineville Rd. Suite 114	Howard	WI	54313	920-770-5459	1666
NC Restaurants LLC	2050 Morse St, Suite 100	Janesville	WI	53545	608-563-5635	1343
Badger Restaurant Group, LLC	1403 Emil St.	Madison	WI	53713	608-257-1717	811
Badger Restaurant Group, LLC	7854 Mineral Point Rd.	Madison	WI	53717	608-829-1001	887
Badger Restaurant Group, LLC	N92 W16135 Falls Pkwy.	Menomonee Falls	WI	53051	262-293-9046	1899
CNR SUBS, INC.	6012 Washington Ave	Mt. Pleasant	WI	53406	262-583-1024	1251
C3 Station House LLC	4824 S. Moorland Rd. #2	New Berlin	WI	53151	262-788-9191	1889
Ten Twelve Restaurant Group, LLC	1890 S. Koeller St.	Oshkosh	WI	54902	920-385-1199	1118
Central Wisconsin Station, LLC	200 N. Division St., Suite I	Stevens Point	WI	54481	(715) 544-0410	1958
Badger Restaurant Group, LLC	390 S. Grand Ave. #102	Sun Prairie	WI	53590	608-318-6488	1292
Badger Restaurant Group, LLC	21481 E. Moreland Blvd.	Waukesha	WI	53186	262-439-9270	1853
NC Restaurants LLC	180 E. Sunset Drive, Suite C	Waukesha	WI	53189	262-875-3004	1888
Badger Restaurant Group, LLC	1701 N. Mayfair Rd.	Wauwatosa	WI	53226	414-930-9300	1907
J2 eNjoy, Inc.	1733 S. Main St.	West Bend	WI	53095	262-429-2222	1698
StuCorp	139 Conference Center Way	Bridgeport	WV	26330	304-808-6094	675
MELBKL, LLC	5707 Maccorkle Ave SE, Ste 100	Charleston	WV	25304	681-205-8383	1016
KLMV, LLC	1548 3rd Ave.	Huntington	WV	25701	304-528-9100	1221
Foxcroft-partners, LLC	886 Foxcroft Avenue #105	Martinsburg	WV	25401	681-247-2823	1684
StuCorp	1108 Giant Street	Morgantown	WV	26501	304-598-1036	1301
KLCZ,LLC	107 Grand Central Ave. Ste C	Vienna	WV	26105	304-893-9782	735
StuCorp	9644 Mall Loop Rd	White Hall	WV	26554	304-816-3364	572
M&J's Subs, LLC	3901 E Pershing Blvd, Unit C	Cheyenne	WY	82001	(307) 369-1641	1966

EXHIBIT O TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISE OWNERS

WHO HAVE LEFT THE SYSTEM

EXHIBIT O

FRANCHISEES THAT HAVE LEFT THE SYSTEM AS OF DECEMBER 31, 2022

Franchisee	City	State	Phone #
Command, LLC	Cave Creek	AZ	856-220-2821
Code One, LLC	Phoenix	AZ	856-220-2821
Heatwave Subs, LLC	Phoenix	AZ	480-364-1818
White With Black Spots, LLC	Phoenix	AZ	856-220-2821
R&B Legacy, Inc.	Queen Creek	AZ	602-616-2379
R&B Wildfire, LLC	San Tan Valley	AZ	602-616-2379
Lucky 3 Subs, LLC	Tempa	AZ	480-364-1818
Heatwave Subs II, LLC	Tucson	AZ	520-780-2403
Heatwave Subs, LLC	Tucson	AZ	520-780-2403
Linh Chi Subs, Inc.	Anaheim	CA	562-980-6936
Sub Exploration Technology Corp.	Santa Monica	CA	818-577-7704
GSS Enterprises, Inc.	Van Nuys	CA	818-809-8686
Big Red Engine, Inc.	Aurora	CO	303-886-0300
Charged Line, LLC	Aurora	CO	303-886-0300
SiddiqiRasul Boulder, LLC	Boulder	CO	214-235-838
Catalyzer, LLC	Colorado Springs	CO	681-378-8899
SiddiqiRasul, LLC	Thornton	CO	303-810-5772
CPD Investments LLC	Bristol	CT	860-261-5859
R & W Capital, Inc.	Boyton Beach	FL	352-552-0931
2nd Fire, LLC	Dania Beach	FL	787-368-1594
2nd Fire, LLC	Davie	FL	787-368-1594
CB Squared Foods, LLC	Gulf Breeze	FL	850-982-0323
Fire Foods, LLC	Hallandale Beach	FL	787-368-1594
3rd Fire, LLC	Hialeah	FL	787-368-1594
Redline Restaurants, Inc.	Maitland	FL	813-245-3250
South Miami Subs 2, Inc.	Margate	FL	786-252-3335
3rd Fire, LLC	Miami	FL	787-368-1594
FJS Naples, LLC	Naples	FL	239-877-3950
Knights Parks, LLC	Orlando	FL	727-455-9245
Redline Restaurants, Inc.	Orlando	FL	813-245-3250
Oviedo Parks, LLC	Oviedo	FL	727-455-9245
AMM1 LLC	Port St. Lucie	FL	772-200-9076
Redline Restaurants, Inc.	Sanford	FL	813-245-3250
Fire Fruit 115, LLC	Sarasota	FL	352-874-0902
AMM2 LLC	Stuart	FL	772-200-9076
Firehouse Subs of Tallahassee #3, Inc.	Tallahassee	FL	850-567-5171
RSS Sub Shop, Inc.	Alpharetta	GA	404-862-5272
Sbaba PSM 3, LLC	Austell	GA	478-714-9473
Subn It Up, LLC	Duluth	GA	404-429-8388
Subperb Sandwiches of Gerogia, LLC	Fairburn	GA	706-844-3509
NAHZUK, INC.	Fayetteville	GA	404-992-1702
Thunder & Lightning Sandwich Masters, LLC	Hinesville	GA	912-682-3367
Old Capitol Subs, Inc.	Kathleen	GA	478-414-6394
VLLM, LLC	Kennesaw	GA	678-313-3431
FHS LaGrange, Inc.	LaGrange	GA	847-273-7115
Diane's Subs, LLC	Lawrenceville	GA	404-429-8388
4th Round, Inc.	Marietta	GA	404-427-0974
CRISWELL'S INC.	McDonough	GA	404-925-2839
Old Capitol Subs, Inc.	Milledgeville	GA	478-414-6394
HBP Hot Sub, Inc.	Newnan	GA	847-273-7115
S & A Investment, LLC	Peachtree City, LLC	GA	847-273-7115

EXHIBIT O

FRANCHISEES THAT HAVE LEFT THE SYSTEM AS OF DECEMBER 31, 2022

Franchisee	City	State	Phone #
4th Round, Inc.	Smyrna	GA	404-427-0974
Old Capitol Subs, Inc.	Warner Robins	GA	478-414-6394
Old Capitol Subs, Inc.	Warner Robins	GA	478-414-6394
Glebry, Incorporated	Atkins	IA	608-224-9487
Kapler, LLC	Willowbrook	IL	630-957-8390
JAC3 Group, LLC	Baton Rouge	LA	904-463-0285
DAT Management Group, LLC	Gonzales	LA	504-417-5756
DAT Management Group, LLC	Prairieville	LA	504-417-5756
Great Saves Concepts #30, LLC	Wichester	MA	978-697-6696
Subsforyou, Inc.	Frederick	MD	240-421-9902
C&N Ventures, LLC	Laurel	MD	301-332-9599
Steam 2 Please, LLC	Moscow	MD	636-262-1810
AMoledina2, Inc.	Timonium	MD	443-875-6020
Dukes Management, VA, LLC	Upper Marlboro	MD	301-346-9377
Single Bach, LLC	Holland	MI	231-730-8371
Galactic Labs Inc.	Sterling Heights	MI	248-635-1167
First Alarm Restaurants, Inc.	Maple Grove	MN	952-888-2415
Craig Hulke Enterprises, Inc.	Kansas City	MO	816-517-5166
D & B Restaurant Group, LLC	St. Louis	MO	618-234-0388
Renaissance Restaurant Group, LLC	Cary	NC	919-624-7101
Shivam9 Inc.	Charlotte	NC	804-873-8134
JCP Management, Inc.	Elizabeth City	NC	757-761-5536
Eastlant Group, Inc.	Hendersonville	NC	828-708-9323
Best Development, Inc.	New Bern	NC	910-617-4384
CRC Brier Creek, LLC	Raleigh	NC	919-559-5089
BMF MGMT, LLC	Wayne	NJ	973-224-0592
H & K Eastern, LLC	Las Vegas	NV	219-789-9441
H&K Ventures, LLC	Las Vegas	NV	219-789-9441
Black Bear Restaurant Development, LLC	Cincinnati	OH	937-638-4756
DRG of Grandview, LLC	Columbus	OH	740-358-9637
DRG of Polaris, LLC	Columbus	OH	740-358-9637
Dumbaugh Restaurant Group, LLC	Gahanna	OH	740-358-9637
DRG of Pickerington, LLC	Pickerington	OH	740-358-9637
Smokey Three, LLC	West Chester	OH	317-694-2005
JAKAVA, LLC	Whitehorse	OH	419-250-1101
One of We Holdings, LLC	Midwest City	OK	406-655-5450
One of We Holdings, LLC	Moore	OK	406-655-5450
P C Heer Holdings, Inc.	Oklahoma City	OK	405-888-0881
D & D Carlisle, LLC	Carlisle	PA	240-298-7021
Moon & Charlton, LLC	Erie	PA	814-860-6338
B&D Robinson 1, LLC	Pittsburgh	PA	330-770-2470
Krick24, LLC	York	PA	717-577-4276
Smoke-N-Arrows Restaurant Group, LLC	Anderson	SC	864-415-4858
Way Better Subs V, LLC	Hermitage	TN	615-351-4739
Way Better Subs IV, LLC	Mt. Juliet	TN	615-351-4739
Sewbow, LLC	Conroe	TX	832-262-7842
BWSW, LLC	Deer Park	TX	713-855-1525
Adams Cowtown Casa, LLC	Fort Worth	TX	904-654-6417
SW Adams House, LLC	Fort Worth	TX	937-638-4756
Zhadee Restaurant Group, Inc.	Houston	TX	713-922-2212
Janix, LLC	Huntsville	TX	832-262-7842

EXHIBIT O

FRANCHISEES THAT HAVE LEFT THE SYSTEM AS OF DECEMBER 31, 2022

Franchisee	City	State	Phone #
Sub King of Austin	Lakeway	TX	512-410-9015
SiddiqiRasul Longmont, LLC	Plano	TX	214-235-6838
WN Biz, LLC	San Antonio	TX	210-584-6558
Star Subs Ventures II, LLC	Victoria	TX	512-577-5038
Jai Shiva Group, LLC	West Valley City	UT	801-733-0788
PFR1 Pinecrest, LLC	Annandale	VA	703-801-3221
J & J Kubaer Sai, Inc.	Fairfax	VA	757-572-3635
J & J Kubaer, Inc.	Fairfax	VA	757-572-3635
Settimo Restaurant Group, LLC	Hampton	VA	804-833-2309
Lowe Management Corporation	Herndon	VA	703-731-6013
DFA Enterprises, Inc.	Virginia Beach	VA	757-642-6482
Orion Asher & Sanuth Group, Inc.	Warrenton	VA	434-229-1030
Terryellen Hot Subs, Inc.	Vancouver	WA	360-823-9752
Badger Restaurant Group, LLC	New Berlin	WI	(904) 607-6988
GSS Sandwiches, LLC	Waukesha	WI	(920) 342-9531

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

EXHIBIT P TO THE DISCLOSURE DOCUMENT

AGENTS FOR SERVICE OF PROCESS

AND STATE ADMINISTRATORS

AGENTS FOR SERVICE OF PROCESS AND STATE ADMINISTRATORS

ALABAMA Registered Agent C T Corporation System 2 North Jackson Street - Suite 605 Montgomery, AL 36104	**ALASKA** Registered Agent C T Corporation System 8585 Old Dairy Road, Ste 208 Juneau, AK 99801
ARIZONA Registered Agent C T Corporation System 3800 North Central Avenue - Suite 460 Phoenix, AZ 85012	**ARKANSAS** Registered Agent C T Corporation System 124 West Capitol Avenue - Suite 1900 Little Rock, AR 72201-3736
CALIFORNIA Registered Agent C T Corporation System 330 N. Brand Blvd, Ste 700 Glendale, CA, 91203-2336 Regulatory Authority Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 2101 Arena Boulevard Sacramento, CA 95834 (916) 445-7205, Toll Free: (866) 275-2677 Ask.DFPI@dfpi.ca.gov	**COLORADO** Registered Agent C T Corporation System 7700 East Arapahoe Road, Suite 220 Centennial, CO 80112-1268
CONNECTICUT Registered Agent C T Corporation System 67 Burnside Avenue East Hartford, CT 06108-3408	**DELAWARE** Registered Agent The Corporation Trust Company 1209 Orange Street - Corporation Trust Center Wilmington, DE 19801
DISTRICT OF COLUMBIA Registered Agent C T Corporation System 1015 15th Street, NW, Suite 1000 Washington, DC 20005	**FLORIDA** Registered Agent C T Corporation System 1200 South Pine Island Road Plantation, FL 33324 Regulatory Authority Florida Dept. of Agriculture & Consumer Services 407 South Calhoun Street Tallahassee, FL 32399-0800 (850) 410-3800

AGENTS FOR SERVICE OF PROCESS AND STATE ADMINISTRATORS

GEORGIA Registered Agent C T Corporation System 289 South Culver Street Lawrenceville, GA 30046-4805	**HAWAII** Registered Agent C T Corporation System 900 Fort Street Mall, Ste. 1680 Honolulu, HI 96813 Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Rm. 205 Honolulu, HI 96813 Regulatory Authority Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Rm. 205 Honolulu, HI 96813 (808) 586-2722
IDAHO Registered Agent C T Corporation System 1555 W. Shoreline Drive, Suite 100 Boise, ID 83702	**ILLINOIS** Registered Agent C T Corporation System 208 South LaSalle Street, Suite 814 Chicago, IL 60604 Regulatory Authority Illinois Attorney General Franchise Bureau 500 S. Second Street Springfield, IL 62706 (217) 782-4465
INDIANA Registered Agent C T Corporation System 334 North Senate Avenue Indianapolis, IN 46204-1708 Regulatory Authority Indiana Secretary of State Securities Division 302 W. Washington Street, Room E-111 Indianapolis, IN 46204 (317) 232-6681	**IOWA** Registered Agent C T Corporation System 400 East Court Avenue Des Moines, IA 50309

AGENTS FOR SERVICE OF PROCESS AND STATE ADMINISTRATORS

KANSAS Registered Agent C T Corporation System 112 S.W. Seventh Street, Suite 3C Topeka, KS 66603	**KENTUCKY** Registered Agent C T Corporation System 306 West Main Street, Suite 512 Frankfort, KY 40601 Regulatory Authority Office of the Attorney General Consumer Protection Division 1024 Capital Center Drive Frankfort, KY 40601 (502) 696-5389
LOUISIANA Registered Agent C T Corporation System 3867 Plaza Tower Drive Baton Rouge, LA 70816-4378	**MAINE** Registered Agent C T Corporation System 128 State Street, # 3 Augusta, ME 04330
MARYLAND Registered Agent The Corporation Trust Incorporated 2405 York Road, Suite 201 Lutherville Timonium, MD 21093-2264 Regulatory Authority Office of the Attorney General Division of Securities 200 Saint Paul Place Baltimore, MD 21202-2020 (410) 576-6360	**MASSACHUSETTS** Registered Agent C T Corporation System 155 Federal Street, Suite 700 Boston, MA 02110
MICHIGAN Registered Agent The Corporation Company 40600 Ann Arbor Road East, Suite 201 Plymouth, MI 48170-4675 Regulatory Authority Michigan Department of Attorney General Consumer Protection Division 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, MI 48913 (517) 373-7117	**MINNESOTA** Registered Agent CT Corporation System, Inc. 1010 Dale Street North Saint Paul, MN 55117-5603 Regulatory Authority Commissioner of Commerce Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600

AGENTS FOR SERVICE OF PROCESS AND STATE ADMINISTRATORS

MISSISSIPPI Registered Agent C T Corporation System 645 Lakeland East Drive, Suite 101 Flowood, MS 39232	**MISSOURI** Registered Agent C T Corporation System 120 South Central Avenue Clayton, MO 63105
MONTANA Registered Agent C T Corporation System 3011 American Way Missoula, MT 59808	**NAVAJO NATION** Registered Agent J. Nicci Unsicker, Attorney at Law 412 West Arrington Street Farmington, NM 87401
NEBRASKA Registered Agent C T Corporation System 5601 South 59th Street Lincoln, NE 68516 Regulatory Authority Department of Banking and Finance Financial Institutions Division, Bureau of Securities P.O. Box 95006 1526 K Street, Suite 300 Lincoln, Nebraska 68508 (402) 471-2171	**NEVADA** Registered Agent C T Corporation System 701 S. Carson Street, Suite 200 Carson City, NV 89701
NEW HAMPSHIRE Registered Agent C T Corporation System 2 ½ Beacon Street Concord, NH 03301-4447	**NEW JERSEY** Registered Agent C T Corporation System 820 Bear Tavern Road West Trenton, NJ 08628
NEW MEXICO Registered Agent C T Corporation System 206 S Coronado Avenue Espanola, NM 87532-2792	**NEW YORK** Registered Agent C T Corporation System 28 Liberty Street New York, NY 10005 Regulatory Authority NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222

AGENTS FOR SERVICE OF PROCESS AND STATE ADMINISTRATORS

NORTH CAROLINA Registered Agent C T Corporation System 160 Mine Lake Court, Suite 200 Raleigh, NC 27615-6417	**NORTH DAKOTA** Registered Agent C T Corporation System 120 West Sweet Avenue Bismarck, ND 58504-5566 Regulatory Authority North Dakota Securities Department 600 East Boulevard Avenue State Capitol – Fifth Floor Bismarck, ND 58505-0510 (701) 328-2910
OHIO Registered Agent C T Corporation System 4400 Easton Commons Way, Suite 125 Columbus, OH 43219-6223	**OKLAHOMA** Registered Agent C T Corporation System 1833 South Morgan Road Oklahoma City, OK 73128
OREGON Registered Agent C T Corporation System 780 Commercial Street-SE, Suite 100 Salem, OR 97301-3465 Regulatory Authority Department of Consumer and Business Services Division of Finance and Corporate Securities 350 Winter St. NE, Room 410 Salem, OR 97301 (503) 378-4140	**PENNSYLVANIA** Registered Agent C T Corporation System 600 N 2nd Street, Suite 401 Harrisburg, PA 17101-1071
RHODE ISLAND Registered Agent C T Corporation System 450 Veterans Memorial Parkway, Suite 7A East Providence, RI 02914 Regulatory Authority Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex – Building 68-2 Cranston, RI 02920 (401) 222-3048	**SOUTH CAROLINA** Registered Agent C T Corporation System 2 Office Park Court, Suite 103 Columbia, SC 29223

AGENTS FOR SERVICE OF PROCESS AND STATE ADMINISTRATORS

SOUTH DAKOTA Registered Agent / Agent for Service of Process C T Corporation System 319 South Coteau Street Pierre, SD 57501 Director of Division of Insurance Department of Labor and Regulation Securities Regulation 124 S Euclid Ave., Suite 104 Pierre, SD 57501 Regulatory Authority Department of Labor and Regulation Division of Insurance Securities Regulation 124 S Euclid Ave., Suite 104 Pierre, SD 57501 (605) 773-3563	**TENNESSEE** Registered Agent C T Corporation System 300 Montvue Road Knoxville, TN 37919-5546
TEXAS Registered Agent C T Corporation System 1999 Bryan Street, Suite 900 Dallas, TX 75201 Regulatory Authority Secretary of State Registrations Unit 1019 Brazos Street Austin, TX 78701 (512) 475-0775	**UTAH** Registered Agent C T Corporation System 1108 East South Union Avenue Midvale, UT 84047 Regulatory Authority Department of Commerce Division of Consumer Protection 160 E. 300 South Salt Lake City, UT 84111 (801) 530-6601
VERMONT Registered Agent C T Corporation System 17 G W Tatro Drive Jeffersonville, VT 05464-9919	**VIRGINIA** Registered Agent C T Corporation System 4701 Cox Road, Suite 285 Glen Allen, VA 23060-6802 Regulatory Authority Director, Securities and Retail Franchising Division State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051

AGENTS FOR SERVICE OF PROCESS AND STATE ADMINISTRATORS

WASHINGTON Registered Agent C T Corporation System 711 Capitol Way S, Suite 204 Olympia, WA 98501-1267 Regulatory Authority Washington Dept. of Financial Institutions Securities Division PO Box 9033 Olympia, WA 98507 (360) 902-8760	**WEST VIRGINIA** Registered Agent C T Corporation System 5098 Washington St. W. Ste. 407 Charleston, WV 25313-1561
WISCONSIN Registered Agent C T Corporation System 301 S. Bedford Street, Suite 1 Madison, WI 53703 Regulatory Authority Office of the Commissioner of Securities Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, WI 53705 (608) 261-2139	**WYOMING** Registered Agent C T Corporation System 2232 Dell Range Blvd, Suite 200, Cheyenne, WY 82009-4942

EXHIBIT Q TO THE DISCLOSURE DOCUMENT

ADDENDA AND AMENDMENTS

REQUIRED BY CERTAIN STATES

ADDITIONAL DISCLOSURES REQUIRED BY THE STATE OF CALIFORNIA

CALIFORNIA DISCLOSURE

In recognition of the requirements of the California Franchise Investment Law, Cal. Corporations Code Sections 31000 et seq., the Franchise Disclosure Document for Firehouse of America, LLC for use in the State of California shall be amended as follows:

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

2. See the cover page of the Franchise Disclosure Document for our website address. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

3. **Item 3, Additional Disclosure**. The following statement is added to Item 3:

Neither Franchisor nor any person identified in Item 2 of the Franchise Disclosure Document is currently subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

4. **Item 17, Additional Disclosures**. The following statements are added to Item 17:

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

The franchise agreement provides for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101 *et seq.).*

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. These provisions may not be enforceable under California law.

The franchise agreement requires application of the laws of the State of Florida. These provisions may not be enforceable under California law.

You must sign a general release if you transfer or renew your franchise. These provisions may not be enforceable under California law. California Corporations Code Section 31512 voids a waiver of your rights under the California Franchise

Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professional Code Section 21000 voids a waiver of your rights under the California Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

The franchise agreement requires that any action be commenced in a court in the judicial district in which Franchisor has its principal place of business and that you must irrevocably submit to the jurisdiction of such courts. This provision may not be enforceable under California law.

5. You are required to sign a personal guaranty, making you individually liable for financial obligations under both the Franchise Agreement and the Development Agreement. In the state of California, the guaranty will place your spouse's marital and personal assets at risk if your franchise fails.

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

7. **Item 21, Additional Disclosure.** Item 21 of the Franchise Disclosure Document is amended by the addition of the following language:

Also attached at Exhibit L is the unaudited consolidated balance sheet of Franchisor, and its subsidiaries, as of December 31, 2022. THE UNAUDITED BALANCE SHEET IS PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENTS AND FORM.

[*Remainder of page intentionally left blank*]

8. Exhibit L of the Franchise Disclosure Document is amended by the addition of the following:

FIREHOUSE OF AMERICA, LLC
Balance Sheet
(In millions of U.S. dollars)
(unaudited)

	As of December 31, 2022
ASSETS	
Current assets:	
Cash and cash equivalents	$ 19.5
Accounts and notes receivable, net	1.6
Inventories	0.4
Prepaids and other current assets	0.6
Total current assets	22.1
Property and equipment, net	3.9
Operating lease assets, net	5.9
Other assets, net	-
Total assets	$ 31.9
LIABILITIES AND EQUITY	
Current liabilities:	
Accounts and drafts payable	$ 1.6
Other accrued liabilities	7.8
Gift card liability	0.2
Current portion of operating lease liabilities	1.8
Deferred Revenue	3.5
Total current liabilities	14.9
Operating lease liabilities, net of current portion	4.2
Other liabilities, net	6.3
Total liabilities	25.4
Total equity	6.5
Total liabilities and equity	$ 31.9

9. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Each provision of the Additional Disclosures shall be effective only to the extent that the jurisdictional requirements of the California Franchise Investment Law, with respect to each such provision, are met independent of the Additional Disclosures. The Additional Disclosures shall have no force or effect if such jurisdictional requirements are not met.

AMENDMENT TO
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF CALIFORNIA

In recognition of the requirements of the California Franchise Investment Law, Cal. Corporations Code Sections 31000 et seq., the parties to the attached Firehouse of America, LLC Franchise Agreement (the "Agreement") agree as follows:

1. The second paragraph of Section 22.01 of the Agreement is hereby deleted in its entirety.

2. Section XXIII of the Agreement, entitled "Acknowledgments," is hereby deleted in its entirety and replaced with "[Intentionally Deleted]".

3. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

4. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the California Franchise Investment Law, Cal. Corporations Code Sections 31000 et seq. are met independently without reference to this Amendment.

By entering into this Amendment, Franchisee expressly consents to transact business with Franchisor electronically and that, consistent with the Uniform Electronic Transactions Act and all other applicable state and federal laws, this Amendment may be executed by electronic signatures. The parties to this Amendment agree that (i) the parties' electronic signatures are intended to authenticate this writing and to have the same force and effect as the use of manual signatures, and (ii) an electronically signed version of this Amendment shall constitute an original for all purposes.

[THIS SPACE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Amendment to the Agreement simultaneously with the execution of the Agreement.

FRANCHISOR:

FIREHOUSE OF AMERICA, LLC

By:_____

Name:_____
Its:_____

FRANCHISEE:

*

By: _____
Name: _____
Managing Owner

THIS AMENDMENT IS AN ATTACHMENT TO ALL FRANCHISE AGREEMENTS GRANTED IN THE STATE OF CALIFORNIA.

AMENDMENT TO
AREA DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF CALIFORNIA

Notwithstanding anything to the contrary set forth in the Area Development Agreement, the following provisions shall supersede and apply to all FIREHOUSE SUBS® franchises offered and sold in the State of California:

1. The first sentence of Section 4.2.3 of the Area Development Agreement is hereby deleted in its entirety.

2. The second sentence of Article XIII of the Area Development Agreement, entitled "Entire Agreement," is hereby deleted in its entirety.

3. Article XIV of the Area Development Agreement, entitled "Acknowledgment," is hereby deleted in its entirety and replaced with "[Intentionally Deleted]".

4. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

5. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the California Franchise Investment Law, Cal. Corporations Code Sections 31000 et seq. are met independently without reference to this Amendment.

By entering into this Amendment, Area Developer expressly consents to transact business with Franchisor electronically and that, consistent with the Uniform Electronic Transactions Act, and all other applicable state and federal laws, this Amendment may be executed by electronic signatures. The parties to this Amendment agree that the parties' electronic signatures are intended to authenticate this writing and to have the same force and effect as the use of manual signatures and an electronically signed version of this Amendment shall constitute an original for all purposes.

[THIS SPACE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have executed this Amendment to the Area Development Agreement on the same day that the Area Development Agreement was executed.

FIREHOUSE OF AMERICA, LLC

By:_____
Print Name:_____
Its:_____

AREA DEVELOPER:

*,
a *

By:_____
Print Name:_____
Its:_____

THIS AMENDMENT IS AN ATTACHMENT TO ALL AREA DEVELOPMENT AGREEMENTS GRANTED IN THE STATE OF CALIFORNIA.

AMENDMENT TO
TARGET RESERVATION AGREEMENT
REQUIRED BY THE STATE OF CALIFORNIA

Notwithstanding anything to the contrary set forth in the Target Reservation Agreement, the following provisions shall supersede and apply to all FIREHOUSE SUBS® franchises offered and sold in the State of California:

1. The second sentence of Article VIII of the Target Reservation Agreement, entitled "Entire Agreement," is hereby deleted in its entirety.

2. The second sentence of Section 9.7 of the Target Reservation Agreement is hereby deleted in its entirety.

3. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

4. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the California Franchise Investment Law, Cal. Corporations Code Sections 31000 et seq. are met independently without reference to this Amendment.

By entering into this Amendment, Developer expressly consents to transact business with Franchisor electronically and that, consistent with the Uniform Electronic Transactions Act, and all other applicable state and federal laws, this Amendment may be executed by electronic signatures. The parties to this Amendment agree that the parties' electronic signatures are intended to authenticate this writing and to have the same force and effect as the use of manual signatures and an electronically signed version of this Amendment shall constitute an original for all purposes.

[THIS SPACE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have executed this Amendment to the Target Reservation Agreement on the same day that the Target Reservation Agreement was executed.

FIREHOUSE OF AMERICA, LLC

By:_____
Print Name:_____
Its:_____

DEVELOPER:

*,
a *

By:_____
*, Managing Owner

OR

_____,
individually

THIS AMENDMENT IS AN ATTACHMENT TO ALL TARGET RESERVATION AGREEMENTS GRANTED IN THE STATE OF CALIFORNIA.

ADDITIONAL DISCLOSURES REQUIRED BY THE STATE OF HAWAII

HAWAII DISCLOSURE

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 FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE 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
Department of Commerce and Consumer Affairs, Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

ADDENDA REQUIRED BY
THE STATE OF ILLINOIS

ILLINOIS DISCLOSURE

In recognition of the Illinois Franchise Disclosure Act of 1987, Illinois Compiled Statutes 1992, Chapter 818, Sections 704/1 through 705/44, the Franchise Disclosure Document for Firehouse of America, LLC for the offer of FIREHOUSE SUBS® Franchises for use in the State of Illinois shall be amended to include the following:

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

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

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

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act of 1987 are met independently, without reference to this Addendum to the Franchise Disclosure Document.

AMENDMENT TO
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, the parties to the attached Firehouse of America, LLC Franchise Agreement (the "Agreement") agree as follows:

1. Section 2.02 of the Agreement shall be amended to add the following new subsection H., which shall be considered an integral part of the Agreement:

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

2. Section XV of the Agreement shall be amended to add the following new Section 15.06, which shall be considered an integral part of the Agreement:

> 15.06. Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

3. Section 16.02 of the Agreement shall be deleted in its entirety and shall have no force or effect; and the following shall be substituted in lieu thereof:

> 16.02. Franchisor shall have the right (but not the duty unless required by Section 20 of the Illinois Franchise Disclosure Act of 1987), to be exercised by notice of intent to do so within thirty (30) days after termination or expiration of this Agreement, to purchase any and all improvements, equipment, advertising and promotional materials, ingredients, products, materials, supplies, paper goods and any items bearing Franchisor's Proprietary Marks at current fair market value. If the parties cannot agree on a fair market value within a reasonable time, an independent appraiser shall be designated by Franchisor, and his or her determination of fair market value shall be binding. If Franchisor elects to exercise any option to purchase herein provided, it shall have the right to set-off all amounts due from Franchisee under this Agreement and the cost of the appraisal, if any, against any payment therefore.

4. Section 22.01 of the Agreement shall be deleted in its entirety and shall have no force or effect; and the following shall be substituted in lieu thereof:

> 22.01. This Agreement, the Key Contract Data page to this Agreement, the documents referred to herein, and the exhibits hereto, constitute the entire, full and complete agreement between Franchisor and Franchisee concerning the subject matter hereof and supersede any and all

prior agreements. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, modification or variance of this Agreement or the Franchise Disclosure Document shall be binding on either party unless in writing and executed by Franchisor and Franchisee. Representations by either party, whether oral, in writing, electronic or otherwise, that are not set forth in this Agreement shall not be binding upon the party alleged to have made such representations and shall be of no force or effect. However, and notwithstanding the foregoing, no provision in this Agreement is intended to disclaim any representation made by Franchisor in the Franchise Disclosure Document provided by Franchisor to Franchisee.

I have read this Section 22.01 and agree that I have not been induced by and am not relying upon any representation not contained in this Agreement or the Franchise Disclosure Document.

_____, Franchisee.

5. Section XXIII of the Agreement shall be deleted in its entirety and shall have no force or effect.

6. Section 24.021 of the Agreement of the Agreement shall be amended by adding the following language to the end of the Section:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void.

7. Section XXIV of the Agreement shall be amended to add the following new Section 24.07.:

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

8. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

10. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act of 1987 are met independently without reference to this Amendment.

By entering into this Amendment, Franchisee expressly consents to transact business with Franchisor electronically and that, consistent with the Uniform Electronic Transactions Act and all other applicable state and federal laws, this Amendment may be executed by electronic signatures. The parties to this Amendment agree that (i) the parties' electronic signatures are intended to authenticate this writing and to have the same force and effect as the use of manual signatures, and (ii) an electronically signed version of this Amendment shall constitute an original for all purposes.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Illinois Amendment to the Agreement simultaneously with the execution of the Agreement.

FRANCHISOR:

FIREHOUSE OF AMERICA, LLC

By:_____
Name:_____
Its:_____

FRANCHISEE:

*

By: _____
Name: _____
Managing Owner

AMENDMENT TO
AREA DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS

Notwithstanding anything to the contrary set forth in the Area Development Agreement, the following provisions shall supersede and apply to all FIREHOUSE SUBS® franchises offered and sold in the State of Illinois:

This Amendment is only applicable if Area Developer is a resident of Illinois or if the Restaurant will be located in Illinois.

1. Section 4 of the Illinois Franchise Disclosure Act of 1987, Ill. Comp. Stat. §§ 705/1 to 705/44 (the "Act") states that "Any provision in a franchise agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a franchise agreement may provide for arbitration in a forum outside of this State."

2. Illinois law governs the Area Development Agreement.

3. Franchisee's rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Act.

4. The provision in the Franchise Agreement which terminates the franchise upon the bankruptcy of Area Developer may not be enforceable under Title 11, United States Code, Section 101.

5. Any condition, stipulation or provision purporting to bind any person acquiring a franchisee to waive requirements with any provisions of the Act or any other law of the State of Illinois is void. This shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under the provisions of the Act, nor shall it prevent the arbitration of any claims pursuant to the provisions of Title IX of the United States Code.

6. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. By entering into this Amendment, Area Developer expressly consents to transact business with Franchisor electronically and that, consistent with the Uniform Electronic Transactions Act, and all other applicable state and federal laws, this Amendment may be executed by electronic signatures. The parties to this Amendment agree that the parties' electronic signatures are intended to authenticate this writing and to have the same force and effect as the use of manual signatures and an electronically signed version of this Amendment shall constitute an original for all purposes.

IN WITNESS WHEREOF, the parties have executed this Amendment to the Area Development Agreement on the same day that the Area Development Agreement was executed.

FIREHOUSE OF AMERICA, LLC

By:_____
Print Name:_____
Its:_____

AREA DEVELOPER:

*,
a *

By:_____
Print Name:_____
Its:_____

THIS AMENDMENT IS AN ATTACHMENT TO ALL AREA DEVELOPMENT AGREEMENTS GRANTED IN THE STATE OF ILLINOIS.

AMENDMENT TO
TARGET RESERVATION AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS

Notwithstanding anything to the contrary set forth in the Target Reservation Agreement, the following provisions shall supersede and apply to all FIREHOUSE SUBS® franchises offered and sold in the State of Illinois:

This Amendment is only applicable if Developer is a resident of Illinois or if the Restaurant will be located in Illinois.

1. Section 4 of the Illinois Franchise Disclosure Act states that "Any provision in a franchise agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a franchise agreement may provide for arbitration in a forum outside of this State."

2. Illinois law governs the Target Reservation Agreement.

3. Developer's rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act of 1987, Ill. Comp. Stat. §§ 705/1 to 705/44.

4. Any condition, stipulation or provision purporting to bind any person acquiring a franchisee to waive requirements with any provisions of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void. This shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under the provisions of the Illinois Franchise Disclosure Act, nor shall it prevent the arbitration of any claims pursuant to the provisions of Title IX of the United States Code.

5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

6. By entering into this Amendment, Developer expressly consents to transact business with Franchisor electronically and that, consistent with the Uniform Electronic Transactions Act, and all other applicable state and federal laws, this Amendment may be executed by electronic signatures. The parties to this Amendment agree that the parties' electronic signatures are intended to authenticate this writing and to have the same force and effect as the use of manual signatures and an electronically signed version of this Amendment shall constitute an original for all purposes.

IN WITNESS WHEREOF, the parties have executed this Amendment to the Target Reservation Agreement on the same day that the Target Reservation Agreement was executed.

FIREHOUSE OF AMERICA, LLC

By:_____
Print Name:_____
Its:_____

DEVELOPER:

*,
a *

By:_____
*, Managing Owner

OR

_____,
individually

THIS AMENDMENT IS AN ATTACHMENT TO ALL TARGET RESERVATION AGREEMENTS GRANTED IN THE STATE OF ILLINOIS.

ADDENDUM REQUIRED BY
THE STATE OF MARYLAND

MARYLAND DISCLOSURE

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann. Bus. Reg. §§ 14-201 to 14-233, the Franchise Disclosure Document for Firehouse of America, LLC for the offer of FIREHOUSE SUBS® franchises ("FDD") for use in the State of Maryland shall be amended to include the following:

1. Item 17(c) – "Requirements for Franchisee to renew or extend" and 17(m) – "Conditions for Franchisor's approval of transfer" for the Franchise Agreement are modified by adding the following:

> Any release shall not apply to any claims made under the Maryland Franchise Registration and Disclosure Law.

2. The following sentence is added to Item 17(v) – "Choice of forum" for the Franchise Agreement, Area Development Agreement and Target Reservation Agreement:

> Pursuant to the Maryland Franchise Registration and Disclosure Law, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. The following is added as Item 17(x) – "Other – Statute of Limitations" for the Franchise Agreement:

> Pursuant to the Maryland Franchise Registration and Disclosure Law, any claim must be brought within 3 years after the grant of the franchise.

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

5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Each provision of this Addendum to the FDD shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum to the FDD.

AMENDMENT TO
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MARYLAND

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann. Bus. Reg. §§ 14-201 to 14-233, the parties to the attached Firehouse of America, LLC Franchise Agreement (the "Agreement") agree as follows:

1. The following statement is added to Sections 2.02.C., 14.01, and 14.03.F of the Franchise Agreement:

> The release by Franchisee shall not apply to any claims made under the Maryland Franchise Registration and Disclosure Law.

2. The second paragraph of Section 22.01 of the Franchise Agreement is hereby deleted in its entirety.

3. Section XXIII of the Franchise Agreement, entitled "Acknowledgments," is hereby deleted in its entirety and replaced with "[Intentionally Deleted]".

4. Section 24.01 of the Agreement is hereby deleted in its entirety and replaced with the following:

> 24.01. Applicable Law. This Agreement takes effect upon its acceptance and execution by Franchisor and shall be interpreted and construed under the laws of the State of Florida which laws shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of Florida choice of law or conflict of law rules) except to the extent governed by: (i) the Maryland Franchise Registration and Disclosure Law; and (ii) the U.S. Trademark Act of 1946, 15 U.S.C. § 1051, et seq. (the "Lanham Act") as amended; provided, however, that if the covenants in Section XIII of this Agreement would not be enforceable under the laws of Florida, and the Franchised Unit is located outside of Florida, then such covenants shall be interpreted and construed under the laws of the state in which the Franchised Unit is located. Nothing in this Section XXIV is intended by the parties to subject this Agreement to any franchise or similar law, rule, or regulation of the State of Florida to which this Agreement would not otherwise be subject.

5. The following statement is added to the end of Section 24.02 of the Franchise Agreement:

> The provisions of this Section 24.02. shall not apply with respect to any claim arising under the Maryland Franchise Registration and Disclosure Law.

5. The following statement is added to the end of Section 24.05:

> Notwithstanding anything to the contrary contained in the Franchise Agreement, any claim arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

6. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Amendment.

By entering into this Amendment, Franchisee expressly consents to transact business with Franchisor electronically and that, consistent with the Uniform Electronic Transactions Act and all other applicable state and federal laws, this Amendment may be executed by electronic signatures. The parties to this Amendment agree that (i) the parties' electronic signatures are intended to authenticate this writing and to have the same force and effect as the use of manual signatures, and (ii) an electronically signed version of this Amendment shall constitute an original for all purposes.

[THIS SPACE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Maryland Amendment to the Agreement simultaneously with the execution of the Agreement.

FRANCHISOR:

FIREHOUSE OF AMERICA, LLC

By:_____
Name:_____
Its:_____

FRANCHISEE:

*

By: _____
Name: _____
Managing Owner

AMENDMENT TO
AREA DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF MARYLAND

Notwithstanding anything to the contrary set forth in the Area Development Agreement, the following provisions shall supersede and apply to all FIREHOUSE SUBS® franchises offered and sold in the State of Maryland:

1. The first sentence of Section 4.2.3 of the Area Development Agreement is hereby deleted in its entirety.

2. The second sentence of Article XIII of the Area Development Agreement, entitled "Entire Agreement," is hereby deleted in its entirety.

3. Article XIV of the Area Development Agreement, entitled "Acknowledgment," is hereby deleted in its entirety and replaced with "[Intentionally Deleted]".

4. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

5. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Amendment.

By entering into this Amendment, Area Developer expressly consents to transact business with Franchisor electronically and that, consistent with the Uniform Electronic Transactions Act and all other applicable state and federal laws, this Amendment may be executed by electronic signatures. The parties to this Amendment agree that (i) the parties' electronic signatures are intended to authenticate this writing and to have the same force and effect as the use of manual signatures, and (ii) an electronically signed version of this Amendment shall constitute an original for all purposes.

[THIS SPACE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have executed this Amendment to the Area Development Agreement on the same day that the Area Development Agreement was executed.

FIREHOUSE OF AMERICA, LLC

By:_____
Print Name:_____
Its:_____

AREA DEVELOPER:

*,
a *

By:_____
Print Name:_____
Its:_____

THIS AMENDMENT IS AN ATTACHMENT TO ALL AREA DEVELOPMENT AGREEMENTS GRANTED IN THE STATE OF MARYLAND.

AMENDMENT TO
TARGET RESERVATION AGREEMENT
REQUIRED BY THE STATE OF MARYLAND

Notwithstanding anything to the contrary set forth in the Target Reservation Agreement, the following provisions shall supersede and apply to all FIREHOUSE SUBS® franchises offered and sold in the State of Maryland:

1. The second sentence of Article VIII of the Target Reservation Agreement, entitled "Entire Agreement," is hereby deleted in its entirety.

2. The second sentence of Section 9.7 of the Target Reservation Agreement is hereby deleted in its entirety.

3. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

4. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Amendment.

By entering into this Amendment, Developer expressly consents to transact business with Franchisor electronically and that, consistent with the Uniform Electronic Transactions Act and all other applicable state and federal laws, this Amendment may be executed by electronic signatures. The parties to this Amendment agree that (i) the parties' electronic signatures are intended to authenticate this writing and to have the same force and effect as the use of manual signatures, and (ii) an electronically signed version of this Amendment shall constitute an original for all purposes.

[THIS SPACE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have executed this Amendment to the Target Reservation Agreement on the same day that the Target Reservation Agreement was executed.

FIREHOUSE OF AMERICA, LLC

By:_____
Print Name:_____
Its:_____

DEVELOPER:

*,
a *

By:_____
*, Managing Owner

OR

_____,
individually

THIS AMENDMENT IS AN ATTACHMENT TO ALL TARGET RESERVATION AGREEMENTS GRANTED IN THE STATE OF MARYLAND.

ADDENDA REQUIRED BY
THE STATE OF MINNESOTA

MINNESOTA DISCLOSURE

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22, and the Rules and Regulations promulgated hereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§2860.0100 through 2860.9930, the Firehouse of America, LLC Franchise Disclosure Document for the offer of FIREHOUSE SUBS® Franchises ("FDD") for use in the State of Minnesota shall be amended as follows:

1. Item 13 of the FDD is hereby amended to add the following language at the end thereof:

> With respect to Franchises governed by Minnesota Law, we will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols of the FIREHOUSE SUBS® System (the "Proprietary Marks"), at our cost, as long as the litigation or claim does not result from your use of the Proprietary Marks in a manner inconsistent with the Franchise Agreement or our standards of use set forth in the Manual or otherwise in writing.

2. Item 17 of the FDD is hereby amended to add the following language at the end thereof:

> Minnesota Statute 80C.14 requires, except in certain specified cases, that a franchisee be given ninety (90) days' notice of termination (with sixty (60) days to cure) and one hundred eighty (180) days' notice for non-renewal of a franchise agreement.

3. Item 17 of the FDD is hereby further amended to add the following language at the end thereof:

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

4. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release from liability imposed by Minnesota Statutes, Chapter 80C; provided, that this shall not bar the voluntary settlement of disputes.

AMENDMENT TO
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MINNESOTA

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the parties to the attached Firehouse of America, LLC Franchise Agreement (the "Agreement") agree as follows:

1. Section 2.02.C. of the Agreement shall be deleted in its entirety and shall have no force or effect; and the following shall be inserted in lieu thereof:

> C. Franchisee executes a general release in a form prescribed by Franchisor of any and all claims against Franchisor and its parents, subsidiaries, and affiliates, and their respective officers, directors, agents and employees; excluding only such claims as Franchisee may have that have arisen under the Minnesota Franchises Law and/or the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce;

2. Section II of the Agreement shall be amended to add the following new Section 2.03.:

> 2.03. The parties acknowledge that Minnesota law provides franchisees with certain termination, non-renewal rights, and that Minn. Stat. Section 80C.14, Subds. 3, 4 and 5 require, except in certain specified cases, that a franchisee be given ninety (90) days' notice of termination (with sixty (60) days to cure) and one hundred eighty (180) days' notice of non-renewal of the Franchise Agreement. To the extent the provisions of this Section II are inconsistent therewith, this section shall be superseded by the provisions and requirements of said Minnesota Law.

3. Section 5.05 of the Agreement shall be amended to add the following language at the end thereof:

> With respect to franchises governed by Minnesota law, Franchisor shall protect Franchisee's right to use the Proprietary Marks, at Franchisor's cost, except to the extent that any litigation or claim relating to the Proprietary Marks arises from Franchisee's use of such Proprietary Marks in a manner inconsistent with the terms of this Agreement or with Franchisor's standards applicable to the Proprietary Marks, as set forth in the Operations Manual or otherwise in writing.

4. Section XV of the Agreement shall be amended to add the following new Section 15.06.:

15.06. With respect to franchises governed by Minnesota law, Franchisor shall comply with Minn. Stat. Section 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that a franchisee be given ninety (90) days' notice of termination (with sixty (60) days to cure) and one hundred eighty (180) days' notice of non-renewal of the Franchise Agreement. To the extent the provisions of this Section XV are inconsistent therewith, this Section shall be superseded by the provisions and requirements of said statutes.

5. Section 16.04. of the Agreement shall be deleted in its entirety and shall have no force or effect; and the following shall be substituted in lieu thereof:

16.04. Franchisee shall pay to Franchisor all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor in seeking recovery of damages caused by any action of Franchisee in violation of, or in seeking injunctive relief for the enforcement of, any portion of this Section XVI. Further, Franchisee acknowledges and agrees that any failure to comply with the provisions of this Section XVI shall result in irreparable injury to Franchisor.

6. Section 24.04. of the Agreement shall be deleted in its entirety and shall have no force or effect; and the following shall be substituted in lieu thereof:

24.04. Nothing herein contained shall bar Franchisor's right to seek injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

7. Section XXIV of the Agreement shall be amended to add following new Section 24.07.:

24.07. Minnesota Statute 80C-21 and Minnesota Rule 2860.4400(J) prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in this Agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

8. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release from liability imposed by Minnesota Statutes, Chapter 80C; provided, that this shall not bar the voluntary settlement of disputes.

9. Each provision of this Agreement shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchises Law or the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce are met independently without references to this Amendment.

By entering into this Amendment, Franchisee expressly consents to transact business with Franchisor electronically and that, consistent with the Uniform Electronic Transactions Act and all other applicable state and federal laws, this Amendment may be executed by electronic signatures. The parties to this Amendment agree that (i) the parties' electronic signatures are intended to authenticate this writing and to have the same force and effect as the use of manual signatures, and (ii) an electronically signed version of this Amendment shall constitute an original for all purposes.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Minnesota Amendment to the Agreement simultaneously with the execution of the Agreement.

FRANCHISOR:

FIREHOUSE OF AMERICA, LLC

By:_____
Name:_____
Its:_____

FRANCHISEE:

*

By: _____
Name: _____
Managing Owner

AMENDMENT TO
AREA DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF MINNESOTA

Notwithstanding anything to the contrary set forth in the Area Development Agreement, the following provisions shall supersede and apply to all FIREHOUSE SUBS® franchises offered and sold in the State of Minnesota:

This Amendment is only applicable if Area Developer is a resident of Minnesota or if the Restaurant will be located in Minnesota.

1. Franchisor shall not require Area Developer to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

2. Minnesota law provides franchisees with certain termination, non-renewal and transfer rights. Minn. Stat. §80C.14 (subdivisions 3, 4, and 5) requires, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of the Area Development Agreement, and provides that consent to transfer of the franchise may not be unreasonably withheld. The Area Development Agreement shall not in any way abrogate or reduce any rights of Area Developer as provided for in the Minnesota Franchise Act, including the right to submit matters to the jurisdiction of the courts of Minnesota.

3. The following language amends the Area Development Agreement:

> "Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit Franchisor from requiring litigation to be conducted outside Minnesota or requiring Area Developer to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in this Agreement can abrogate or reduce any of Area Developer's rights as provided for in Minnesota Statutes, Chapter 80C, or Area Developer's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction."

4. By entering into this Amendment, Area Developer expressly consents to transact business with Franchisor electronically and that, consistent with the Uniform Electronic Transactions Act, and all other applicable state and federal laws, this Amendment may be executed by electronic signatures. The parties to this Amendment agree that the parties' electronic signatures are intended to authenticate this writing and to have the same force and effect as the use of manual signatures and an electronically signed version of this Amendment shall constitute an original for all purposes.

[THIS SPACE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have executed this Amendment to the Area Development Agreement on the same day that the Area Development Agreement was executed.

FIREHOUSE OF AMERICA, LLC

By:_____
Print Name:_____
Its:_____

AREA DEVELOPER:

*,
a *

By: _____
Print Name:_____
Its:_____

THIS AMENDMENT IS AN ATTACHMENT TO ALL AREA DEVELOPMENT AGREEMENTS GRANTED IN THE STATE OF MINNESOTA.

AMENDMENT TO
TARGET RESERVATION AGREEMENT
REQUIRED BY THE STATE OF MINNESOTA

Notwithstanding anything to the contrary set forth in the Target Reservation Agreement, the following provisions shall supersede and apply to all FIREHOUSE SUBS® franchises offered and sold in the State of Minnesota:

This Amendment is only applicable if Developer is a resident of Minnesota or if the Restaurant will be located in Minnesota.

1. Franchisor shall not require Developer to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

2. Minnesota law provides franchisees with certain termination, non-renewal and transfer rights. Minn. Stat. §80C.14 (subdivisions 3, 4, and 5) requires, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of the Target Reservation Agreement, and provides that consent to transfer of the franchise may not be unreasonably withheld. The Target Reservation Agreement shall not in any way abrogate or reduce any rights of Developer as provided for in the Minnesota Franchise Act, including the right to submit matters to the jurisdiction of the courts of Minnesota.

3. The following language amends the Target Reservation Agreement:

> "Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit Franchisor from requiring litigation to be conducted outside Minnesota or requiring Developer to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in this Agreement can abrogate or reduce any of Developer's rights as provided for in Minnesota Statutes, Chapter 80C, or Developer's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction."

4. By entering into this Amendment, Developer expressly consents to transact business with Franchisor electronically and that, consistent with the Uniform Electronic Transactions Act, and all other applicable state and federal laws, this Amendment may be executed by electronic signatures. The parties to this Amendment agree that the parties' electronic signatures are intended to authenticate this writing and to have the same force and effect as the use of manual signatures and an electronically signed version of this Amendment shall constitute an original for all purposes.

[THIS SPACE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have executed this Amendment to the Target Reservation Agreement on the same day that the Target Reservation Agreement was executed.

FIREHOUSE OF AMERICA, LLC

By:_____
Print Name:_____
Its:_____

DEVELOPER:

*,
a *

By:_____
*, Managing Owner

OR

_____,
individually

THIS AMENDMENT IS AN ATTACHMENT TO ALL TARGET RESERVATION AGREEMENTS GRANTED IN THE STATE OF MINNESOTA.

ADDENDA REQUIRED BY
THE STATE OF NEW YORK

NEW YORK DISCLOSURE

In recognition of the requirements of the New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16, the Franchise Disclosure Document for Firehouse of America, LLC for use in the State of New York shall be amended as follows:

1. **State Cover Page.** 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 P 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 NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, NEW YORK, NEW YORK 10005. 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. **Item 3, Additional Disclosure.** The following is added to 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. **Item 4, Additional Disclosure.** The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. **Item 5: Initial Fees**. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. **Item 7: Renewal, Termination, Transfer and Dispute Resolution**

A. 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.

B. 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.

C. The following is added to the end of the "Summary" section of Item 17(j), titled "Assignment of contract by Franchisor":

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

D. 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.

Each provision of this Additional Disclosure to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16 are met independently without reference to the Additional Disclosures to the Franchise Disclosure Document. The Additional Disclosures shall have no force or effect if such jurisdictional requirements are not met.

AMENDMENT TO
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF NEW YORK

In recognition of the requirements of the New York General Business Law, Article 33, Section 680-695, and of the Codes, Rules and Regulations of the State of New York, Title 13, Chapter VII, Sections 200.1 through 200.16, the parties to the attached Firehouse of America, LLC Franchise Agreement (the "Agreement") agree to amend the Agreement as follows:

1. Any provision in the Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680-695 may not be enforceable.

2. The following sentence is added to the end of Sections 2.02.C., 14.01, and 14.03.F of the Agreement.:

> Any provision in this Agreement requiring Franchisee to sign a general release of claims against Franchisor does not release any claim Franchisee may have under New York General Business Law, Article 33, Sections 680-695.

3. The following sentence is added to Section 14.01 of the Agreement:

> Franchisor will not assign its rights under this Agreement except to an assignee who in Franchisor's good faith and judgment is willing and able to assume Franchisor's obligations under this Agreement.

4. The following sentence is added to the end of Section 24.01 of the Agreement:

> Notwithstanding the foregoing, the New York Franchises Law shall govern any claim arising under that law.

5. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the New York Franchises Law are met independently, without reference to this Amendment.

[THE REST OF THIS PAGE IS
INTENTIONALLY LEFT BLANK]

By entering into this Amendment, Franchisee expressly consents to transact business with Franchisor electronically and that, consistent with the Uniform Electronic Transactions Act and all other applicable state and federal laws, this Amendment may be executed by electronic signatures. The parties to this Amendment agree that (i) the parties' electronic signatures are intended to authenticate this writing and to have the same force and effect as the use of manual signatures, and (ii) an electronically signed version of this Amendment shall constitute an original for all purposes.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this New York Amendment to the Agreement simultaneously with the execution of the Agreement.

FRANCHISOR:

FIREHOUSE OF AMERICA, LLC

By:_____
Name:_____
Its:_____

FRANCHISEE:

*

By: _____
Name: _____
Managing Owner

NEW YORK AMENDMENT TO THE AREA DEVELOPMENT AGREEMENT

In recognition of the requirements of the New York General Business Law, Article 33, Section 680-695, and of the Codes, Rules and Regulations of the State of New York, Title 13, Chapter VII, Sections 200.1 through 200.16, the parties to the attached Firehouse of America, LLC Development Agreement (the "Agreement") agree to amend the Agreement as follows:

1. Any provision in the Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680-695 may not be enforceable.

2. The following sentences are added to the end of Section 8.2 of the Agreement:

> Franchisor will not assign its rights under this Agreement except to an assignee who in Franchisor's good faith and judgment is willing and able to assume Franchisor's obligations under this Agreement. Any provision in this Agreement requiring Area Developer to sign a general release of claims against Franchisor does not release any claim Area Developer may have under New York General Business Law, Article 33, Sections 680-695.

3. The following sentence is added to the end of Section 15.4 of the Agreement:

> Notwithstanding the foregoing, the New York Franchises Law shall govern any claim arising under that law.

4. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the New York Franchises Law are met independently, without reference to this Amendment.

[THE REST OF THIS PAGE IS
INTENTIONALLY LEFT BLANK]

By entering into this Amendment, Area Developer expressly consents to transact business with Franchisor electronically and that, consistent with the Uniform Electronic Transactions Act and all other applicable state and federal laws, this Amendment may be executed by electronic signatures. The parties to this Amendment agree that (i) the parties' electronic signatures are intended to authenticate this writing and to have the same force and effect as the use of manual signatures, and (ii) an electronically signed version of this Amendment shall constitute an original for all purposes.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this New York Amendment to the Agreement simultaneously with the execution of the Agreement.

FRANCHISOR:

FIREHOUSE OF AMERICA, LLC

By:_____

Title:_____

AREA DEVELOPER:

By:_____

Title:_____

ADDENDA REQUIRED BY
THE STATE OF NORTH DAKOTA

AMENDMENT TO
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF NORTH DAKOTA

In recognition of the requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code, §§ 51-19-01 through 51-19-17, and the policies of the office of the State of North Dakota Securities Commission, the parties to the attached Firehouse of America, LLC Franchise Agreement (the "Agreement") agree as follows:

1. The following sentence is added to the end of Sections 2.02.C., 14.01, and 14.03.F. of the Agreement:

> The release required by this Section will not apply to any claim that Franchisee may have under the North Dakota Franchise Investment Law.

2. Section XIII of the Agreement shall be amended to add the following new Section 13.06., which shall be considered an integral part of the Agreement:

> 13.06. Covenants not to compete are generally considered unenforceable in the State of North Dakota.

3. The following sentence is added to the end of Sections 24.01 and 24.02 of the Agreement:

> Pursuant to the North Dakota Franchise Investment Law, any provisions requiring franchisees to consent to the jurisdiction of courts outside North Dakota or to consent to the application of laws of a state other than North Dakota is void.

4. The following sentence is added to the end of Section 24.05:

> Notwithstanding the foregoing, the statute of limitations under North Dakota law applies.

5. Section 24.06 is deleted in its entirety and replaced with the following language: "[Intentionally Deleted]".

6. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law are met independently, without reference to this Amendment.

[THE REST OF THIS PAGE IS
INTENTIONALLY LEFT BLANK]

By entering into this Amendment, Franchisee expressly consents to transact business with Franchisor electronically and that, consistent with the Uniform Electronic Transactions Act and all other applicable state and federal laws, this Amendment may be executed by electronic signatures. The parties to this Amendment agree that (i) the parties' electronic signatures are intended to authenticate this writing and to have the same force and effect as the use of manual signatures, and (ii) an electronically signed version of this Amendment shall constitute an original for all purposes.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this North Dakota Amendment to the Agreement simultaneously with the execution of the Agreement.

FRANCHISOR:

FIREHOUSE OF AMERICA, LLC

By:_____
Name:_____
Its:_____

FRANCHISEE:

*

By: _____
Name: _____
Managing Owner

AMENDMENT TO
AREA DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF NORTH DAKOTA

Notwithstanding anything to the contrary set forth in the Area Development Agreement, the following provisions shall supersede and apply to all FIREHOUSE SUBS® franchises offered and sold in the State of North Dakota:

This Amendment is only applicable if Area Developer is a resident of North Dakota or if the Restaurant will be located in North Dakota.

1. The Area Development Agreement is amended to add the following:

> "This Agreement shall not in any way abrogate or reduce any rights of Area Developer as provided for in the North Dakota Century Code governing franchisees."

2. The Area Development Agreement will be governed by the laws of the State of North Dakota.

3. No provision of the Area Development Agreement shall be interpreted to accelerate any statute of limitations contained in any provision of the North Dakota Century Code.

4. By entering into this Amendment, Area Developer expressly consents to transact business with Franchisor electronically and that, consistent with the Uniform Electronic Transactions Act, and all other applicable state and federal laws, this Amendment may be executed by electronic signatures. The parties to this Amendment agree that the parties' electronic signatures are intended to authenticate this writing and to have the same force and effect as the use of manual signatures and an electronically signed version of this Amendment shall constitute an original for all purposes.

[THIS SPACE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have executed this Amendment to the Area Development Agreement on the same day that the Area Development Agreement was executed.

FIREHOUSE OF AMERICA, LLC

By:_____
Print Name:_____
Its:_____

AREA DEVELOPER:

*,
a *

By:_____
Print Name:_____
Its:_____

THIS AMENDMENT IS AN ATTACHMENT TO ALL AREA DEVELOPMENT AGREEMENTS GRANTED IN THE STATE OF NORTH DAKOTA.

AMENDMENT TO
TARGET RESERVATION AGREEMENT
REQUIRED BY THE STATE OF NORTH DAKOTA

Notwithstanding anything to the contrary set forth in the Target Reservation Agreement, the following provisions shall supersede and apply to all FIREHOUSE SUBS® franchises offered and sold in the State of North Dakota:

This Amendment is only applicable if Developer is a resident of North Dakota or if the Restaurant will be located in North Dakota.

1. The Target Reservation Agreement is amended to add the following:

> "This Agreement shall not in any way abrogate or reduce any rights of Developer as provided for in the North Dakota Century Code governing franchisees."

2. The Target Reservation Agreement will be governed by the laws of the State of North Dakota.

3. No provision of the Target Reservation Agreement shall be interpreted to accelerate any statute of limitations contained in any provision of the North Dakota Century Code.

4. By entering into this Amendment, Developer expressly consents to transact business with Franchisor electronically and that, consistent with the Uniform Electronic Transactions Act, and all other applicable state and federal laws, this Amendment may be executed by electronic signatures. The parties to this Amendment agree that the parties' electronic signatures are intended to authenticate this writing and to have the same force and effect as the use of manual signatures and an electronically signed version of this Amendment shall constitute an original for all purposes.

[THIS SPACE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have executed this Amendment to the Target Reservation Agreement on the same day that the Target Reservation Agreement was executed.

FIREHOUSE OF AMERICA, LLC

By:_____
Print Name:_____
Its:_____

DEVELOPER:

*,
a *

By:_____
*, Managing Owner

OR

_____,
individually

THIS AMENDMENT IS AN ATTACHMENT TO ALL TARGET RESERVATION AGREEMENTS GRANTED IN THE STATE OF NORTH DAKOTA.

ADDENDA REQUIRED BY THE
STATE OF RHODE ISLAND

RHODE ISLAND DISCLOSURE

In recognition of the requirements of the Rhode Island Franchise Investment Act, Sections 19-28.1-1 through 19-28.1-34, the Franchise Disclosure Document for Firehouse of America, LLC for use in the state of Rhode Island shall be amended as follows:

Item 17, Additional Disclosure. The following sentence is added to Item 17:

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

Each provision of the Additional Disclosures shall be effective only to the extent that the jurisdictional requirements of the Rhode Island Franchise Investment Act, Sections 19-28.1 through 19-28.1-34, with respect to such provision, are met independent of the Additional Disclosures. The Additional Disclosures shall have no force or effect if such jurisdictional requirements are not met.

AMENDMENT TO
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF RHODE ISLAND

In recognition of the requirements of the Rhode Island Franchise Investment Act, Sections 19 –28.1 through 19 – 28.1-34, the parties to the attached Firehouse of America, LLC Franchise Agreement (the "Agreement") agree to amend the Agreement as follows:

1. The following language is added to Sections 24.01 and 24.02:

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

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Rhode Island Franchise Investment law are met independently, without reference to this Amendment.

By entering into this Amendment, Franchisee expressly consents to transact business with Franchisor electronically and that, consistent with the Uniform Electronic Transactions Act and all other applicable state and federal laws, this Amendment may be executed by electronic signatures. The parties to this Amendment agree that (i) the parties' electronic signatures are intended to authenticate this writing and to have the same force and effect as the use of manual signatures, and (ii) an electronically signed version of this Amendment shall constitute an original for all purposes.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Rhode Island Amendment to the Agreement simultaneously with the execution of the Agreement.

FRANCHISOR:

FIREHOUSE OF AMERICA, LLC
By:_____
Name:_____
Its:_____

FRANCHISEE
*
By: _____
Name: _____
Managing Owner

RHODE ISLAND AMENDMENT TO THE AREA DEVELOPMENT AGREEMENT

In recognition of the requirements of the Rhode Island Franchise Investment Act, Sections 19-28.1-34, the parties to the attached Firehouse of America, LLC Area Development Agreement (the "Agreement") agree to amend the Agreement as follows:

1. The following language is added to Section 15.4 of the Agreement:

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

2. Each provision of this Amendment shall be effective only to the extent that the jurisdiction requirements of the Rhode Island Franchise Investment Act are met independently, without reference to this Amendment.

By entering into this Amendment, Area Developer expressly consents to transact business with Franchisor electronically and that, consistent with the Uniform Electronic Transactions Act and all other applicable state and federal laws, this Amendment may be executed by electronic signatures. The parties to this Amendment agree that (i) the parties' electronic signatures are intended to authenticate this writing and to have the same force and effect as the use of manual signatures, and (ii) an electronically signed version of this Amendment shall constitute an original for all purposes.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rhode Island Amendment to the Agreement simultaneously with the execution of the Agreement.

FRANCHISOR:

FIREHOUSE OF AMERICA, LLC

By:_____

Title:_____

AREA DEVELOPER:

By:_____

Title:_____

ADDITIONAL DISCLOSURES REQUIRED BY THE COMMONWEALTH OF VIRGINIA

VIRGINIA DISCLOSURE

In recognition of the Virginia Retail Franchising Act, as amended in 2006, 21 VAC 5-110-65.A, the Franchise Disclosure Document for Firehouse of America, LLC for the offer of FIREHOUSE SUBS® Franchises for use in the State of Virginia shall be amended to include the following:

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

> Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does 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.

2. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently, without reference to this Addendum to the Franchise Disclosure Document.

ADDENDA REQUIRED BY
THE STATE OF WASHINGTON

WASHINGTON DISCLOSURE

In recognition of the requirements of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, the Firehouse of America, LLC Franchise Disclosure Document for the offer of FIREHOUSE SUBS® Franchises ("FDD") for use in the State of Washington shall be amended as follows:

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

2. 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.

3. 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.

4. 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.

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

6. 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.

7. 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.

8. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act are met independently, without reference to this Addendum to the Franchise Disclosure Document.

AMENDMENT TO
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF WASHINGTON

In recognition of the requirements of the Washington Franchise Investment Protection Act, the parties to the attached Firehouse of America, LLC Franchise Agreement (the "Agreement") agree to amend the Agreement as follows:

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

2. 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.

3. 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.

4. 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.

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

6. 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.

7. 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.

8. No acknowledgement set forth in the Agreement waives any liability Franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

9. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

10. Each provision of this Amendment, shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act are met independently, without reference to this Amendment.

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INTENTIONALLY LEFT BLANK]

By entering into this Amendment, Franchisee expressly consents to transact business with Franchisor electronically and that, consistent with the Uniform Electronic Transactions Act and all other applicable state and federal laws, this Amendment may be executed by electronic signatures. The parties to this Amendment agree that (i) the parties' electronic signatures are intended to authenticate this writing and to have the same force and effect as the use of manual signatures, and (ii) an electronically signed version of this Amendment shall constitute an original for all purposes.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Washington Amendment to the Agreement simultaneously with the execution of the Agreement.

FRANCHISOR:

FIREHOUSE OF AMERICA, LLC

By:_____
Name:_____
Its:_____

FRANCHISEE:

*

By: _____
Name: _____
Managing Owner

AMENDMENT TO
AREA DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF WASHINGTON

Notwithstanding anything to the contrary set forth in the Area Development Agreement, the following provisions shall supersede and apply to all FIREHOUSE SUBS® franchises offered and sold in the State of Washington:

This Amendment is only applicable if Area Developer is a resident of Washington or if the Restaurant will be located in Washington.

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

2. RCW 19.100.180 may supersede the Area Development 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 Area Development Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

3. 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 Area Development 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.

4. 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.

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

6. 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 Area Development Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

7. 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 Area Development Agreement or elsewhere are void and unenforceable in Washington.

8. No acknowledgement set forth in the Agreement waives any liability Franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

9. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties have executed this Amendment to the Area Development Agreement on the same day that the Area Development Agreement was executed.

FIREHOUSE OF AMERICA, LLC

By:_____
Print Name:_____
Its:_____

AREA DEVELOPER:

*,
a *

By:_____
Print Name:_____
Its:_____

THIS AMENDMENT IS AN ATTACHMENT TO ALL AREA DEVELOPMENT AGREEMENTS GRANTED IN THE STATE OF WASHINGTON.

AMENDMENT TO
TARGET RESERVATION AGREEMENT
REQUIRED BY THE STATE OF WASHINGTON

Notwithstanding anything to the contrary set forth in the Target Reservation Agreement ("TRA"), the following provisions shall supersede and apply to all FIREHOUSE SUBS® franchises offered and sold in the State of Washington:

1. This Amendment is only applicable if Developer is a resident of Washington or if the Restaurant will be located in Washington.

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

3. RCW 19.100.180 may supersede the TRA 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 TRA in your relationship with the franchisor including the areas of termination and renewal of your franchise.

4. 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 TRA, 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.

5. 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.

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

7. 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 TRA or elsewhere that conflict with these limitations are void and unenforceable in Washington.

8. 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 TRA or elsewhere are void and unenforceable in Washington.

9. No acknowledgement set forth in the Agreement waives any liability Franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

10. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties have executed this Amendment to the Target Reservation Agreement on the same day that the Target Reservation Agreement was executed.

FIREHOUSE OF AMERICA, LLC

By:_____
Print Name:_____
Its:_____

DEVELOPER:

*,
a *

By:_____
*, Managing Owner

OR

_____,
individually

THIS AMENDMENT IS AN ATTACHMENT TO ALL TARGET RESERVATION AGREEMENTS GRANTED IN THE STATE OF WASHINGTON.

EXHIBIT R TO THE DISCLOSURE DOCUMENT

POTENTIAL FRANCHISE SELLERS

POTENTIAL FRANCHISE SELLERS

As required by the amended FTC rule, listed below are the persons who may be classified as "Franchise Sellers." The Franchise Seller(s) of your franchise are checked below.

NAME	PRINCIPAL BUSINESS ADDRESS	TELEPHONE NUMBER
☐ Adriana Masson de Souza e Silva	5707 Blue Lagoon Drive Miami, FL 33141	(718) 795-6195
☐ Brian Lindley	5707 Blue Lagoon Drive Miami, FL 33141	(404) 772-1328
☐ Craig Garwood	12735 Gran Bay Parkway, Suite 150 Jacksonville, FL 32258	(816) 351-2000
☐ Daniel Urbisci	5707 Blue Lagoon Drive Miami, FL 33141	(305) 378-3004
☐ Jacob Klein	12735 Gran Bay Parkway, Suite 150 Jacksonville, FL 32258	(858) 204.9770
☐ Jalila Bouchareb	5707 Blue Lagoon Drive Miami, FL 33141	(305) 378-3713
☐ Jen Abernathy	12735 Gran Bay Parkway, Suite 150 Jacksonville, FL 32258	(312) 859-3689
☐ Lindsay Williams	12735 Gran Bay Parkway, Suite 150 Jacksonville, FL 32258	(904) 606-5185
☐ Mike Branson	12735 Gran Bay Parkway, Suite 150 Jacksonville, FL 32258	(904) 886-8300
☐ Mike Jersha	12735 Gran Bay Parkway, Suite 150 Jacksonville, FL 32258	(312) 933-9963
☐ Nayem Alam	12735 Gran Bay Parkway, Suite 150 Jacksonville, FL 32258	(347) 337-1693
☐ Richard Elkins	12735 Gran Bay Parkway, Suite 150 Jacksonville, FL 32258	(904) 729-0151
☐ Rita Shalley	12735 Gran Bay Parkway, Suite 150 Jacksonville, FL 32258	(904) 606-5248
☐ Robert May	12735 Gran Bay Parkway, Suite 150 Jacksonville, FL 32258	(904) 606-5168
☐ Saad Pasha	130 King Street West Toronto, Ontario, Canada	(905) 845-6511
☐ Scott Friedman	12735 Gran Bay Parkway, Suite 150 Jacksonville, FL 32258	(904) 606-5312
☐ Shauna Cozzens	12735 Gran Bay Parkway, Suite 150 Jacksonville, FL 32258	(970) 314-0787
☐ Stephanie Peters	12735 Gran Bay Parkway, Suite 150 Jacksonville, FL 32258	(904) 606-5435
☐ Steven LaBostrie	12735 Gran Bay Parkway, Suite 150 Jacksonville, FL 32258	(904) 606-5248
☐ Theo Camurca	12735 Gran Bay Parkway, Suite 150 Jacksonville, FL 32258	(786) 495-2464
☐ William Mitchell	12735 Gran Bay Parkway, Suite 150 Jacksonville, FL 32258	(864) 706-5311
☐ William Uradnik	12735 Gran Bay Parkway, Suite 150 Jacksonville, FL 32258	(470) 233-4161
☐ William Lopez	5707 Blue Lagoon Drive Miami, FL 33126	(754) 236-4888
☐ William Washington	5707 Blue Lagoon Drive Miami, FL 33126	(305) 379-3026

NAME	PRINCIPAL BUSINESS ADDRESS	TELEPHONE NUMBER
☐ Rita Shalley	12735 Gran Bay Parkway, Suite 150 Jacksonville, FL 32258	(904) 606-5248
☐ Steven Labostrie	12735 Gran Bay Parkway, Suite 150 Jacksonville, FL 32258	(904) 606-5224
☐ William Uradnik	12735 Gran Bay Parkway, Suite 150 Jacksonville, FL 32258	(904) 606-5167

State Effective Dates

The following states have franchise laws that require 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	_____, 2023
Hawaii	_____, 2023
Illinois	_____, 2023
Indiana	_____, 2023
Maryland	_____, 2023
Michigan	_____, 2023
Minnesota	_____, 2023
New York	_____, 2023
North Dakota	_____, 2023
Rhode Island	_____, 2023
South Dakota	_____, 2023
Virginia	_____, 2023
Washington	_____, 2023
Wisconsin	_____, 2023

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
(Your copy)

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 FIREHOUSE OF AMERICA, 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 we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any binding franchise or other agreement, or payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or payment of any consideration, whichever occurs first.

If FIREHOUSE OF AMERICA, 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 (as listed in Exhibit "P" to this disclosure document).

The franchisor is FIREHOUSE OF AMERICA, LLC, located at 12735 Gran Bay Parkway, Suite 150, Jacksonville, Florida 32258. Its telephone number is (904) 886-8300.

We authorize the respective state agencies identified on Exhibit "P" to receive service of process for us if we are registered in the particular state.

Issuance Date: March 24, 2023

The name, principal business address, and telephone number of the franchise sellers offering the FIREHOUSE OF AMERICA, LLC franchises are listed on Exhibit "R." The franchise sellers for this FIREHOUSE OF AMERICA, LLC franchise are noted on Exhibit "R". Please see Exhibit "M" for the name, address and telephone number of the Area Representative, if any, for your market

I received a disclosure document dated March 24, 2023 that include the following Exhibits (the effective dates of this disclosure document in states with franchise registration laws are listed on the State Effective Dates Page). A. Financial Statements; B. Application and Deposit Agreement; C1. Franchise Agreement; C2. Deferred Renovation Addendum to Franchise Agreement; D1. Target Reservation Agreement; D2. Area Development Agreement; E. Conditional Assignment of Telephone Numbers and Listings; F. Addendum to Lease Agreement; G. Manual Table of Contents; H. Owner's Guaranty; I. Principal Owner's Statement; J. Articles of Incorporation for Firehouse Subs Market Fund, Inc.; K. Amended and Restated Bylaws of Firehouse Subs Market Fund, Inc.; L. Form of Membership Agreement for Firehouse Subs Market Fund, Inc.; M. Information Regarding Area Representatives; N. List of Franchise Owners; O. List of Franchisees Who Have Left the System; P. Agents for Service of Process and State Administrators; Q. Addenda and Amendments Required by Certain States; R. Potential Franchise Sellers.

Date Disclosure Document Received: _____

Signature _____ Print Name _____

Date _____

Company Name _____ Street Address _____

Telephone Number _____ City, State & Zip Code _____

(TO BE RETAINED BY YOU)

RECEIPT
(Our copy)

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 FIREHOUSE OF AMERICA, 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 we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any binding franchise or other agreement, or payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or payment of any consideration, whichever occurs first.

If FIREHOUSE OF AMERICA, 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 (as listed in Exhibit "P" to this disclosure document).

The franchisor is FIREHOUSE OF AMERICA, LLC, located at 12735 Gran Bay Parkway, Suite 150, Jacksonville, Florida 32258. Its telephone number is (904) 886-8300.

We authorize the respective state agencies identified on Exhibit "P" to receive service of process for us if we are registered in the particular state.

Issuance Date: March 24, 2023

The name, principal business address, and telephone number of the franchise sellers offering the FIREHOUSE OF AMERICA, LLC franchises are listed on Exhibit "R." The franchise seller(s) for this FIREHOUSE OF AMERICA, LLC franchise are noted on Exhibit "R." Please see Exhibit "M" for the name, address and telephone number of the Area Representative, if any, for your market

I received a disclosure document dated March 24, 2023 that include the following Exhibits (the effective dates of this disclosure document in states with franchise registration laws are listed on the State Effective Dates Page). A. Financial Statements; B. Application and Deposit Agreement; C1. Franchise Agreement; C2. Deferred Renovation Addendum to Franchise Agreement; D1. Target Reservation Agreement; D2. Area Development Agreement; E. Conditional Assignment of Telephone Numbers and Listings; F. Addendum to Lease Agreement; G. Manual Table of Contents; H. Owner's Guaranty; I. Principal Owner's Statement; J. Articles of Incorporation for Firehouse Subs Market Fund, Inc.; K. Amended and Restated Bylaws of Firehouse Subs Market Fund, Inc.; L. Form of Membership Agreement for Firehouse Subs Market Fund, Inc.; M. Information Regarding Area Representatives; N. List of Franchise Owners; O. List of Franchisees Who Have Left the System; P. Agents for Service of Process and State Administrators; Q. Addenda and Amendments Required by Certain States; R. Potential Franchise Sellers.

Date Disclosure Document Received: _____

Signature _____ Print Name _____

Date _____

Company Name _____ Street Address _____

Telephone Number _____ City, State & Zip Code _____

(RETURN TO FIREHOUSE)