# FRANCHISE DISCLOSURE DOCUMENT

**Hungry Howie's Pizza & Subs, Inc.,**
**a Michigan corporation**
**30300 Stephenson Highway, Suite 200**
**Madison Heights, Michigan 48071**
**(248) 414-3300**
www.hungryhowies.com
sclough@hungryhowies.com

The franchisee will operate a Hungry Howie's restaurant, offering pizza, submarine sandwiches and other designated menu items for sale. The total investment necessary to begin operation of a Hungry Howie's franchised business (including Non-Traditional Restaurants) is between $431,873 and $629,908. This includes between $79,188 and $94,095 that must be paid to the franchisor or its affiliate(s).

Hungry Howie's may enter into an Area Developer Multiple Unit Addendum with you which will give you the right to open a certain number of Hungry Howie's restaurants within a designated geographic area during a specified period of time. At the time you enter into an Area Developer Multiple Unit Addendum you must pay Hungry Howie's the full franchise fee of $25,000 for the first franchise and 50% of the franchise fee for each additional franchise.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document 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. **Note, however, that no governmental agency has verified the information contained in this document**.

You may wish to receive your disclosure in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Hungry Howie's Franchise Development Department, at 30300 Stephenson Highway, Madison Heights, Michigan 48071 (248) 414-3300.

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

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

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

Issued: April 1, 2024

## How to Use This Franchise Disclosure Document

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

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

## What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

## Some States Require Registration

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

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

## Special Risks to Consider About *This* Franchise

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

> Out-of-State Dispute Resolution. The franchise agreement requires you to resolve disputes with the franchisor by arbitration and/or litigation only in Michigan. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Michigan than in your own state.

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

## NOTICE

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.

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

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

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice of the failure and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

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

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

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

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

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

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

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

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

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to the Michigan Department of Attorney General, P. O. Box 30215, Lansing, Michigan 48909 (517) 373-7117.

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## Item 1: The Franchisor and any Parents, Predecessors and Affiliates

To simplify the language in this Disclosure Document, "we", "us", "our" or "Hungry Howie's" means Hungry Howie's Pizza & Subs, Inc., the franchisor. "You" or "your" means the person or business entity buying the franchise. If the franchise is purchased by a partnership, corporation or limited liability company, the partners, shareholders or members, may be referred to in this Disclosure Document as the "Owners" and will be bound by the Franchise Agreement.

### Franchisor, Parent and Affiliates

We do business under the names Hungry Howie's Pizza & Subs, Inc. and Hungry Howie's Pizza, Inc. and do not do business under any other name. Our principal business address is 30300 Stephenson Highway, Suite 200, Madison Heights, Michigan 48071. Hungry Howie's is a Michigan corporation incorporated on December 21, 1981.

Hungry Howie's has no parent company. Hungry Howie's has no predecessors. Hungry Howie's does not conduct the type of business you would operate as a franchisee. Officers of Hungry Howie's do conduct the type of business you would operate as a franchisee.

Hungry Howie's has four affiliates disclosable in this Item: Hungry Howie's Distributing, Inc., which will be referred to in this Disclosure Document as "Distributing"; H.H. Pizza, Inc., which will be referred to as "Florida"; Hungry Howie's Dough Raiser Program, LLC, which will be referred to as "Dough Raiser LLC"; and Hungry Howie's Gift Card Program, LLC, which will be referred to as "Gift Card LLC". Distributing supplies our franchisees east of the Mississippi River and those in Florida (excluding areas in the Northeast and Mid-Atlantic states) with food products, packaging and supplies (collectively, "Products"). Distributing, through a wholly owned subsidiary, Hungry Howie's Properties, Inc. ("Properties"), conducts the type of business you would operate as a franchisee. Properties owns and operates Hungry Howie's Restaurants. Distributing has been in business since 1986. Distributing has never offered franchises in any line of business. The principal business address of Distributing is 30300 Stephenson Highway, Suite 100, Madison Heights, Michigan 48071.

Florida operates under a license agreement with Hungry Howie's to use the Marks in the State of Florida exclusively. Florida does not follow the Hungry Howie's system and is free to set its own standards and specifications, subject to its license agreement. Florida's license agreement with Hungry Howie's requires Florida to offer high quality goods and services in connection with the Marks and allows Florida to use the Marks royalty-free. Florida is responsible for all franchisor obligations with respect to its franchisees located in the State of Florida. Florida collects all franchise fees and royalties from its franchisees located in the State of Florida.

Florida became a licensee in 1984 and is our only licensee. Florida does not conduct the type of business you would operate as a franchisee. Officers of Florida do conduct the type of business you would operate as a franchisee. Florida has offered franchises under its license agreement for restaurants under the name Hungry Howie's Pizza since 1984. Florida franchisees have no direct post-sale performance obligations to Hungry Howie's. Florida franchisees, however, do have post-sale performance obligations to Florida. Florida has not offered franchises in other lines of business. The principal business address of Florida is 2109-D Main Street, Dunedin, Florida 34698.

Dough Raiser LLC, is a Michigan limited liability company and the sole member is Hungry Howie's. It was formed in 2014 and operates our consumer-driven fundraising program for non-profit entities such as schools, religious organizations, and youth activities. Dough Raiser LLC does not conduct the type of business you would operate as a franchisee. The principal business address of Dough Raiser LLC is 30300 Stephenson Hwy, Suite 200, Madison Heights, MI 48071.

Gift Card LLC, is a Michigan limited liability company and the sole member is Hungry Howie's. It was formed in 2014 and operates our physical or electronic gift card program. Gift Card LLC does not conduct the type of business you would operate as a franchisee and has never offered franchises in any lone of business. The principal business address of Gift Card LLC is 30300 Stephenson Hwy, Suite 200, Madison Heights, MI 48071.

**Agent for Service of Process**

If we have an agent in your state for service of process, we disclose that agent in Exhibit B.

**Prior Experience**

We have offered franchises for Restaurants since 1982. We have not offered franchises in other lines of business. Except for the rights granted to Florida, Hungry Howie's has not engaged and does not engage in selling licenses or sub-franchises to any party which then engages in the sale of individual franchises.

**The Business We Offer**

We grant a franchise for the right to operate a retail carry out and delivery and/or sit down restaurant which specializes in the sale of pizza, submarine sandwiches, calzone-style subs, salads, desserts, beverages, and other products under the names "Hungry Howie's®", "Hungry Howie's® Pizza" or "Hungry Howie's® Flavored Crust® Pizza." We have no other business activities. As described in Items 5 and 8, we are the designated supplier of certain equipment. Under the franchise agreement (the "Franchise Agreement"), which is Exhibit E to this Disclosure Document, we offer qualified purchasers the right to establish and operate a Hungry Howie's Restaurant at a single location. "Restaurant" shall mean a Hungry Howie's carry-out, delivery and/or sit-down restaurant, which conducts business in accordance with the Hungry Howie's system.

We may also franchise "Non-Traditional Restaurants." "Non-Traditional Restaurant" shall mean a Hungry Howie's restaurant in a location such as an airport, train, bus or subway station, toll road facility, highway rest stop, stadium, arena, amusement park, fair, carnival, gas station, convenience store, hotel, motel, school, college or university, office building, factory, hospital, shopping mall or food court and other similar retail facility, penal institutions, institutional food service facilities or other non-traditional venues.

Unless otherwise noted, Restaurants and Non-Traditional Restaurants are collectively referred to as "Restaurants" in this Disclosure Document.

Restaurants (except Non-Traditional Restaurants) generally occupy their own premises and provide specified food items and beverages as described in Item 16 ("Menu Items") for carry-out, delivery and, in a limited number of instances, for consumption on the premises. Non-Traditional Restaurants may share their premises with other businesses and may provide limited Menu Items, limited or no delivery, and, in a limited number of instances, consumption on the premises. In addition to our standard franchise agreement you will enter into a non-traditional addendum, the terms of which will be agreed to between you and us.

We may enter into a Multiple Unit Addendum ("ADMUA") with you which will give you the right to open a certain number of Restaurants within a designated geographic area during a specified period of time and pursuant to a schedule. If you do not open the Restaurants in accordance with your schedule, you will lose your right to open any additional Restaurants. A copy of an ADMUA is attached as Exhibit F. An individual franchise agreement is executed for each Restaurant opened under the ADMUA, which will be our then-current franchise agreement, the terms of which

may be materially different from any and all terms contained in the Franchise Agreement attached to this Disclosure Document.

The market for our products includes any individual who desires the Menu Items offered by Hungry Howie's. Competitors include other franchise systems and independent restaurants offering the same or similar items as Hungry Howie's. The market for our Menu Items is well developed and highly competitive.

**Applicable Regulations**

No regulations apply specifically to the industry in which you will operate your Restaurant. However, you will be required to comply with the FDA nutrition and calorie labeling rule regarding the posting of caloric information for food items on menus, menu boards, and online ordering. There are federal, state and local laws, codes, ordinances, statutes, rules, standards and regulations governing food service operations that may impact restaurant operations more than others. You must comply with these laws, along with laws applying generally to all businesses. You should investigate the application of these laws when evaluating your franchise acquisition.

## Item 2: Business Experience

**Director & CEO/President: Steven E. Jackson**

Mr. Jackson has been CEO/President and a director of Hungry Howie's since its formation. Mr. Jackson has been an officer and director of Distributing since its incorporation in 1986. Mr. Jackson has also been an officer and director of Jackson Food Service, Inc. ("JFS"), located in Madison Heights, Michigan, since its incorporation in 1984. JFS owns and operates Hungry Howie's Restaurants.

**Director & Treasurer/Secretary: Jennifer Hearn**

Ms. Hearn is the Secretary, Treasurer and a director of Hungry Howie's since 2013. Ms. Hearn is President and a director of Florida and has been an employee of Florida since 2002. Ms. Hearn owns and operates Hungry Howie's restaurants in Florida.

**Executive Vice President of Marketing: Robert Elliott**

Mr. Elliott joined Hungry Howie's in April of 2011 as Vice President of Strategic Marketing. In 2015, he became Executive Vice President of Marketing.

**Vice President of Marketing & Product Development: Jeffrey Rinke**

Mr. Rinke joined Hungry Howie's in 1987 and in July of 1996, he became Vice President of Marketing and in 2015 the Vice President of Marketing & Product Development. Mr. Rinke has also been an officer and director of Grosse Pointe Pizza Corporation ("GP Pizza"), located in St Clair Shores, Michigan, since its incorporation in 1988. GP Pizza owns and operates a Hungry Howie's Restaurant. Mr. Rinke has also been an officer and director of Perry Pizza Corp ("Perry Pizza"), located in Washington, Michigan, since its incorporation in 2019. Perry Pizza owns and operates a Hungry Howie's Restaurant. Mr. Rinke has also been a director of Shelby Pizza Corporation ("Shelby Pizza"), located in St. Clair Shores, Michigan, since its incorporation in 2021. Shelby Pizza owns and operates a Hungry Howie's Restaurant.

**Vice President of Marketing Technology: Steve Jackson, Jr.**

Mr. Jackson returned to Hungry Howie's in June of 2015 in a Marketing Manager role. In March of 2017 he was promoted to Director of Marketing Strategy. In February of 2024 he was named Vice President of Marketing Technology.

**Executive Vice President & General Counsel: Movses J. Shrikian**

Mr. Shrikian joined Hungry Howie's in August of 2012 as Vice President & General Counsel. In February of 2024, he was named Executive Vice President & General Counsel.

**Vice President of Supply Chain: Phil Worley**

Mr. Worley joined Hungry Howie's in April of 2023 as the Vice President of Supply Chain. From May of 2017 to March of 2023, he served as the director of business operations and chief procurement officer for Bowling Green State University.

**Director of Franchise Development: Steve Clough**

Mr. Clough joined Hungry Howie's in September of 2021. From October of 2020 to September of 2021 he was the VP of Development and Marketing for The Huntington Company in Berkley, MI. From June of 2017 to August of 2020 he was the Director of Sales for New Paradigm Promotional Marketing in Livonia, MI.

**Vice President of Operations: Moises Santana**

Mr. Santana joined Hungry Howie's in February of 2022 as Director of Operations. In February of 2024, he was named Vice President of Operations. From February 2021 to January of 2022, he was Manager for Franchise Performance for Subway Corporation in Florida. From February of 2019 to January of 2021, he was a Franchise Business Consultant for Hungry Howie's.

**Vice President of Finance: Scott Dykowski**

Mr. Dykowski joined Hungry Howie's in December of 2018 as Senior Accounting Manager. In February of 2020 he was named Director of Finance. In February of 2024, he was named Vice President of Finance.

**Vice President of Information Technology: Dan McKay**

Mr. McKay joined Hungry Howie's in 1997 as the primary consultant for Hungry Howie's first consumer website. In 1999, he became Network Administrator. In 2006, Mr. McKay became Information Technology Manager, in 2011, became Director of Information Technology and, in 2023, became Vice President of Information Technology.

## Item 3: Litigation

No litigation is required to be disclosed in this Item.

## Item 4: Bankruptcy

No bankruptcy is required to be disclosed in this Item.

## Item 5: Initial Fees

### Franchise Fee

Except as noted below, the Franchise Fee is $25,000.00 (the "Franchise Fee"). You pay the Franchise Fee to us in full when you sign the Franchise Agreement. No portion of the Franchise Fee is refundable under any circumstances.

Certain owners of ours or their family members may pay no Franchise Fee and may pay a reduced or no royalty fee. Restaurants owned by Properties may pay no Franchise Fee and may pay a reduced or no royalty fee.

In 2023, the Franchise Fee was not uniformly imposed. The range of franchise fees imposed in 2021 was $12,500 to $25,000. Some discounts were due to franchise fee discount programs available to existing franchisees.

### Franchise Fee for Veterans

Provided that you are a former member of the United States Armed Forces and have been "Honorably Discharged," you shall pay the Franchise Fee for Veterans to us in lieu of the Franchise Fee. The approved Honorably Discharged veteran must have a 51% or greater Ownership Interest and be designated as the Designated Franchisee (defined in Item 15) of the Restaurant. The Franchise Fee for Veterans is 50% of the Franchise Fee regularly charged by us at the time you enter into a new Franchise Agreement. Currently, the Franchise Fee for Veterans is $12,500.00. You or your affiliates may receive the Franchise Fee for Veterans for only one Restaurant. You pay the Franchise Fee for Veterans to us in full when you sign the Franchise Agreement. No portion of the Franchise Fee for Veterans is refundable under any circumstances.

### Non-Traditional Restaurant Fee

Franchisees that enter into a Non-Traditional Addendum pay a Franchise Fee established by us on an individual basis. However, we granted no Non-Traditional franchises during our last fiscal year. No portion of the Franchise Fee is refundable under any circumstances. Payment in full is required when the Franchise Agreement and the Non-Traditional Addendum are signed.

### Area Developer Multiple Unit Addendum ("ADMUA") Fee

An Area Developer is a franchisee that is granted the right, for consideration paid to us, to open and operate multiple Hungry Howie's Restaurants, generally within a delineated geographic area. An ADMUA grants you, as an Area Developer, development rights for a specific number of franchises within a delineated geographic area according to a development schedule (the "Development Schedule"). The Development Schedule is negotiated by you and us before the ADMUA is signed. Ordinarily, the Development Schedule will not extend for more than 5 years after the ADMUA is signed.

At the time you enter into an ADMUA, you must pay us a Development Fee. The Development Fee equals the full Franchise Fee for the first franchise plus an additional deposit for each additional franchise you commit to develop under the Development Schedule. The Development Fee is negotiated by you and us before the ADMUA is signed. Ordinarily, the additional deposit for each additional franchise is 50% of the Franchise Fee due for that franchise. No portion of the Development Fee paid under an ADMUA is refundable under any circumstances.

**Franchise Grand Opening Fee**

The Franchise Grand Opening Fee is $15,000.00. The Franchise Grand Opening Fee is spent on grand opening marketing when you open the Restaurant for business. You pay us the Franchise Grand Opening Fee on the date you furnish us with a fully executed copy of the lease for the Restaurant's location. We will use the Franchise Grand Opening Fee to pay the costs of promoting the opening of the Restaurant. The Franchise Grand Opening Fee will be used by us in any manner which we decide is proper and effective for that purpose. No portion of the Franchise Grand Opening Fee is refundable under any circumstances.

**Other Initial Fees**

Prior to opening the Restaurant for business, you must purchase an opening inventory of Products at a cost between $12,500 - $14,2500. If your Restaurant is located east of the Mississippi River (excluding areas in the Northeast and Mid-Atlantic states), all your opening inventory must be purchased from Distributing or another distributor designated by us. Distributing does not supply products west of the Mississippi River, or in areas in the Northeast or Mid-Atlantic states. If your Restaurant is located there, you must purchase your opening inventory from a different distributor designated by us.

Prior to opening the Restaurant, you must purchase from us a conveyor oven and hood system. We are the only designated supplier for the sale of the conveyor oven and hood system which you are required to install in the Restaurant. The cost of the conveyor oven and hood system will be between $33,500 and $487400, depending on the number and size of the ovens and hood system required, installation charges and shipping/freight charges. You will be required to pay a deposit of 50% of the total costs of the conveyor oven and hood system at the time you place an order with us. The balance must be paid prior to delivery and installation.

Certain owners of ours or their family members may purchase a conveyor oven and hood system from us at a discounted purchase price.

No amount paid to us, Distributing, or another distributor designated by us is refundable. No other fees or payments for goods or services are due from you to us or our affiliates before you open your business.

**Item 6: Other Fees**

| **Column 1**<br>**Type of Fee**<br>Note 1 | **Column 2**<br>**Amount** | **Column 3**<br>**Due Date** | **Column 4**<br>**Remarks** |
|---|---|---|---|
| Royalty Fee | 5.5% of Gross Sales but not less than $360 per Reporting Period. | Payment Date after the Reporting Period. | Notes 2 & 3 |
| Marketing Fee | 7% of Gross Sales but not less than $721 per Reporting Period. | Payment Date after the Reporting Period. | Notes 3 & 4 |
| Administrative Fees | $50 - $500 | 10 days after written notice that fee has been assessed in accordance with the Manner of Payment. | Note 5 |
| Annual Meeting Fee | $1,000 | 10 days after written notice that fee has been assessed in accordance with the Manner of Payment. | Note 6 |

| **Column 1**<br>**Type of Fee**<br>Note 1 | **Column 2**<br>**Amount** | **Column 3**<br>**Due Date** | **Column 4**<br>**Remarks** |
|---|---|---|---|
| Attorneys' Fees | Varies. | 10 days after written notice that fee has been assessed in accordance with the Manner of Payment. | Note 7 |
| Audit Invoice | Twice the underpayment plus the cost of the audit. | 10 days after written notice that fee has been assessed in accordance with the Manner of Payment. | Note 8 |
| Seminar Fee | $250 | 10 days after written notice that fee has been assessed in accordance with the Manner of Payment. | Note 9 |
| FI Late Fee | $250 per Accounting Period or any fraction thereof until the Financial Information is provided. | 10 days after written notice that fee has been assessed in accordance with the Manner of Payment. | Note 10 |
| HowieCast Fee | $3.99 per Reporting Period. | Payment Date after the Reporting Period. | Note 11 |
| Insurance Fee | $250 per Accounting Period or any fraction thereof until fully compliant with the Franchise Agreement's insurance coverage requirements | 10 days after written notice that fee has been assessed in accordance with the Manner of Payment. | Note 12 |
| Interest Fee | 1.25% of the applicable outstanding amount due to us per Accounting Period or any fraction thereof. | 10 days after written notice that fee has been assessed in accordance with the Manner of Payment. | Note 13 |
| Late Fee | 5% of the amount due. | 10 days after written notice that fee has been assessed in accordance with the Manner of Payment. | Note 14 |
| NSF Fee | $40, currently. The cost for checks returned "non-sufficient funds." | 10 days after written notice that fee has been assessed in accordance with the Manner of Payment. | Note 15 |
| Products | Varies. | | Note 16 |
| Re-Inspection Fee | $2,500 plus our out-of-pocket expenses, which may vary. | 10 days after written notice that this fee has been assessed in accordance with the Manner of Payment. | Note 17 |
| Relocation Fee | $7,500 | At the time you request to relocate the Restaurant. | Note 18 |
| Renewal Fee | $1,000 | When you execute the New Franchise Agreement. | Note 19 |
| Re-Opening Marketing Fee | Up to $15,000, depending on circumstances. | Note 20 | Note 20 |
| Replacement Training Fee | 25% of the then-current Franchise Fee (currently$6,250) per person | Before the beginning of training. | Note 21 |

| **Column 1**<br>**Type of Fee**<br>Note 1 | **Column 2**<br>**Amount** | **Column 3**<br>**Due Date** | **Column 4**<br>**Remarks** |
|---|---|---|---|
| Securities Offering Review Fee | Reimbursement of our out-of-pocket costs and expenses | Note 22 | Note 22 |
| Termination as the Result of a Franchisee Default or Termination without Cause by the Franchisee | Minimum Royalty Fee for each Reporting Period through the end of the term of the Franchise Agreement. | Within 60 days after the termination. | Note 23 |
| Training Fee | Up to $5,000. | Prior to the beginning of any training program. | Note 24 |
| Training Fee – Remote | Up to $10,000 | Prior to the beginning of any training program. | Note 25 |
| Transfer Fee | Currently, $1,250; $6,250; or $12,500, depending on circumstances (based on our then current Franchise Fee). | At the time of a Transfer. | Note 26 |
| Technology Fee | 0.25% of Gross Sales but not less than $25 per Reporting Period. | Payment Date after the Reporting Period. | Notes 3 & 27 |

Note 1. Except when noted, all fees are: (i) payable to us; (ii) imposed and collected by us; (iii) non-refundable; and (iv) uniformly imposed.

All fees are payable in accordance with the Manner of Payment. "Manner of Payment" is defined as any electronic funds transfer ("EFT") or Automated Clearing House ("ACH") or any other manner of payment that Hungry Howie's may designate from time to time. You shall establish and maintain throughout the term of the Franchise Agreement an account into which you deposit all Gross Sales from the Restaurant. You will execute all documents and authorization deemed necessary by us or the financial institution(s) where you maintain such account permitting us to withdraw by EFT any payments due to us under the Franchise Agreement via ACH.

If any fee is based on Gross Sales or some other figure which you must report to us and you fail to report this figure in a timely fashion, we shall have the power to withdraw by EFT an estimate of the amount due us from your account. The transfer shall not in any way relieve you of the obligation to pay any amounts owing should the transferred funds be less than the actual amount owing by you or if sufficient funds are not available for transfer from your account. You will still be required to submit full and complete reports as required by us.

Note 2. The Royalty Fee is not currently uniformly imposed. Our standard royalty fee is described in the chart.

Note 3. "Gross Sales" shall mean all sales or revenue arising out of the Restaurant, including those: (i) from on-site and off-site sales; (ii) from fees and charges received for deliveries; (iii) from the value equal to redeemed gift cards, loyalty cards or other promotional or redemption programs; (iv) orders that originate in, at, or from the Restaurant, whether delivery or performance

is made from the Restaurant or some other place; (v) that are made or originated by mail, telephone, internet or any other form of Electronic commerce, or facsimile orders received or filled in, at or from the Restaurant; (vi) that are made or performed by means of mechanical or other vending devices at the Restaurant; (vii) which a person, in the normal and customary course of business, would credit or attribute to your operation of the Restaurant; or (viii) from sales made or revenue received from a kiosk. Gross Sales shall be calculated without reserve or deduction for your inability or failure to collect, any amounts owed to you or for any fees, payments or consideration made to or on behalf of any credit, debit, gift card program, customer loyalty program or Electronic payment processing system. Gross Sales shall not include: (i) cash or credit refunds actually provided to customers on transactions otherwise included in Gross Sales; (ii) sales of fixtures, machinery and equipment, which are not sold in the ordinary course of business; (iii) amounts which are separately stated and collected from customers by a you on behalf of any governmental entity for sales or other such tax; (iv) amounts of gift card sales, excluding those redeemed gift cards as described above; and (v) bottle deposits/return fees, where applicable by law. We reserve the right to modify our policies and practices regarding revenue recognition, revenue reporting, and the inclusion or exclusion of certain revenue from "Gross Sales" as circumstances, business practices, and technology change. For the avoidance of doubt, Gross Sales are not reduced by the amount paid to, retained or collected by, or shared with third-party food ordering and delivery systems with which the Restaurant does business. However, our current practice is to charge Royalty Fees and Marketing Fees only on the post-commission amount of third-party food ordering and delivery systems..

"Payment Date" means a day designated by Hungry Howie's from time to time following the Reporting Period or Accounting Period. The Payment Date is currently 10 days after the Reporting Period or Accounting Period. The Reporting Period currently starts on Monday and ends on Sunday. Accounting Periods are 28-day periods, consisting of 4 consecutive Reporting Periods.

Note 4."Marketing Fee shall mean a fee equal to 7% of your Gross Sales, but in no event less than $721.00 per Reporting Period. Currently, $^{1}/_{7}^{th}$ (which is equal to 1% of Gross Sales) of the Marketing Fee is allocated as the National Marketing Fee and $^{6}/_{7}^{th}$ (which is equal to 6% of Gross Sales) of the Marketing Fee is allocated as the Local Marketing Fee (Franchise Agreement, Paragraph 12.1(a)-(b)). See Item 11, Advertising for additional information and definitions.

Note 5. "Administrative Fees" shall mean fees you must pay to us for certain acts or failures to act (collectively "Conduct"). Such Conduct may or may not rise to the level of a Franchisee Default, but over time or cumulatively it may cause devaluation of the Marks, the Restaurant, or the System, or cause Hungry Howie's to incur additional administrative or out–of–pocket expenses. The Conduct for which Administrative Fees may be assessed includes, but is not limited to: failure to prepare Menu Items according to the Manual; failure to maintain standards of cleanliness; failure to purchase or lease inventory, supplies, or equipment from Designated Suppliers; or the unauthorized use of the Marks or Marketing materials. A schedule containing a description of the Conduct with the corresponding fee will be published in the Manual. We may periodically revise or amend this schedule in our reasonable discretion. An Administrative Fee will be between $50.00 and $500.00 for each Conduct. There is currently no schedule of Administrative Fees.

Note 6. The Annual Meeting Fee is applicable if the Designated Franchisee (defined in Item 15) does not attend our annual system-wide franchisee meeting.

Note 7. Should we incur attorneys' fees, costs and expenses in order to enforce the terms and conditions of the Franchise Agreement, whether in a court or an arbitration proceeding, regardless of which party files first, or whether it is a claim, counterclaim or defense, if we prevail, you shall reimburse us for such reasonable attorneys' fees, costs and expenses.

Note 8. The Audit Invoice is applicable if the underpayment exceeds 2% of the amount of the Royalty Fees, Marketing Fees, or Technology Fees, as represented by you.

Note 9. The Seminar Fee is applicable if the Designated Franchisee and/or the Operator, as may be required by us, fail to attend a required continuing training program.

Note 10. You shall pay to us the FI Late Fee from the date you were required to furnish us Financial Information or Financial Statements until you furnish such Financial Statements or Financial Information to us.

Note 11. The HowieCast fee is for data usage and software maintenance related to digital displays (See Item 7). This fee is subject to change and may be increased by a maximum of 12% per year. The HowieCast fee may not be charged if we outsource this service to a Designated Supplier, at which point you will be required to purchase the services from such Designated Supplier.

Note 12. If you do not fully comply with your insurance-related requirements, we may impose the Insurance Fee, which is paid by you to us, for each Accounting Period or any fraction thereof until you have fully complied.

Note 13. Royalty Fees, Marketing Fees, and other fees payable by you to us are subject to the Interest Fee.

Note 14. Royalty Fees, Marketing Fees, and Technology Fees are subject to the Late Fee.

Note 15. Charges that we incur as a result of the tender of a check, EFT or ACH that is returned or rejected for any reason whatsoever by a bank or financial institution.

Note 16. For Products purchased from Distributing.

Note 17. If the Restaurant does not conform to the Drawings and more than one on-site inspection is required, you shall pay us the Re-Inspection Fee for each additional on-site inspection.

Note 18. The Relocation Fee is applicable if you desire to relocate your Restaurant.

Note 19. You pay to us the Renewal Fee when you renew your Franchise Agreement by signing a new Franchise Agreement provided you are permitted to renew your franchise agreement under the terms of your current Franchise Agreement.

Note 20. If the Restaurant: (i) relocates; (ii) closes for any reason and re-opens; or (iii) a Transfer takes place, we may impose the Re-Grand Opening Fee. The amount will be determined by us, taking into consideration relevant factors, including how long the store may have been closed, sales levels at closure or time of Transfer, reputation and goodwill associated with the Restaurant in local community, reason for closure or Transfer, and the general conditions in the marketing area and industry

Note 21. If a replacement Operator is required, then they must attend the then current Initial Training Program and you shall pay to us a per person Replacement Training Fee.

Note 22. If you try to sell any securities which are subject any state or federal law governing the offer, sale or issuance of any such securities, you will have to obtain our prior approval. Prior to and during our review, we shall require you, from time to time, to pay us a sum of money that we shall reasonably deem sufficient to cover our out-of-pocket costs and expenses.

Note 23. In the event of the termination of the Franchise Agreement following your default, or if you terminate the Franchise Agreement without cause, you shall pay to us as our contract damages, within 60 days after termination, an amount equal to the minimum Royalty Fees for each Reporting Period for the remainder of the term of the Franchise Agreement, as if the Franchise Agreement had not terminated.

Note 24. "Training Fee" shall mean a fee of up to $5,000. The Training Fee covers a portion of our expenses to train someone in the Metro Detroit area, including the cost of providing the trainer and the training location. We may, at our discretion, permit additional attendees at the Operator Training Program, Designated Franchisee Training Program, and Continuing Training Program and assess the Training Fee for such additional attendees. The Training Fee must be paid by you prior to the commencement of any such training program. The amount of the Training Fee may vary based on the amount of training required as detailed in Item 11

Note 25. "Training Fee – Remote: shall mean a fee of up to $10,000. The Training Fee – Remote covers a portion of our expenses to train someone outside of the Metro Detroit area, including the cost of providing the trainer and travel and lodging expenses. We may, at our discretion, permit the Designated Franchisee Training Program, Operator Training Program, or Continuing Training Program to take place outside of the Metro Detroit, MI area and assess the Training Fee – Remote for such training. The Training Fee – Remote must be paid by you prior to the commencement of any such training program. The amount of the Training Fee – Remote may vary based on the amount of training required as detailed in Item 11.

Note 26. "Transfer Fee" shall mean 50% of the then-current franchise fee unless: (i) the Transferee is an existing Owner of another Hungry Howie's restaurant and has previously successfully completed the Initial Training Program in which case the Transfer Fee shall be 25% of the then-current franchise fee; or (ii) the Transferee is an existing Owner of the Restaurant and has completed the Initial Training Program, in which case the Transfer Fee shall be 5% of the then-current franchise fee.

Note 27. Currently, we do not collect the Technology Fee. While we currently have no plans to do so, we reserve the right to collect the Technology Fee in the future. If instituted, the Technology Fee would cover technology expenditures as determined by us and may include but would not be limited to providing the System with general assistance and guidance on Technology Systems (defined in Item 11), technology-related matters, researching and developing new technologies such as hardware, software and cloud-based services, network maintenance and upgrades, website internet/intranet capabilities (such as HOME, defined in Item 8) and internal and external data storage and archiving. If instituted, we shall have complete discretion as to the use and allocation of the Technology Fee funds, which may be used for payment of salaries, wages and benefits, direct program costs and/or overhead expenses related to the above-described activities. The Technology Fee is not intended to cover your costs of acquiring and maintaining required or suggested Technology Systems and other support services you need to support Technology Systems, which would be in addition to the Technology Fee.

## Item 7: Estimated Initial Investment

### YOUR ESTIMATED INITIAL INVESTMENT

| Type of Expenditure | Amount | Method of Payment | Due Date | To Whom Payment is to be Made |
|---|---|---|---|---|
| Franchise Fee | $12,500 - $25,000 | Lump Sum | At signing of Franchise Agreement | Us |

| Type of Expenditure | Amount | Method of Payment | Due Date | To Whom Payment is to be Made |
|---|---|---|---|---|
| Franchise Grand Opening Fee | $15,000 | Lump Sum | On the date the Lease is signed | Paid to us for various media and direct mail |
| Real Estate | $2,000 – $5,100 per month | Note 1 | Note 1 | Note 1 |
| Security Deposits | $0 - $5,100 | Lump Sum | Prior to Opening | Note 1 |
| Leasehold Improvements | $253,000 - $327,000 Note 2 | Lump Sum | Prior to Opening | Contractors |
| Architectural Drawings & Local Plan Review Fees | $11,600- $29,750 Note 3 | Lump Sum | Prior to Opening | Designated Supplier - Licensed Architect |
| Equipment and Fixtures | $106,124 - $172,837 Note 4 | Lump Sum | Prior to Opening | Us and Designated Suppliers/Vendors |
| Point of Sale System – Hardware Subscription | $3,579 – $3,678 Note 5 | Note 5 | Prior to Opening | Designated Suppliers/Vendors |
| Point of Sale System – Software-As-A-Service Subscription | $444 - $567 Note 6 | Note 6 | Prior to Opening | Designated Suppliers/Vendors |
| Opening Inventory | $12,500 - $14,250 | Lump Sum | Prior to Opening | Distributing or other Designated Suppliers |
| Insurance | $776 - $1,200 Note 7 | Lump Sum | Prior to Opening | Insurance companies |
| Security Deposits - Utilities | $0 – $500 | Lump Sum | Prior to Opening | Utility companies |
| Exterior Signage | $9,450 - $20,226 | Lump Sum | Prior to Opening | Contractors |
| Digital Displays | $2,400 - $6,200 Note 8 | Lump Sum | Prior to Opening | Designated Suppliers/Vendors |
| Travel and Living Expenses During Training | $2,500 - $3,500 Note 9 | As Incurred | Prior to Opening | Hotels, restaurants, etc. |
| Additional Funds - 3 Months | $2,130 - $20,000 Note 10 | As Incurred | As Incurred | Employees, vendors, landlord, utilities |
| TOTAL Notes 11, 12, 13 & 14 | $431,873 - $629,908 | | | |

Note 1. You must secure suitable real estate for your Restaurant. Typical locations for Restaurants are between 1,300 and 1,600 square feet. Ordinarily, the real estate is leased and located in strip centers within metropolitan and suburban areas. Less typically, the real estate is a free-standing building. The amounts indicated assume that the real estate is leased and reflect a typical range of monthly rentals. The amount of your rent is dependent upon such factors as size, condition and location. Neither Hungry Howie's nor its affiliates will lease real estate to you.

The amount of rent, the time at which the rent is due and to whom the rent must be paid is subject to negotiation by you and the landlord. Ordinarily, you will not pay rent until you open your Restaurant. However, there are instances in which you may have to pay rent for 1-2 months prior to opening your Restaurant, due to your unique lease negotiations and construction schedule. Security deposits are payable to landlords and utility companies. This estimate contemplates a security deposit equal to one month's rent. You may be required to pay a larger security deposit. The space and monthly rent for a Non-Traditional Restaurant will be dependent upon the venue in which the Non-Traditional Restaurant is located and varies significantly.

Note 2. The amount of leasehold improvements is before any landlord-provided tenant improvements or allowances.

Note 3. The amount shown includes the fees assessed by various local municipalities, which vary. The amount shown does not include the $2,500.00 fee that you must pay to our designated architect if you utilize an Alternate Architect. The use of an Alternate Architect is not typical. The amount shown also does not include additional services such as additional on-site visits, engineering fees and reimbursable expenses. Your cost will vary depending on the type of build-out of the Restaurant, such as in-line strip centers, conversion of free-standing buildings, or stand-alone shells.

Note 4. The amount shown is for the purchase of equipment and fixtures for a Restaurant. Equipment and fixtures for a Non-Traditional Restaurant will vary depending on space and menu limitations, but are generally less than a Restaurant. If you lease these items, your initial investment will be less than the amount shown but there will be a monthly lease payment.

Prior to opening the Restaurant, you must purchase from us a conveyor oven and hood system. We are the only designated supplier for the sale of the conveyor oven and hood system which you are required to install in the Restaurant. The cost of the conveyor oven and hood system will be between $33,500 and $47,400, depending on the number and size of the ovens and hood system required, installation charges and shipping/freight charges. You will be required to pay a deposit of 50% of the total costs at the time you place an order with us. The balance must be paid prior to delivery and installation.

Note 5. The amount shown includes a $3,361 required down payment that includes cloud configuration, data sync, installation and training plus the first month's payment for the hardware subscription. The hardware subscription is an ongoing monthly subscription fee you must pay to our Designated Supplier as part of a 48-month contract between you and our Designated Supplier. The monthly subscription fee may vary depending on what optional hardware options, such as a tablet or additional ordering stations, are selected. The amounts shown do not include shipping, travel expenses related to installation and training, or any applicable federal, state or local taxes.

There is an advance replacement warranty on the hardware and peripherals. The warranty does not include items such as loss, theft, misuse, or destruction of the equipment due to casualty.

Note 6. The POS System is a cloud-based software-as-a-service and requires an ongoing monthly subscription fee of $444 to $567 which you must pay to our Designated Supplier as part of a 48-month contract between you and our Designated Supplier. The monthly subscription fee may vary depending on what optional features, such as use of a tablet, additional ordering stations, or credit card gateway fee, are selected. In addition to the monthly subscription fee, there is a $0.50 per transaction fee for the text-to-order feature, which permits customers to place orders via text message. You may disable the text-to-order feature so that customers are no longer able to use it and you will not be charged the $0.50 per transaction fee. However, you will still be required to pay the entire monthly subscription fee.

The amount shown does not include a $26 monthly third party API fee or a $49.00 monthly loyalty program fee, which are both currently paid for by the National Marketing Fund (defined in Item 8) to our Designated Supplier on your behalf.

Note 7. The amount shown includes an initial deposit (if applicable) and the first required insurance payment. Your initial payment may vary depending on the period of time your insurance policy covers and the amount of time over which it is paid. You must maintain the following insurance coverage: "all risk" business property for the restaurant build-out and contents for full replacement cost value; business interruption equal to actual loss sustained; general liability (including products liability); owned, non-owned, and hired auto liability; employment practices liability; workers' compensation and occupational disease; umbrella or excess liability. We may require you to purchase other types of insurance and we may require you to increase coverage limits.

Note 8. The amount shown includes total upfront fees which you must pay to our Designated Supplier. The amount shown does not include shipping and handling or any applicable federal, state or local taxes. Financing might be available through the Designated Supplier.

Note 9. The amount you spend during training will differ depending on a variety of factors, including your choice of accommodations, the rental car you select, the number of people who attend training on behalf of the Restaurant, etc.

Note 10. Estimated funds needed to cover your initial expenses during the first 3 months of operation (other than the items identified separately in the table), not including any draw or salary for you or an Operator. The amount shown includes the $600 setup fee and $510 a month you must pay to our Designated Supplier for the preparation of financial statements (see Item 8). You may need additional working capital during the first 3 months you operate your Restaurant and for a longer time period afterward. Your costs will depend on whether you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and your Restaurant's sales during the initial period.

Note 11. We have relied on our numerous years of experience franchising, and our principals' and affiliates' numerous years of experience developing and operating, Hungry Howie's® Restaurants to complete these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

Note 12. We do not offer direct financing to franchisees for any items. Upon request, we will provide you with a list of lenders or persons that may be of assistance to you in securing financing.

Note 13. The expenditures are non-refundable unless otherwise provided in your agreement with the third party providing the goods and/or services.

Note 14. Your Estimated Initial Investment also includes Non-Traditional Restaurants. Any known variations between Restaurants and Non-Traditional Restaurants are stated in the notes above. We describe the Development Fee in Item 5. No separate initial investment is required when you sign the ADMUA.

## Item 8: Restrictions on Sources of Products and Services

**Required and Approved Suppliers**

If we name one or more Designated Suppliers now or in the future for certain products or services, (1) such information will be made available to you in the Manual and (2) you are not granted the right to use alternative suppliers for such products or services unless otherwise stated in this disclosure document. Our criteria for approving suppliers are not available to you.

You must purchase all your Products from Distributing or a Designated Supplier. Distributing is not the only approved supplier of Products for franchisees. You may only use the Products at your Restaurant and you are prohibited from re-selling, transferring or sharing the Products with any other person or entity. You must purchase all equipment, supplies and materials, uniforms, signage, menu boards, printed materials, posters and menus only from us or from a Designated Supplier. You are required to promptly and fully pay any Designated Supplier.

An officer of Hungry Howie's owns an interest in Distributing. Hungry Howie's is not a Designated Supplier of the Products but is a Designated Supplier for conveyor ovens and hood systems and may in the future be a Designated Supplier of equipment or services used in the Restaurant. Distributing does not supply Products west of the Mississippi River. Franchisees in states west of the Mississippi River and areas of the Northeast and Mid-Atlantic states, must purchase products from another distributor designated by us. Designated Suppliers are selected based on their ability to supply you with the same Products as Distributing on a regularly scheduled basis. We retain the right to substitute, add or delete Designated Suppliers at any time in our discretion. Distributing does not supply packaged beverages and post-mix products (collectively "Beverages"). All Beverages must be purchased from a beverage supplier we designate. Only those Beverages approved by us may be sold by you.

You must purchase your conveyor ovens and hood system only from us.

We may assign an email address to you and require you to maintain the email address at your cost. You will not have the right to change the email address without our consent.

We will designate an accounting firm to prepare Financial Statements you are required to furnish to us. "Financial Statements" shall mean an income statement and balance sheet prepared as prescribed by us in the Manual. The Financial Statements are not audited.

We will designate a licensed architect to prepare a floor plan and drawings for your Restaurant.

Currently, you have the right, but not the obligation, to use Designated Suppliers that provide third party services, including digital ordering platforms, call centers, and delivery services. Such Designated Suppliers charge a commission or fees based on the type of services provided. They also may impose additional fees, such as placement fees for offers or promotions and other service fees. In order to participate in these services, you may be required to enter into a separate agreement with such Designated Suppliers that may include terms that have been determined on a System-wide basis.

We will require you to purchase certain Technology Systems (defined in Item 11) designated by us. This designation may include the manufacturer or developer as well as the model number or other similar designation. If we name a Designated Supplier, alternate suppliers will not be acceptable. We may derive revenue, but we are not currently deriving revenue, based upon required purchases or leases of Technology Systems.

We will require you to use a Designated Supplier for a Technology System which provides the POS System, including online ordering (web and mobile app) and customer loyalty, which collects sales and customer information and data of the Restaurant, and performs other functions. However, you are not required to utilize these Technology Systems for matters related to Employment Practices. "Employment Practices" means your labor relations and practices related

to your or the Restaurant's employees, including, among other things, employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions.

The National Marketing Fund subsidizes a portion of our Designated Supplier's monthly recurring fees for these programs. We may reduce or discontinue these subsidies from the National Marketing Fund in the future. "National Marketing Fund" shall mean a fund to collect and administer National Marketing Fees which are collected from you and which may be combined with similar funds collected from other franchisees and which is established or administered as a marketing fund. Except for permitted reimbursement of expenses as described in Item 11, we do not currently derive revenue from these services but we may do so in the future.

You must participate in our HowieCast digital display system for digital lobby displays, digital menu boards, and a digital back of the house display. You must purchase or lease-to-own the hardware needed to participate in the HowieCast digital display system from a Designated Supplier, described in Item 7 above. The Manual will establish any and all rules, guidelines, standards and specifications for this Technology System. However, you are not required to utilize HowieCast for matters related to Employment Practices. We will derive revenue from a weekly recurring fee for this system paid to us in accordance with Item 6 above.

We will require you to participate in and comply with the requirements of certain physical or electronic gift cards, or other similar redemption programs. These programs currently include a consumer gift card program and consumer-driven fundraising program for non-profit entities such as schools, religious organizations, and youth activities. We will require you to purchase or lease from us or a Designated Supplier the software, hardware, cards, and other items needed to participate in these programs as required by the Manual. We have Designated Suppliers for these programs. You will be required to pay these Designated Suppliers transaction fees per transaction for gift cards. The Manual will establish any and all rules, guidelines, standards and specifications for this program. Currently, the National Marketing Fund subsidizes a portion of our Designated Supplier's monthly recurring fees for gift cards. We may reduce or discontinue these subsidies from the National Marketing Fund in the future. These programs may result in revenue to us to the extent that there may be expired or unredeemed gift cards or coupons offered under these types of programs.

We will require you to participate in and comply with the requirements of a customer loyalty program or other similar reward program. We will require you to purchase or lease any software, hardware or other items needed to participate in and accept customer incentives from the program at partial or all expense to you, as required by the Manual and from a Designated Supplier. We have a Designated Supplier for this program. The Manual will establish any and all rules, guidelines, standards and specifications for these programs. Currently, the National Marketing Fund subsidizes our Designated Supplier's monthly recurring fees for the customer loyalty program. We may reduce or discontinue these subsidies from the National Marketing Fund in the future. While we do not currently derive revenue from these services we may do so in the future.

We will require you to participate in an online service monitoring program, a phone system, and a social media standards and monitoring program. We have Designated Suppliers for these programs. Currently some or all of a portion of the monthly recurring fees for these programs is being subsidized by the National Marketing Fund. We may reduce or discontinue these subsidies from the National Marketing Fund in the future. While we do not currently derive revenue from these services we may do so in the future.

The purchase of products and services from Distributing, another Designated Supplier, approved suppliers, or in compliance with our standards and specifications will represent between 95% and

100% of your overall purchases of products and services to establish and then operate the Restaurant.

**Approval of Alternate Suppliers**

Unless otherwise stated in this disclosure document, we do not permit you to contract with alternative suppliers that meet our criteria and we collect no fees to secure approval from us for you to purchase from alternative suppliers. Since we generally do not grant approval for alternative suppliers, there is no time period in which we are required to notify you of approval or disapproval of an alternative supplier. There is no procedure for revoking any approvals that may be granted. We do not issue specifications for goods or services, nor how we may modify those specifications.

After the first full year of operations, you may request an alternate accounting firm ("Accounting Firm") for approval by us, which approval will not be unreasonably withheld. Any request must be in writing and must state your name and the name and address of the Accounting Firm. Within 30 days after your request, we will inform you if the Accounting Firm has been approved. We may investigate if the Accounting Firm can competently complete our Financial Statements. However, such an investigation or approval will not be considered a representation or guarantee that the Accounting Firm you requested will provide service in accordance with any professional or industry standards or applicable laws. No fee is paid to us to secure approval. There is no procedure to revoke Accounting Firm approval. However, if we approve an Accounting Firm and later determine that such Accounting Firm is not performing competently or in a timely manner, we will notify you in writing that you must change the Accounting Firm within a reasonable period of time.

Despite our designation of a licensed architect, you may request a different licensed architect (the "Alternate Architect") for approval by us, which approval will not be unreasonably withheld. Any request must be in writing, must state your name and the name and address of the Alternate Architect. Within 30 business days after the request we will inform you if the Alternate Architect has been approved. We may investigate if the Alternate Architect can competently complete the work. However, such an investigation or approval will not be considered a representation or guarantee that the Alternate Architect you requested will provide service in accordance with any professional or industry standards or applicable laws. We will have an architect approved by us review the floor plan and drawings prepared by the Alternate Architect. You must pay to our designated architect the fee it charges to review the Alternate Architect's work. No fee is paid to us to secure approval. There is no procedure to revoke Alternate Architect approval. However, if we approve an Alternate Architect and later determine that such Alternate Architect is not performing competently or in a timely manner, we will notify you in writing that you must change the Alternate Architect within a reasonable period of time.

**Revenue from Franchisee Purchases**

We derive revenue from the sale of conveyor ovens and hood systems to you. Our revenue for the calendar year 2023 from the sale of conveyor ovens and hood systems was $389,945. Our total revenue for 2023 was $29,773,700. Revenue from the sale of conveyor ovens and hood systems in 2023 was less than 1.33% of our total revenue.

We derive revenue from you for the weekly subscription fee for HowieCast. Revenue from weekly subscription fees for HowieCast in 2023 was $36,366, which was less than 0.13% of our revenue.

Distributing will derive revenue from the sale of the Products to you. The revenue of Distributing from sales to Hungry Howie's franchisees for the calendar year 2023 was $119,415,482.

We may derive revenue from Distributing with respect to any items purchased by you from Distributing which bear any of the Hungry Howie's service marks or trademarks. We may derive revenue from Distributing with respect to any Products purchased by you from Distributing. However, there is no presently existing agreement which requires Distributing to pay any amount to us with respect to the purchase of such items by you.

Certain vendors pay us rebates based upon purchases by franchisees, Distributing and other Designated Suppliers. The rebates range between .33% and 14.93% of purchases. Certain vendors may designate rebates for a particular use.

**Payment Processing Services**

We may require you to use a Designated Supplier for a Technology System which permits the Restaurant to accept and process various forms of payment, including debit and credit cards. We do not currently have a Designated Supplier for this service. If we name one or more Designated Supplier for this service, you will be required to use the services of such Designated Supplier. While we do not currently derive revenue from these services we may do so in the future.

**HOME**

You must utilize Howie's Online Management Exchange or any similar system that we may designate as its supplement or replacement ("HOME") in order to access the Manuals and other training materials, file certain reports related to your sales, and receive other communications from us. However, you shall not be required to utilize HOME for matters related to Employment Practices. You shall, at your own expense, have an Electronic (defined in Item 11) device to access HOME. In the future, we may require you to purchase such Electronic device as designated by us for such purpose.

"Employment Practices" means your labor relations and practices related to your or the Restaurant's employees, including, among other things, employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions.

**Insurance**

We do not now but, in the future, may require franchisees to purchase casualty, workers' compensation and occupational disease, general liability, products, non-owned and hired auto, business interruption, business property, employment practices liability, umbrella or excess liability and similar insurance from an insurer or insurers designated by us. Currently insurance may be acquired from any insurance carrier approved by us. We do not currently have a Designated Supplier for insurance. While we do not currently derive revenue on the purchase of such insurance we may do so in the future. The insurer may allow us to purchase insurance we cannot obtain unless substantially all franchisees acquire insurance from the same insurer.

**Location Selection and Negotiation**

We may require you to utilize the services of a Designated Supplier to assist in the location selection process or negotiations of the Lease. In the event that we require you to utilize such a Designated Supplier, we shall notify you in writing of any associated fees that you must pay. We do not have a Designated Supplier for these services. In the event that we name one or more Designated Supplier for this service, you will be required to use the services of such Designated Supplier. While we do not currently derive revenue from these services, we may do so in the future.

**Internet Services Provider**

We may require you to utilize a Designated Supplier for a Technology System which provides internet access to the Restaurant, which may include secure voice and data lines, in accordance with the Manual. Currently, internet service may be acquired from any internet service provider approved by us. We do not currently have a Designated Supplier for this service. In the event that we name one or more Designated Supplier for this service, you will be required to use the services of such Designated Supplier. Alternate suppliers will not be acceptable. While we do not currently derive revenue from required purchases or leases from internet service providers, we may do so in the future.

**PCI DSS Compliance**

We may require you to utilize a Designated Supplier for payment card industry data security standards ("PCI DSS") compliance. Currently, PCI DSS compliance services may be acquired from any PCI DSS service provider approved by us. We do not currently have a Designated Supplier for this service. In the event that we name one or more Designated Suppliers for this service, you will be required to use the services of such Designated Supplier. Alternate suppliers will not be acceptable. While we do not currently derive revenue from these services, we may do so in the future.

**Cooperatives**

There are no purchasing or distribution cooperatives.

**Negotiated Prices**

We negotiate purchase arrangements, including prices and payment terms, with certain suppliers. In doing so, we and our affiliates seek to promote the overall interests of the franchise system and affiliate and affiliate-owned operations and our interest as the franchisor.

**Material Benefits**

We do not provide material benefits to a franchisee based on the use of designated or approved suppliers.

## Item 9: Franchisee's Obligations

**This table lists your principal obligations under the Franchise Agreement 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 | Paragraph in Franchise Agreement (FA)/ADMUA | Disclosure Document Item |
|---|---|---|
| a. Site selection and acquisition/lease | FA Paragraphs 3.1, 3.2, 3.3 and 3.4<br>ADMUA Paragraph 2.1 and 2.2 | Items 1, 7, and 11 |
| b. Pre-opening purchases/leases | FA Paragraph 3.6<br>ADMUA Paragraph 2 | Items 7 and 8 |
| c. Site development and other pre-opening requirements | FA Paragraphs 3.5 and 3.6<br>ADMUA Paragraphs 1, 2 and 3 | Items 6, 7, and 11 |
| d. Initial and ongoing training | FA Paragraphs 3.7-3.9 and 10.17 | Item 11 |
| e. Opening | FA Paragraph 3.10<br>ADMUA Paragraph 1 | Item 11 |

| Obligation | Paragraph in Franchise Agreement (FA)/ADMUA | Disclosure Document Item |
|---|---|---|
| f. Fees | FA Paragraphs 5, 6 and 9<br>ADMUA Paragraph 5 | Items 5 and 6 |
| g. Compliance with standards and policies/operating manual | FA Paragraphs 10 and 15 | |
| h. Trademarks and proprietary information | FA Paragraph 14 | Items 13 and 14 |
| I. Restrictions on products/services offered | FA Paragraph 8 | Item 16 |
| j. Warranty and customer service requirements | FA Paragraph 10.9 | Not Applicable |
| k. Territorial development and sales quotas | ADMUA Paragraph 1 | Item 5 |
| l. Ongoing products/service purchases | FA Paragraph 8 | Item 8 |
| m. Maintenance, appearance and remodeling requirements | FA Paragraphs 3.9, 3.10 and 9.8 | Not Applicable |
| n. Insurance | FA Paragraph 13 | Items 6, 7, and 8 |
| o. Advertising | FA Paragraph 12 | Items 6, 7, and 11 |
| p. Indemnification | FA Paragraph 13.12 | |
| q. Owner's participation/manage-ment/staffing | FA Paragraphs 10.2 and 10.3 | Items 11 and 15 |
| r. Records and reports | FA Paragraphs 7 and 9 | Item 6 |
| s. Inspections and audits | FA Paragraphs 7.5 and 10.19 | Items 6 and 11 |
| t. Transfer | FA Paragraph 17<br>ADMUA Paragraph 7 | Item 17 |
| u. Renewal | FA Paragraph 4.3 | Item 17 |
| v. Post-termination obligations | FA Paragraphs 16.2, 17 and 18.13<br>ADMUA Paragraph 6 | Item 17 |
| w. Non-competition covenants | FA Paragraph 16 | Item 17 |
| x. Dispute resolution | FA Paragraphs 22 and 23 | Item 17 |
| y. Other: Security Interest | FA Paragraph 19 | Not Applicable |
| z. Other: Guarantee of Franchisee Obligations | FA Paragraph 19 | |

## Item 10: Financing

Neither we nor any of our affiliates offers direct or indirect financing. Neither we nor any of our affiliates will guaranty your note, lease or obligations.

## Item 11: Franchisor's Assistance, Advertising, Computer Systems and Training

**Except as listed below, Hungry Howie's is not required to provide you with any assistance.**

### Pre-Opening Assistance

Prior to the Restaurant opening for business, we shall do all of the following:

(a) Designate the geographic area in which the Restaurant will be located (Franchise Agreement, Paragraph 3.1). If you enter into an ADMUA with us, we will also designate the geographic area in which all Restaurants must be located (ADMUA, Exhibit A Part 2).

(b) Provide general advice, guidance and assistance on the selection of a location for the Restaurant (Franchise Agreement, Paragraph 3.2). The location shall be selected by you with our consent and approval. We shall expend such time and effort, and incur such expenses, as we believe to be reasonably necessary to evaluate the locations proposed by you for the Restaurant. You shall not share the premises occupying the Restaurant with any other business, nor shall you engage in co-branding without our prior written approval. We may require you to utilize the services of a Designated Supplier to assist in the location selection process (Franchise Agreement, Paragraphs 3.1 and 3.2). We will approve or disapprove your location within 5 days after we receive notice of the proposed location. Numerous factors go into the approval or disapproval of a location that include population in the area, number of individuals per household, and density of retail shops in proximity of the location. If you enter into an ADMUA with us, we may provide lesser degrees of advice, guidance and assistance to you, as may be described in Paragraph 3 or elsewhere in the New Agreement (or similar provision governing location selection and approval in a New Agreement), for the Scheduled Units, based on our determination of your need for our advice, guidance and assistance. In granting you the Development Rights, we are relying on your knowledge of the real estate market and your ability to locate and access locations within the Development Area (ADMUA, Paragraph 2.1).

(c) Provide you general advice, guidance and assistance on the negotiation of the Lease for the Restaurant (Franchise Agreement, Paragraph 3.3). We may require you to utilize the services of a Designated Supplier to assist in the negotiations of the Lease.

(d) Provide you general advice, guidance and assistance on developing and preparing the Drawings for the Restaurant (Franchise Agreement, Paragraph 3.5).

(e) Inspect the Restaurant to determine if it has been constructed in conformity to the approved Drawings and with the System (Franchise Agreement, Paragraph 3.6).

(f) Make available to your Operator the Operator Training Program (Franchise Agreement, Paragraph 3.7).

(g) Make available to your Designated Franchisee the Designated Franchisee Training Program (Franchise Agreement, Paragraph 3.8).

(h) Mutually agree to a specific date on which the Restaurant will open for business so that we can coordinate our support services to you (Franchise Agreement, Paragraph 3.10). If the Restaurant is not open for business within 1 year after the Effective Date of the Franchise Agreement, the Franchise Agreement may be terminated at our option by providing you a Default Notice. "Effective Date" shall mean the date the Franchise Agreement is signed by us. "Default Notice" shall mean written notice of either our default or your default in sufficient detail for the defaulting party to reasonably understand the nature of the default along with a description of any action that must be taken to affect a cure, if a cure is permitted. The Default Notice will provide you

60 days from the date of the Default Notice to open the Restaurant for business. If the Restaurant is not open for business within such 60 day period, no further Default Notice will be required and Hungry Howie's shall keep the Franchise Fee paid by you (Franchise Agreement, Paragraph 18.2).

(i) Provide initial advertising and grand opening promotions (Franchise Agreement, Paragraph 12.10).

(j) Provide you access to the Manual (Franchise Agreement, Paragraph 15.1).

(k) You are typically expected to open your Restaurant 3 to 9 months after you sign a Franchise Agreement. The factors that affect this time are the ability to obtain a lease, financing or building permits, zoning and local ordinances, weather conditions, shortages and delayed installation of equipment, fixtures and signs. We must approve your Restaurant before opening. We will mutually agree to a specific date on which the Restaurant will open for business so that we can coordinate our support services to you. One of our employees will perform an on-site inspection and visit your Restaurant to judge if it is ready to open. The employee will have the power to inform you of action you must take in order to open. In lieu of an on-site inspection, we may require you to furnish photos and videos of your Restaurant. We will designate the date on which you shall open your Restaurant for business.

If the Restaurant is not open for business within 1 year after the Effective Date, the Franchise Agreement may be terminated at our option by providing you a Default Notice. The Default Notice will provide you 60 days from the date of the Default Notice to open the Restaurant for business. If the Restaurant is not open for business within such 60-day period, no further Default Notice will be required and Hungry Howie's shall keep the Franchise Fee paid by you. You must meet all other requirements to open for business as required by the Franchise Agreement (Franchise Agreement, Paragraph 18.2).

If the Restaurant is not open for business within 2 years after the Effective Date, the Franchise Agreement shall automatically terminate without the need for a Default Notice and Hungry Howie's shall be entitled to keep any fees paid by you (Franchise Agreement, Paragraph 18.3).

**Continuing Assistance**

After the Restaurant is opened for business and during the term of the Franchise Agreement, we shall do all of the following:

(a) Notify you in writing of the Upgrades that are required by us (Franchise Agreement, Paragraph 3.11).

(b) If you desire or are required to relocate the Restaurant, we will provide location selection assistance (Franchise Agreement, Paragraph 3.14).

(c) Make the Continuing Training Program available (Franchise Agreement, Paragraph 3.9).

(d) Provide the identity of any Designated Supplier (Franchise Agreement, Paragraph 8).

(e) Administer, implement, and provide approvals for the Marketing Funds and Marketing (Franchise Agreement, Paragraph 12).

(f) Cooperate with you to protect the System against the infringement of the Marks. We shall defend you against any claim, demand or suit against you concerning the Marks (Franchise Agreement, Paragraph 14.5).

(g) Provide approval or consents for Transfer (Franchise Agreement, Paragraph 17.2).

**Optional Assistance**

At your reasonable request, we shall periodically consult with you concerning the operations of the Restaurant. However, we shall have no obligation to consult with you according to any schedule or any specified times, rate or frequency. You acknowledge that it would be impossible for us to consult with each of our franchisees an identical number of times or for an identical amount of time, and that the extent of your meetings and consultation with us may be greater or less than other franchisees (Franchise Agreement, Paragraph 11.1).

**Advertising**

**Marketing Fees: In General**

Currently, we have three marketing funds – the National Marketing Fund and two Local Marketing Funds, all of which are described below. (All of the discussion appearing below is derived from Paragraph 12 of our Franchise Agreement.)

You are required to pay a Marketing Fee of 7% of your Gross Sales. The 7% Marketing Fee is subject to minimum amounts for each Reporting Period (as described in Item 6 above). The Marketing Fee is allocated, in our sole discretion, among the National Marketing Fund and the Local Marketing Fund. The Local Marketing Fund to which you contribute is determined by whether your store is in a broadcast-feasible market or not. A "broadcast-feasible market" is determined by the board of directors of each respective Local Marketing Fund and is one in which traditional broadcast media, such as radio and television, are affordable and efficient advertising options for the stores in such market. The allocation may vary during the Term and differ for various franchisees in the System based on varying franchise agreements we have with other franchisees. Currently, of the Marketing Fee you pay, $^{1}/_{7}^{th}$ (which is equal to 1% of Gross Sales) will be allocated as the National Marketing Fee and deposited into the National Marketing Fund. The remaining $^{6}/_{7}^{th}$ (which is equal to 6% of Gross Sales) will be allocated to the Local Marketing Fee and deposited into the Local Marketing Fund.

If we choose to raise or reduce the allocation of the Marketing Fee to either the National Marketing Fund or the Local Marketing Fund, then we will concurrently and proportionately reduce or raise, as applicable, the allocation of the Marketing Fee to the corresponding fund so that the total allocation to both the National Marketing Fund and the Local Marketing Fund does not exceed the Marketing Fee. We may, in our sole discretion, modify the allocation of the Marketing Fee between the National Marketing Fund and the Local Marketing Fund as often as we desire. However, if we intend to alter the allocation of the Marketing Fee, we will provide you 90 days' prior written notice of such change.

Some "legacy franchisees" which are not obligated to and do not report sales to us may contribute a different amount, at a different rate, or a different manner. "Legacy franchisees" are a very limited number of franchises granted many years ago that operate Howie Howie's restaurants pursuant to oral license agreements which are terminable at-will.

Currently, we receive monies from other franchisees that have alternate provisions in their respective franchise agreements pertaining to Marketing. In 2018, franchisees located in the broadcast-feasible DMAs in Michigan (that had stores signed to franchise agreements with

alternative marketing provisions) voluntarily entered into amendments which, among other things, reallocated their marketing expenditures and established certain minimum dollar contributions. These franchisees represent 135 stores. We may use these monies for the same or similar purposes for which we use your contributions to the 2 Marketing Funds. You shall contribute to the Marketing Funds as we direct.

We may decide in our sole discretion not to collect a portion of the Marketing Fee from you. If we make this decision, then we will provide you 90 days written notice. You are then responsible for administering and spending on Local Marketing the portion of the Marketing Fee that we do not collect from you. We may Audit your expenditures to determine if you are administering and spending that amount on Local Marketing. You shall maintain for inspection all agreements, bills, invoices, canceled checks, and other records necessary to document that fact. We may revoke or alter our election not to collect a portion of the Marketing Fee from you by providing you with 90 days written notice. If we decide not to collect a portion of the Marketing Fee from you, then we may require you to submit to us a Marketing Plan on a quarterly or annual basis. If you are required to submit a Marketing Plan, we will provide you with at least 30 days' prior written notice indicating when the Marketing Plan must be submitted to us. The Marketing Plan shall be submitted to us in a manner and in such detail as prescribed by us from time to time in the Manual.

The Marketing Plan must be approved by us. We shall have 30 days after receipt of the Marketing Plan to object to all or a portion of the Marketing Plan. If we fail to object within 30 days, then you shall spend that portion of the Marketing Fee that we decided not to collect from you in accordance with the Marketing Plan that you submitted to us. If we do not object to the Marketing Plan you submit to us, this will be considered our approval. However, it will not be considered a representation or guaranty of the effectiveness of the Marketing Plan you submit to us. If we object to the Marketing Plan you submit to us, you will make changes as reasonably prescribed by us. Although we may have approved a Marketing Plan you submit to us in the past, this does not mean that future or different Marketing Plans you submit to us are approved (Franchise Agreement, Paragraph 12.5).

We may establish alternate methods of collecting any of the Marketing Fee. Alternate methods may include collecting a price differential from you on the price of certain products or services that you must purchase. If an alternate method is used to collect the Marketing Fee, on an annual basis we shall compare the amount collected with the amount which would have otherwise been collected for the Marketing Fee. If there is a deficiency between the alternate method and what otherwise would have been collected, then we may collect such deficiency from you. You must pay any deficiency within 30 days after receipt of the invoice. Failure to pay any deficiency in a timely manner will subject the deficiency to the Late Fee and the Interest Fee (as described in Item 6 above). We will refund any excess amount collected from you within 30 days of the reconciliation.

Other than the amount paid by franchisees, Hungry Howie's is not required to spend any amount on advertising in the area where your Restaurant is located (Franchise Agreement, Paragraph 12.2).

National Marketing Fund

The "National Marketing Fund" is the fund we use to collect National Marketing Fees and administer National Marketing. The National Marketing Fee may be combined with similar funds collected from other franchisees (as described in Item 6 above). (Franchise Agreement, Paragraphs 1.75 and 12.3.)

The “National Marketing Fee” is the portion of the Marketing Fee designated for National Marketing and contributed to the National Marketing Fund in accordance with the Franchise Agreement (Disclosure Document, Item 6; Franchise Agreement, Paragraphs 1.74 and 12.1(a)).

“National Marketing” is Marketing which we decide is meant to generally increase the goodwill associated with the Marks or the System, but does not require that the Restaurant or any Hungry Howie’s Unit benefits directly, pro rata, or equally from such Marketing (Disclosure Document, Item 6; Franchise Agreement, Paragraphs 1.73 and 12.1(a)).

We will deposit the National Marketing Fee into the National Marketing Fund, which was formed in 2013 as the Hungry Howie’s National Advertising Fund, Inc., a Michigan not-for-profit corporation. In 2018, we filed an assumed name of this Michigan not-for-profit corporation as “Hungry Howie’s National Marketing Fund, Inc.” The National Marketing Fund is operated by appointed directors. The directors are selected by us, and franchisees have no voting power. Subject only to the restrictions in the Franchise Agreement described in this Item 11, the directors have full decision-making authority over the National Marketing Fund. The National Marketing Fund manages contributions from franchisees made for National Marketing. We intend that National Marketing Fund expenditures maximize recognition of the Marks and patronage of Hungry Howie’s Restaurants and enhance, promote, and protect the System through National Marketing. However, we do not have an obligation to ensure that any National Marketing Fund expenditures are made in proportion to any specific franchisee’s National Marketing Fund contribution. Nor do we have an obligation to ensure that any National Marketing Fund expenditures benefit all Restaurants equally. Currently, the National Marketing Fund does not make decisions regarding the expenditure of advertising funds in Florida.

In 2023, of the money spent by the National Marketing Fund, 50.74% was spent on production, including commercial production, design, account management, copywriting and planning, research and point of purchase kits; 30.52% was spent on media placement, including e-mail, print, internet, sponsorships and online ordering reimbursements; and 18.74% was spent on administrative expenses.

Local Marketing Fund

The “Local Marketing Fund,” is the fund we use to collect Local Marketing Fees and administer Local Marketing. The Local Marketing Fee may be combined with all or some of similar funds collected from other franchisees. (Disclosure Document, Item 6; Franchise Agreement, Paragraphs 1.62, 12.1(b) and 12.3).

The “Local Marketing Fee” is the portion of the Marketing Fee designated for Local Marketing and contributed to the Local Marketing Fund in accordance with the Franchise Agreement (Disclosure Document, Item 6; Franchise Agreement, Paragraphs 1.61 and 12.1(b)). “Local Marketing” is Marketing that we decide is meant to generally increase the goodwill of the Marks and the Restaurant within the Restaurant’s general trading area. However, we may decide that the goodwill of the Marks and the Restaurant within the Restaurant’s general trading area would benefit from pooling some or all your Local Marketing Fee with some or all of the local marketing fees of other Hungry Howie’s Units. Such pooling may be done by DMA, geographical area, or by a demographic, psychographic, or other similar segmentation. Local Marketing may include broadcast television, outdoor advertising, radio, sponsorships of sports teams, print advertising, and the utilization of any Electronic or other emerging media or promotional tactics, such as digital or social media. Local Marketing does not include the purchase of any interior or exterior signage for the Restaurant. We will decide whether something is “Local Marketing”. (Franchise Agreement, Paragraph 1.60).

Depending on whether your Restaurant is located in a broadcast-feasible market or not, we will deposit the Local Marketing Fee into one of two Local Marketing Funds:

Hungry Howie's Marketing Fund, Inc. ("Marketing Fund I") was formed in 2000 as Hungry Howie's Advertising Fund, Inc., a Michigan not-for-profit corporation. The Marketing Fund I was originally created to manage contributions from franchisees for regional advertising. Currently, the Marketing Fund I collects and administers Local Marketing Fees collected from franchisees in broadcast-feasible markets, as well as local and regional marketing fees collected from franchisees with older franchise agreements that contain different terms than yours. In 2021, in accordance with provisions of Michigan law, the members of the Marketing Fund I voted to change the Marketing Fund I from a membership basis to a directorship basis. This resulted in a change where there are no longer members of Marketing Fund I, whose primary responsibilities were to elect the board of directors and amend the articles of incorporation. Operating on a directorship basis allowed the Marketing Fund I to streamline its operations by only needing the approval of its directors, who have been appointed by us to make decisions. Updated articles of incorporation were filed, and the company name was updated to Hungry Howie's Marketing Fund, Inc.

Hungry Howie's Marketing Fund II, Inc., a Michigan not-for-profit corporation ("Marketing Fund II") was formed in 2021.

If your Restaurant is located in a broadcast-feasible market (currently, only Restaurants in the state of Michigan), then the Local Marketing Fee will be deposited into Marketing Fund I. If your Restaurant is not located in a broadcast-feasible market (i.e., anywhere outside the state of Michigan), then the Local Marketing Fee will be deposited into Marketing Fund II.

Both the Marketing Fund I and the Marketing Fund II (the "Local Marketing Funds") are operated by a board of directors. The directors are selected by us. Subject to the restrictions in the Franchise Agreement described in this Item 11, the board of directors has authority over the Local Marketing Funds. Marketing Fund I manages contributions for Local Marketing from franchisees in broadcast-feasible markets (currently, only stores in the state of Michigan). Marketing Fund II manages contributions for Local Marketing from franchisees not in broadcast-feasible markets (currently, anywhere outside the state of Michigan).

The board of directors for the Local Marketing Funds have each established a franchisee advisory council. Members of each council are Designated Franchisees and are appointed by us. Franchisees have an opportunity to nominate advisory councilmembers who meet our then-current qualifications. The objective of each advisory council is to provide an efficient means to promote constructive and open communications with respect to the formulation of marketing plans and programs that impact franchisees in their respective broadcast or non-broadcast feasible markets as determined by the Board. Members of the advisory councils serve in a voluntary advisory capacity and do not have authority to establish or modify the policies, strategies, or plans of the Local Marketing Funds or Hungry Howie's. However, the board of directors may take into consideration the input of the advisory councils. Hungry Howie's is solely responsible for publishing recommended pricing of all Hungry Howie's products. It is our intent to appoint select members from the Local Marketing Funds' advisory councils to an advisory council to the National Marketing Fund, which is described above. The formation and structure of such advisory council to the National Marketing Fund will be substantially the same as the advisory councils to the Local Marketing Funds. There is no other advertising council comprised of franchisees that advises us on advertising policies.

Separate bank accounts are kept for Marketing Fund I and Marketing Fund II. An accounting is kept of the Local Marketing Funds, so that income and expenses related to Local Marketing may be determined on a reasonable basis.

The Local Marketing Funds also collect contributions from franchisees operating under different franchise agreements. The Local Marketing Funds are used for advertising on a local and regional level and spend contributions from franchisees under different franchise agreements and new franchisees for the same purpose through the same entity.

Expenditures from the Local Marketing Funds shall be generally intended to enhance recognition of the Marks and patronage of Hungry Howie's Restaurants and enhance and promote the System through Local Marketing. Other than as specifically provided in Paragraph 12 of the Franchise Agreement, we are not required to spend any amounts on Marketing in the area of or for the direct benefit of the Restaurant. For the expenditure of the Marketing Funds, we have no obligation to: (i) make expenditures which are equivalent or proportionate to your contributions or the contributions of any other franchisee; (ii) ensure that the Restaurant benefits directly or pro rata from the placement of Marketing; or (iii) ensure that any Marketing directly benefits the Restaurant. Additionally, we have no obligation to ensure that any Marketing Fund expenditures benefit all Hungry Howie's Units equally. In the administration or operation of the Marketing Funds, a reasonable amount of overlap may occur between your Territory and the territory of other franchisees. There may be crossover into the territory of other franchisees and, as a result, your expenditures may benefit other Hungry Howie's Units. The Local Marketing Funds do not make decisions regarding the expenditure of advertising funds in Florida.

In 2023, of the money spent by Marketing Fund I, 3.52% was spent on production, including commercial production, design, account management, copywriting and planning and research; 90.63% was spent on media placement, including television, radio, e-mail, print and postage, internet, sponsorships and billboards; and 5.85% was spent on administrative expenses. In 2023, of the money spent by Marketing Fund II, 1.31% was spent on production, including commercial production, design, account management, copywriting and planning and research; 91.22% was spent on media placement, including television, radio, e-mail, print and postage, internet, sponsorships and billboards, and 7.47% was spent on administrative expenses.

Certain vendors may contribute money for advertising. There is no requirement or assurance that such vendors will continue to contribute money for advertising. Hungry Howie's may direct amounts contributed by vendors and designated for advertising to the Marketing Funds.

**Marketing Funds: Administration**

We are permitted to establish various funds to manage the fees that we collect from you, as described above (for purposes of this discussion, the "Marketing Funds"). Subject to certain limitations in the Franchise Agreement, we may administer, manage, operate, form, change, dissolve, replace, or merge any Marketing Fund at our sole discretion, and change the operating agreement, articles, or bylaws of any entity that administers any Marketing Fund. We will decide how the Marketing Funds will be established, under what type of entity, and how the Marketing Funds will be structured and operate. Your contributions to any of the Marketing Funds may be combined with contributions made by other franchisees to conduct National Marketing or Local Marketing.

Restaurants owned by or under the control of the officers of Hungry Howie's and owned by Properties, GP Pizza, JFS, Perry Pizza, or Shelby Pizza pay into the National Marketing Fund and Local Marketing Fund. These may differ from the rates that you pay.

Unless specifically provided elsewhere, we shall have sole discretion over the creative concepts, materials, media, placement and allocation resources and funds used by the Marketing Funds.

We shall try to spend the monies in the Marketing Funds during the fiscal year in which the contributions are made as we deem best. However, we may retain a reasonable reserve for future Marketing, repayment of debt and other reasonable business needs in the next fiscal year(s).

Although the Marketing Funds are intended to be of perpetual duration, we retain the right to: (i) terminate or replace any of the Marketing Funds at any time; (ii) direct the monies in any of the Marketing Funds to another entity, provided that the monies are used for Marketing; (iii) terminate the Marketing Funds or name another designee to administer or operate the Marketing Funds; (iv) change the operating agreement, articles or bylaws of the entity that administers the Marketing Funds; or (v) change or alter the entity that administers the Marketing Funds. We may only terminate the Marketing Funds if: (i) all funds in the Marketing Funds have been expended for Marketing; (ii) any unused portion of funds held by the Marketing Funds is transferred to another designee; or (iii) the unused portion of funds held by the Marketing Funds is refunded to the then-existing franchisees on a pro rata basis based on a reasonable estimate of their contributions as a percentage of total contributions during the preceding full 12-month period (Franchise Agreement, Paragraph 12.3).

We are not required to provide audited financial statements for the Marketing Funds or any cooperatives that we establish. However, within 120 days after the end of each fiscal year, upon your request we will provide an annual financial statement indicating the general use and expenditure from the Marketing Fund for each fiscal year. We will provide you with a copy of the Bylaws of the Ad Fund or the National Marketing Fund upon request.

You will only receive an accounting of how advertising funds are raised and spent if you request the same from the Ad Fund or the National Marketing Fund. Requests may be sent to Hungry Howie's Advertising Fund, at 30300 Stephenson Highway, Suite 200, Madison Heights, Michigan 48071.

Marketing Funds may be used for the sale of Hungry Howie's franchises, provided that such use is incidental. No portion of the Marketing Funds is used for advertising that is principally solicitation for the sale of franchises.

We may expend or allocate up to 20% of the Marketing Fee contributions on an annual basis for reasonable salaries, administrative costs and overhead, if any, as we may incur in connection with administration or operation of the Marketing Funds. This 20% does not include the cost of employing independent contractors or agencies to administer, create, distribute, place, publish or otherwise provide products or services to the Marketing Funds. The Marketing Funds may borrow money and pay interest or establish credit from us or other entities. Payments of interest may be paid by the Marketing Funds. We may receive money from the Marketing Funds for goods and services provided to the Marketing Funds.

**Marketing Materials: Use and Approval**

Radio, television, direct mail, newspapers and the Internet are all used to advertise our products. Advertising may be national, regional or local in scope.

We use outside advertising agencies and have an in-house marketing department for creative development and execution.

All Marketing materials (including coupons) must be produced using our visual asset library. If we do not maintain a visual asset library, then any materials that you use for Marketing must meet our System standards (as described in the Manual) and are subject to our prior written approval.

You must submit proposed Marketing materials for our approval prior to their production, distribution or use. If we fail to object within 10 days after receiving the materials, then the materials are approved. If we object to the Marketing materials, you will make changes as reasonably prescribed by us. Although we may have approved Marketing materials in the past, this does not mean that future or different Marketing Materials are approved. We can revoke any previous approval or object to the use of any Marketing materials by you at any time, even if we

previously approved such Marketing materials. You are not permitted to use or must discontinue the use of Marketing materials that we revoked or object to immediately after we provide you written notice.

You must obtain our prior written consent to use, register, maintain, or sponsor any Social Media.

**Marketing Cooperatives**

We have the right, but not the obligation, to designate any geographical area for purposes of establishing regional or local cooperatives and to determine whether a cooperative is applicable to the Restaurant. If we establish a cooperative you must be a member of and participate in the cooperative in accordance with the rules governing the cooperative that we may establish from time to time. We may direct that all or a portion of your Marketing Fee be deposited into the cooperative. No additional payment will be required by you to fund the cooperative. Each cooperative will be organized for the purpose of administering Local Marketing Funds and conducting Marketing for members of the cooperative. It is our intention to define cooperative areas and whether a cooperative is applicable to the Restaurant by designated market area ("DMA"), but we reserve the right to define it in a different manner. No franchisee is currently required to participate in a local or regional advertising cooperative.

**Computer System or Technology Requirements**

You will purchase, lease, license and/or use, at your cost, Technology Systems as designated by us in the Manual, including a POS System. "Technology System(s)" shall mean any POS System, Gift Card Program, or other Electronic system, device, product or service, including computers, equipment, hardware, software, cloud-based services, software-as-a-service, communication devices, tablets, internet service providers and connections, online, text or voice ordering systems or services including call centers (which permits customers to place, track or pay for orders using the Internet or other Electronic media), customer satisfaction and payment processing systems, as may be described in the Manual. Should you become aware of any flaw, fault or error in the programming, operation or functionality of any Technology System, you shall promptly notify us of such flaw, fault or error (Franchise Agreement, Paragraph 9.1).

"Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic or similar capabilities.

"POS System" means an Electronic point of sale system, whether physically located at the Restaurant or in a virtual location, which may consist of one or more computer systems, hardware, software, cloud-based services, software-as-a-service, dedicated telephone, power and data lines, modems, high speed Internet access (or alternative communications line designated by, or permitted by us), cables, printers and other computer-related accessories and peripheral equipment and which may provide point of sale information, customer databases and customer retention services and perform accounting, marketing, and inventory functions as specified by us in accordance with the Manual.

We may require that Technology Systems are purchased, leased or licensed from Designated Suppliers as described in the Manual, unless we permit otherwise in writing, in our sole discretion. If we name Designated Suppliers, alternate suppliers will not be permitted (Franchise Agreement, Paragraph 9 and Disclosure Document, Item 8). We may require that any Technology System is initially programmed and, from time to time, reprogrammed only by us or Designated Suppliers (Franchise Agreement, Paragraph 9.1).

You shall acquire ongoing technical support, hardware or software subscription agreements, maintenance or service contracts and software upgrades and updates as specified in the Manual

for any Technology System (Franchise Agreement, Paragraph 9.2). You may be required to enter into and abide by hardware or software licensing, subscription, maintenance, or similar agreements with a Designated Supplier or third-party vendor in connection with hardware, software or cloud-based services for any Technology System (Franchise Agreement, Paragraph 9.3).

We have the right to periodically establish, in writing, new standards, specifications and components of any Technology System to address new technologies and to implement those changes into the System. You shall abide by any new standards established by us and you shall pay all fees associated with such new standards. Such new standards, specifications, and components of any Technology System due to technological developments or events may require you to purchase, lease, license or subscribe to new or modified Technology Systems or to obtain service and support for any Technology System. (Franchise Agreement, Paragraph 9.8).

You shall, at your own expense, purchase, lease, license or subscribe to the following Technology Systems which shall:

(a) COLLECTION OF SALES INFORMATION: Accurately, consistently and completely capture and record all Gross Sales and related information and data of the Restaurant. Such Technology System is currently the POS System. You shall take all necessary action to backup all records of Gross Sales or other data and information on such Technology System at least once every 30 days or as we may otherwise designate in the Manual. We may also require you to furnish certain records or data in hard copy or Electronic files (Franchise Agreement, Paragraph 9.1(a)).

Currently, we require you to purchase or lease and utilize an integrated POS System for such purposes, as specified by us in the Manual (Franchise Agreement, Paragraph 9.1(a)). Currently, only a HungerRush 360 5 Station System is approved for use. However, station count and configuration may be altered based on store size and setup, including such items as the availability of drive-thru service. We may approve other vendors in the future. See Disclosure Document, Item 7, Notes 5 and 6.

(b) PAYMENT PROCESSING: Permit the Restaurant to accept payment in the form of credit cards, debit cards and similar payment devices or services specified by us that enable purchases to be made with or without the physical exchange of currency. We may require that such Technology System integrate with the POS System and may involve integration with other Technology Systems; this may require you to obtain additional equipment or services. You shall, at your own expense, subscribe to any related payment processing services designated by us (Franchise Agreement, Paragraph 9.1(b)). The estimated cost of this Technology System is included within the cost of the POS System.

We currently have negotiated system-wide pricing for credit card merchant services fees with the Designated Supplier that provides our POS System. You may choose to use these merchant services credit card processing services at the system-wide negotiated rates or choose a compatible third-party merchant services credit card processor, provided you pay a merchant services gateway fee, currently $49 per month. This price may be subject to change.

You are required, at your own time and expense, to continually meet the most current PCI DSS (defined in Item 8) and provide documented proof of compliance as outlined in the Manual. We may require you to use a Designated Supplier to provide such services (Franchise Agreement, Paragraph 9.7). The estimated cost of this Technology System is $75 per month.

(c) INTERNET: Obtain internet services for the Restaurant, which may include secure voice and data lines, in accordance with the Manual. We may require that such Technology System integrate with the POS System and may involve integration with other Technology Systems; this may require you to obtain additional equipment or services (Franchise Agreement, Paragraph 9.1(c)). The estimated cost of this Technology System is $70-$200 per month.

(d) ALTERNATIVE ORDERING: Allows the Restaurant to accept orders from customers, without the need to call the Restaurant directly, using a Technology System. We may require that such Technology System integrates with the POS System and may involve integration with other Technology Systems; this may require you to obtain additional equipment or services (Franchise Agreement, Paragraph 9.1(d)). The estimated cost for this Technology System is a $0.50 per transaction fee associated with customer use of these services.

(e) COMMUNICATIONS: Allow you to maintain a designated email address and Electronic device with internet access which will allow you to access communications from us to you (Franchise Agreement, Paragraph 9.6). The estimated cost of this Technology System is $0 to $2,200, plus any applicable monthly cellular or internet service fees, if applicable. No special equipment is necessary to access your designated email address. The above estimated costs range from free access at a public portal to the purchase of an Electronic device ranging from a smartphone to a computer.

(f) ACCESS HOME: Allow you to access HOME via an Electronic device.

You are required, at your own expense, to purchase or lease an Electronic device through which you access HOME. (Franchise Agreement, Paragraph 9.4 and Disclosure Document, Item 8). HOME is accessible either through a computer, tablet or mobile phone with internet access. We may require you to purchase such Electronic device as designated by us in the Manual. The estimated cost of this Technology System is included within the cost of the Electronic device needed for communications (see above).

Currently, we do not collect a Technology Fee. We reserve the right to collect the Technology Fee in the future upon providing 90 days written notice to you. If instituted, based on your Gross Sales, you will be required to pay a Technology Fee of 0.25%. The fee would be subject to minimum amounts for each Reporting Period (Disclosure Document, Item 6). If instituted, you shall pay the Technology Fee to us as we direct. We may determine how to use Technology Fees we receive, including but not limited to providing the System with general assistance and guidance on Technology Systems, technology-related matters, researching and developing new technologies such as hardware, software and cloud-based services, network maintenance and upgrading, website internet/intranet capabilities (such as HOME) and internal and external data storage and archiving. Whether or not we collect the Technology Fee from you, you must acquire at your expense, in compliance with the Franchise Agreement (as described in Item 11), technology-related products or services including Technology Systems from one or more Designated Suppliers. The Technology Fee does not cover the amounts you must spend on Technology Systems, which are in addition to the Technology Fee. If instituted, we shall have complete discretion as to the use and allocation of the amounts collected from Technology Fee payments, which may be used for payment of salaries, wages and benefits, direct program costs and/or overhead expenses related to the above-described activities. With respect to the collection, use or expenditure of the Technology Fee, we have no obligation to: (i) do so from you or any other franchisee; (ii) ensure equivalent or proportionate collection, use or expenditures; (iii) ensure that you or the Restaurant benefits directly, pro rata or at all from the Technology Fee; or (iv) provide an accounting to you or any franchisee. (Franchise Agreement, Paragraph 9.10).

**Upgrades and Updates to Technology Systems**

You must upgrade the POS System or other Technology System as designated by us. We may require you to replace the POS System or other Technology System every 4 years (Franchise Agreement, Paragraphs 3.11 and 9.8). We will require you to update or replace software or cloud-based services used by the POS System or other Technology System as directed by us, which may be on a more frequent basis than every 4 years. You shall make or, at our direction, permit us or a Designated Supplier to make, any programming changes or updates required from time to time by us. Such programming changes or updates may be made by us or a Designated Supplier either physically in the Restaurant or remotely by Electronic means. You shall fully cooperate to ensure that such programming changes or updates are accomplished and are not altered (Franchise Agreement, Paragraph 9.8). Although we cannot estimate the future costs of any Technology System or required service or support, you must incur the costs of obtaining the such Technology System (and additions and modifications) and required service or support. Within 90 days after we deliver notice to you, you must obtain Technology System components we designate and ensure that your Technology System, as modified, is functioning properly (Franchise Agreement, Paragraph 9.8).

**Our Access to Technology Systems**
We will have independent access to all information in your POS or other Technology System except for matters related to Employment Practices (defined in Item 8).

You will give us free and unfettered access and the right to retrieve any data or information directly from any Technology Systems as we deem necessary, desirable or appropriate. We may retrieve such data or information Electronically and manually. Such data or information may include Electronically polling the daily sales, menu mix, carry-out, delivery, catering or online ordering mix and other data or information of the Restaurant. Notwithstanding the above, you shall not be required to provide us with any data or information related to Employment Practices as part of our ordinary business practices, as you control exclusively your Employment Practices. (defined in Item 8; Franchise Agreement, Paragraph 9.5).

Upon request, you shall furnish us with all information regarding the customer database or records of the Restaurant, whether maintained in hard copy or electronically, in the form and manner designated by us in the Manual (Franchise Agreement, Paragraph 9.5).

You will provide any assistance, equipment, software and programming required to bring and maintain the Technology Systems and the Restaurant online with any system that we designate for the Electronic transfer of data required by us via high speed internet connection or the fastest data exchanger available within the designated market. You shall pay the telephonic or other data transmission costs of such retrieval. We may also require you to furnish certain data in hard copy or via an Electronic file transfer. While retrieving any data and information we shall take reasonable precautions to protect the security of the Technology Systems. We may retrieve the data and information at intervals and times we determine, and without any advance notice to you. All data and information provided to us, whether Electronically retrieved or otherwise received, will become our property and may be used by us in any manner we consider appropriate. (Franchise Agreement, Paragraph 9.5).

## Operating Manuals

The Manual has a total of 310 pages and is broken into six sections, as follows:

| | Number of Pages |
|---|---|
| Introduction | 6 |
| Administration | 72 |

| | |
|---|---|
| Site Selection & Construction | 17 |
| Marketing | 60 |
| Technology | 23 |
| Operational Procedures | 119 |
| Emergency Response Plan | 13 |

**Training Programs**

**Operator Training Program**

| Subject | Hours of Classroom Training | Location | Hours of On-The-Job Training | Location |
|---|---|---|---|---|
| Department Meetings and Classroom Training | -0- | Remotely via an Electronic-based communication platform | -0- | - |
| Self-Guided Online Training | 16 | Remotely via an Electronic-based communication platform | -0- | - |
| In-Store Training | -0- | - | 151 | Metropolitan Detroit Area, MI |

There is an Operator Training Program. "Operator Training Program" means training that (a) is required by Hungry Howie's, (b) is designed and intended to protect and maintain the System and the Marks, and (c) the Operator must successfully complete prior to the opening of the Restaurant or as otherwise required by this Agreement. Such training may include, without limitation, providing instruction on standards, specifications and techniques for product preparation, handling, packaging, delivery, marketing, business development, sales and customer service, financial and inventory management and general operations. This training may also consist of completing production and delivery tasks and may require the Operator to demonstrate sufficient proficiency and knowledge so as to be able to instruct your employees. The Operator must also demonstrate that he has learned and retained such information. Although this training may include information relating to your or the Restaurant's employees, such information is provided for information purposes only, as you exclusively control Employment Practices of your or the Restaurant's employees (Franchise Agreement, Paragraph 1.82).

The 4-week Operator Training Program is conducted approximately nine times a year. Our Operator Training Program is mandatory for the Operator. The "Operator" is an individual you identify who is vested with sufficient decision-making authority to make decisions on your behalf that are essential to the Restaurant's effective and efficient operation on a day-to-day basis and shall be personally involved in the regular conduct, management and operation of the Restaurant on a regular, frequent, and ongoing basis. (Franchise Agreement, Paragraph 1.81).

Prior to opening the Restaurant to the public and before receiving approval from us to open the Restaurant to the public, the Operator must complete all aspects of our then-current Operator Training Program (including our requirements for attendance and punctuality) (Franchise Agreement, Paragraph 3.7). You remain solely responsible to train the Operator consistent with Paragraph 10.8 [Employee Relations] and you shall be responsible for Employment Practices. If the Operator fails to successfully complete our then-current Operator Training Program to our reasonable satisfaction, we may, at our discretion, require you to name a new Operator and, at your sole cost and expense, require the new Operator to successfully complete our then-current Operator Training Program to our reasonable satisfaction or we may terminate this Agreement in accordance with Paragraph 18. (Franchise Agreement, Paragraph 3.7). At the end of each phase of the Operator Training Program, the Operator may be required to demonstrate proficiency in the areas covered by each phase of the Operator Training Program. We may at our discretion, reduce, eliminate, or increase the training period or classes of the Operator Training Program based on the extent to which the Operator is able to exhibit skills or knowledge that meet our requirements (Franchise Agreement, Paragraph 3.7). (Franchise Agreement, Paragraph 3.7).

Without our prior consent and payment of the Training Fee, only the Operator may attend the Operator Training Program or any Continuing Training Program required of the Operator (Franchise Agreement, Paragraph 3.7 and 3.9). The Operator Training Program will be conducted at location(s) and time(s) as designated by us. The Operator Training Program may contain classroom and/or on-the-job training at an operating Hungry Howie's Restaurant selected by us. Other than the cost of the training instructor, instruction facilities and training materials, you will pay all expenses incurred by the Operator or any of your employees attending the Operator Training Program, including wages, travel, meals and lodging. The training instructor may vary and/or change (Franchise Agreement, Paragraph 3.7).

**Designated Franchisee Training Program**

| Subject | Hours of Classroom Training | Location | Hours of On-The-Job Training | Location |
|---|---|---|---|---|
| Department Meetings and Classroom Training | 18 | Remotely via an Electronic-based communication platform | -0- | - |
| Self-Guided Online Training | 16 | Remotely via an Electronic-based communication platform | -0- | - |
| In-Store Training | -0- | - | 49 | Metropolitan Detroit Area, MI |

There is a Designated Franchisee Training Program. Designated Franchisee Training Program" shall mean training that (a) is required by Hungry Howie's, (b) is designed and intended to protect and maintain the System and the Marks, and (c) the Designated Franchisee must successfully complete prior to the opening of the Restaurant or as otherwise required by this Agreement. Such

training may include providing instruction on standards, specifications and techniques for product preparation, handling, packaging, delivery, marketing, business development, sales, customer service, financial and inventory management and general operations. This training may also consist of completing production and delivery tasks and may require the Designated Franchisee to demonstrate sufficient proficiency and knowledge so as to be able to instruct your employees. The Designated Franchisee must also demonstrate that he has learned and retained such information. Although this training may include information relating to your or the Restaurant's employees, such information is provided for information purposes only, as you exclusively control Employment Practices of your or the Restaurant's employees. (Franchise Agreement, Paragraph 1.24).

The 2-week Designated Franchisee Training Program is conducted approximately nine times a year. Our Designated Franchisee Training Program is mandatory for the Designated Franchisee. The "Designated Franchisee" means a person who (a) has at least 15% of Ownership Interest, (b) has oversight over the general conduct of your business, including Employment Practices and maintaining and operating the Restaurant in compliance with Paragraph 3.13, (c) is solely responsible for communicating with us (or our affiliates or a Designated Supplier) in accordance with Paragraph 10.2, and (d) is designated by you to be the individual to which we may provide notices to you and any Guarantors pursuant to Paragraph 21 (Franchise Agreement, Paragraph 1.23). Prior to opening the Restaurant to the public and before receiving approval from us to open the Restaurant to the public, the Designated Franchisee must complete all aspects of our then-current Designated Franchisee Training Program (including our requirements for attendance and punctuality) (Franchise Agreement, Paragraph 3.8). If the Designated Franchisee fails to successfully complete our Designated Franchisee Training Program to our satisfaction, we may terminate the Agreement in accordance with Paragraph 18 (Franchise Agreement, Paragraph 3.8). At the end of each phase of the training program, the Designated Franchisee may be required to demonstrate proficiency in the areas covered by each phase of the Designated Franchisee Training Program. We may at our discretion, reduce, eliminate, or increase the training period or classes of the Designated Franchisee Training Program based on the extent to which the Designated Franchisee is able to exhibit skills or knowledge that meet our requirements (Franchise Agreement, Paragraph 3.8).

Without our prior consent, only the Designated Franchisee may attend the Designated Franchisee Training Program or any Continuing Training Program required of the Designated Franchisee (Franchise Agreement, Paragraphs 3.8 and 3.9).

The Designated Franchisee Training Program will be conducted at location(s) and time(s) as designated by us. The Designated Franchisee Training Program may contain classroom and/or on-the-job training at an operating Hungry Howie's Restaurant selected by us. Other than the cost of the training instructor, instruction facilities and training materials, you will pay all expenses incurred by the Designated Franchisee or any of your employees attending the Designated Franchisee Training Program, including wages, travel, meals and lodging. The training instructor may vary and/or change (Franchise Agreement, Paragraph 3.8).

We maintain a formal training staff. Training is provided under the direction of Alan Newman, who is the Director of Training. Mr. Newman has 46 years of experience in the pizza business and he has been employed by us or an affiliate of ours for 30 years. Nick Ladouceur, the franchise trainer, has 10 years of experience in the pizza business and he has been employed by us or an affiliate of ours for 10 years. Other employees of Hungry Howie's also participate in the training program. All instructors have a minimum of 5 years of experience managing, operating and training in a Hungry Howie's restaurant.

We may provide additional assistance for a period of approximately 1 to 2 weeks after the Restaurant opens for business to the public. In order to protect and maintain the goodwill of the Marks and the System, we may visit the Restaurant on a random basis as frequently as we feel it is

necessary to ensure that you and your employees are exhibiting the skills and knowledge required to operate the Restaurant in accordance with the System (Franchise Agreement, Paragraph 3.7).

We may periodically require the attendance or participation of the Operator and/or Designated Franchisee at a Continuing Training Program that has been designated for such person. We shall provide you with reasonable prior notice of any mandatory Continuing Training Program. Continuing Training Programs will be at such locations and for such durations as we deem appropriate within the continental United States. Other than the cost of the training instructor, instruction facilities and training materials, you will pay all expenses incurred by you, the Operator, the Designated Franchisee or any of your employees attending the Continuing Training Program, including wages, travel, meals and lodging. (Franchise Agreement, Paragraph 3.9).

At our discretion, we may make changes or modifications to the Operator Training Program, Designated Franchisee Training Program, or Continuing Training Program without notice to you. We make no representations or warranty that upon your completion of the Initial Training Program, Designated Franchisee Training Program, or any Continuing Training Program you will be adequately trained to operate the Restaurant or that you will be successful in the operation or any aspect of the Restaurant (Franchise Agreement, Paragraphs 3.7-3.9).

## Item 12: Territory

The general area in which the Restaurant will be located will be specified on Attachment A to the Franchise Agreement. The general area may be a city or an area bounded by streets or roads. You will select the specific location of your Restaurant within the area on Attachment A. The specific location must be approved by us. Our approval cannot be unreasonably withheld. We will not operate Company owned outlets or grant franchises for a Hungry Howie's restaurant having its physical location within the exclusive territory. The exclusive territory shall be within a one mile radius of your Restaurant unless within such mile there is a population density of 25,000 or more people or a commuter-adjusted daytime population density of 25,000 or more people, as based on the most current United States census. In such case, the territory may be reduced based on a case-by-case basis through negotiations of the parties and which will be in writing as an addendum to this Agreement (the "Territory") (Franchise Agreement, Paragraphs 1.77 and 3.16).

Other Hungry Howie's franchisees may make deliveries into your Territory. You are not prohibited from delivering into the Territory of any other Hungry Howie's franchisee. There are no restrictions on you or any franchisee from soliciting or accepting orders from consumers in the Territory of any franchisee, including through the use of other channels of distribution, such as the Internet, telemarketing or other direct marketing. Hungry Howie's reserves the exclusive right to solicit and accept orders from consumers in and outside of your Territory through channels of distribution other than a Hungry Howie's Unit, including the use of other channels of distribution, such as the Internet, telemarketing or other direct marketing. You will not be permitted to offer delivery service to any customer located outside of your Territory if deliveries cannot be made within a reasonable period of time or if you are unable to maintain the quality of the product delivered in accordance with the System. What constitutes a "reasonable period of time" means the time limits we determine, from time to time, as designated in the Manuals. You will compete with other Hungry Howie's restaurants which are now, or which may in the future be, located near or adjacent to the Territory (Franchise Agreement, Paragraph 3.16(a)). We will not pay you any compensation for soliciting or accepting orders in your Territory.

The Marketing Funds or any advertising cooperative shall be permitted to advertise multiple locations using the same or single media. This includes printed materials or Internet media on which more than one Hungry Howie's restaurant and the Restaurant, including telephone numbers and

addresses, may be listed. Overlapping into the Territory may also occur during the conduct of direct mail, Internet, electronic or other mass media campaigns (Franchise Agreement, Paragraph 3.16(b)).

The location of a Non-Traditional Restaurant will be specified in the Non-Traditional Restaurant Addendum. The location must be approved by us. Unless agreed to in writing by us, a Non-Traditional Restaurant shall not offer delivery service, and such Non-Traditional Restaurant does not have any territorial protection. 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 (Franchise Agreement, Paragraph 2).

Under the ADMUA, all Restaurants must be located in the exclusive geographic area specified on Exhibit A Part 2 of the ADMUA (the "Development Area"). The Development Area may be a city, all or part of a county or parish, more than one county or parish, or an area designated by specified boundaries such as roads. While the ADMUA is in effect and the franchisee is not in default of the terms of the ADMUA, we will not establish or franchise Restaurants having their physical locations within the Development Area. Aside from the restrictions listed in the previous sentence, the ADMUA does not impose any other restrictions on our activities within the Development Area (ADMUA, Paragraph 1.3). If the franchisee defaults under the ADMUA (which includes but isn't limited to failing to meet the Development Schedule) or when the ADMUA expires, we may franchise or establish Restaurants having their physical locations within the Development Area (ADMUA, Paragraph 1.2). The continuation of the Development Area depends upon your satisfying your Restaurant development obligations but does not otherwise depend on your achieving a certain sales volume, market penetration, or other contingency.

You shall not relocate the Restaurant without our prior written consent and approval, which shall not be unreasonably withheld. If you desire to relocate your Restaurant you shall provide us with notice of your desire as soon as reasonably possible. Additionally, you will provide us with a proposed location along with such information regarding the proposed location as we may reasonably request. At the time you request to relocate the Restaurant, you shall pay the Relocation Fee to us. We will provide location selection assistance as described and subject to the terms and conditions of the Franchise Agreement. Any proposed location is subject to the terms of the Franchise Agreement, along with completion of the Upgrades or our policy for relocation of a Restaurant as provided in the Manual. You may also be subject to the Re-Inspection Fee (Franchise Agreement, Paragraphs 3.14 and 3.6).

Any failure to consent or approve a proposed location shall not be deemed unreasonable if: (i) we determine the proposed location is closer to another Hungry Howie's Restaurant (regardless of whether the proposed location is within the geographic area described on Attachment A of the Franchise Agreement or the Territory) than the current Restaurant; (ii) there is a determination that customers or sales from an existing or proposed Hungry Howie's Restaurant will be negatively impacted by the proposed location; or (iii) other criteria or factors that we would consider for the proposed location are not satisfied. In no case shall we be required to consent and approve a proposed location outside the geographic area described on Attachment A of the Franchise Agreement or within the Territory of another franchisee (Franchise Agreement, Paragraph 3.14).

We reserve the right to purchase, merge, acquire, be acquired by, or affiliate with any existing competitive business and, following such activity, without compensation to you, Hungry Howie's may operate or franchise those other businesses under any names or marks regardless of the location of those businesses which may be within the Territory. We reserve to ourselves, without compensation to you, the right to establish other franchise or company owned restaurants with similar or different products or services using different marks within the Territory. You waive and release any claims, demands, or damages arising from or relating to any of the above activities and shall not initiate or join in any legal action or proceeding or register a complaint with any

governmental entity directly or indirectly contending otherwise (Franchise Agreement, Paragraph 3.16(d)).

Whether partially or wholly located within or outside of the Territory, we reserve the exclusive right to ourselves or with any other person or entity we may designate, without compensation to you, to use the Marks or to establish, operate, and franchise Non-Traditional Restaurants in the Territory (Franchise Agreement, Paragraph 3.16(e)).

Whether partially or wholly located within or outside of the Territory, we reserve the exclusive right to ourselves or with any other person or entity we may designate, without compensation to you, to solicit or accept orders from consumers, through channels of distribution other than a Hungry Howie's Restaurant, including use of the Internet, "online ordering", mobile applications, telemarketing or other direct marketing channels (Franchise Agreement, Paragraph 3.16(f)).

Whether partially or wholly located within or outside of the Territory, we reserve the exclusive right to ourselves or with any other person or entity we may designate, without compensation to you, to directly or indirectly, sell and distribute, and license others to sell and distribute, prepackaged menu items under the Marks to retail outlets (*i.e.* supermarkets, grocery stores, markets, gourmet shops, convenience stores, and other similar retailers) and non-retail outlets (*i.e.*, warehouse clubs, pharmacies, drug stores, and other similar non-retailers) (Franchise Agreement, Paragraph 3.16(g)).

Whether partially or wholly located within or outside of the Territory, we reserve the exclusive right to ourselves or with any other person or entity we may designate, without compensation to you, to distribute or sell (including marketing and advertising) products bearing our Marks through non restaurant distribution channels (which may be the same or similar products or services sold by you), including the internet, mobile applications, electronic mail, direct mail, supermarkets and grocery stores, discounters, convenience stores, vending machines (Franchise Agreement, Paragraph 3.16(h)).

Neither we nor our affiliates have established other franchises, company owned outlets or other channels of distribution selling Hungry Howie's Menu Items or similar products under a different trademark. There is, however, nothing which prevents us or our affiliates from doing so.

You do not have the right to acquire additional franchises within your Territory unless you enter into an ADMUA.

The continuation of your Territory does not depend upon achieving a certain sales volume, market penetration, or other contingency.

There are no circumstances which would permit us to alter, modify or eliminate your Territory.

## Item 13: Trademarks

The principal Hungry Howie's commercial symbol which we will license to you appears on the cover of this disclosure document.

As used in this Disclosure Document and the Franchise Agreement, the term "Trademarks" or "Marks" includes all of our trade names, service marks, trademarks, logos and commercial symbols and also includes our copyrighted materials and other intellectual property. The principal Trademarks include those that you will use to identify your Restaurant.

The following is a description of the Trademarks which we will license to you:

| Registration Number | Description of Mark | Principal or Supplemental Register of the United States Patent and Trademark Office | Registration Date |
|---|---|---|---|
| 1,478,125 | "Hungry Howie's" | Principal | February 23, 1988 |
| 2,275,180 | "Flavored Crust" | Principal | September 7, 1999 |
| 3,900,799 | | Principal | January 4, 2011 |
| 3,916,530 | | Principal | February 8, 2011 |
| 4124868 | | Principal | April 10, 2012 |

We have filed all required Trademark registrations, fees, affidavits and maintenance documents as the same have become due.

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

We do not know of any infringing uses that could materially affect your use of the Trademarks.

No agreements significantly limit our right to use or license the use of the Trademarks.

We use several variations of the principal Trademarks described above. You will be informed of the particular Trademarks which you must use in connection with your Restaurant. The specific Trademarks which you are required to use are subject to periodic revision by us.

We have the right to acquire, adopt, develop or designate the use of the Trademarks.

Hungry Howie's and its licensees have the right to use the Marks. The Marks are licensed to you by us and you shall use the Marks only in the manner and to the extent specifically permitted by the Franchise Agreement. You do not acquire any ownership interest in the Marks as a result of the Franchise Agreement, as a result of our use of the Marks, or as a result of your use of the Marks. Any use by you of the Marks inures to the benefit of Hungry Howie's. We reserve the right to modify or discontinue use of any of the Marks or use one or more additional or substitute names or marks, if in our sole discretion it becomes advisable to do so. The System is identified by use of the Marks as currently designated, or as may be designated by us in the future.

During and after the Term you shall not directly or indirectly contest or aid in contesting the validity or ownership of the Marks.

You shall promptly notify us of any claim, demand or suit against you, based upon or arising from the use or attempted use of any of the Marks and or any variation of the Marks by any other person or entity.

You shall promptly advise us of any unauthorized use of the Marks by third parties of which you become aware. We have the sole right, but no obligation, to take whatever action we may deem appropriate, in our sole discretion.

We shall defend you against any claim, demand or suit brought against you concerning the Marks, provided you use the Marks in accordance with the terms and conditions of the Franchise Agreement. However, we shall have the exclusive right and sole discretion regarding actions to be taken in response to such claims, including but not limited to decisions whether to defend against or prosecute any lawsuits. We will control any proceeding or litigation.

In no event shall you use, cause to be used or attempt to use the words "HUNGRY HOWIE'S", "HUNGRY", "HOWIE'S", or the initials "H.H.", as part of or as your business name, or as an assumed name unless it is in the form that we shall prescribe from time to time, or as part of a domain name, homepage, electronic address or otherwise in connection with a website, without our express written authority. You may file an assumed name certificate in the state in which you do business that identifies the entity by store number. You shall not use the Marks in any public advertisements offering the Restaurant, the Restaurant Assets or any Ownership Interest for sale.

You shall not purchase or acquire any property or incur any obligation or indebtedness under the name of "HUNGRY HOWIE'S" or any name other than your personal or approved business name.

Any new concept, trademark, service mark, copyright, process, improvement, slogan, or recipe developed in the operation of the Restaurant will become our property and we may utilize this information as we deem appropriate without compensation to you, including but not limited to disclosing it to other franchisees, filing for any trademark or service mark, or copyright registration in our name alone. If you develop any new concept, trademark, service mark, copyright, process, improvement, slogan, or recipe in the operation of the Restaurant, you will promptly notify us and provide us with all reasonable documentation and information without compensation as we may require.

## Item 14: Patents, Copyrights and Proprietary Information

We have no patents and no pending patent applications which are material to the franchise.

Our Manual was registered in the United States Copyright Office on December 21, 1987. The duration of the copyright is 75 years. The copyright registration number is TXU 307 853. We intend to renew this copyright. The Table of Contents of the Manual is included in Item 11.

Our right to use the Manual is not materially limited by any agreement or known infringing use. You must tell us immediately if you learn about an infringement or challenge to our use of the Manual. We will take the action that we deem appropriate. You must also not contest our interest in the Manual.

There are no effective determinations of the United States Copyright Office or any court or any pending material litigation regarding our copyright or the Manual.

We have proprietary rights to the Manual. The Manual remains our property and is to be returned to us upon termination of the Franchise Agreement.

There are no agreements currently in effect which significantly limit our rights to use or license the use of the copyright for the Manual in a manner material to the franchise.

We have no obligation to protect your right to use the Manual nor does Hungry Howie's have any obligation to protect you against or prosecute claims on your behalf arising out of claims of infringement or unfair competition arising out of the use of the Manual by or third parties.

Hungry Howie's does not know of either superior prior rights or infringing uses that could materially affect your use of the Manual in any state.

We have proprietary rights to materials containing our confidential information, some of which constitutes trade secrets under applicable law. Such confidential information includes information consisting of knowledge or know-how concerning the Hungry Howie's System, including the Manual, methods of operation, future marketing and advertising materials and strategies, development and growth strategies, trade secrets, sales figures, accounting materials, customers of Hungry Howie's, or Hungry Howie's franchisees, all of which Hungry Howie's has developed and assembled at great effort and expense, and which information is not public knowledge but which is confidential, proprietary business information of Hungry Howie's. You may not use our confidential information in an unauthorized manner. You must take reasonable steps to prevent improper disclosure of our confidential information to others.

## Item 15: Obligation to Participate in the Actual Operation of the Franchise Business

You are required to name and maintain a Designated Franchisee (see Item 11, Franchise Agreement, Paragraph 1.23) at all times. The Designated Franchisee shall not be changed without our prior written consent. The Designated Franchisee shall be solely responsible for communicating with us directly (or our affiliates or a Designated Supplier) any matters relating to the Franchise Agreement, including required notices, defaults, modifications and amendments. Decisions or actions taken by the Designated Franchisee shall be final and binding on you and we may rely solely on such decisions pertaining to any matters relating to the Franchise Agreement without discussing the matter with you or any other party. We will not be liable for any decisions or actions we take based on the Designated Franchisee's decisions or actions. The Designated Franchisee shall not be changed without the prior written consent of Hungry Howie's.

You are required to name and maintain an Operator (see Item 11; Franchise Agreement, Paragraph 1.81) at all times. The Operator shall not be changed without our prior written consent. The Operator shall be responsible for and diligently devote his best efforts to the operation of the Restaurant. Decisions or actions of the Operator in the conduct, management, or operation of the Restaurant shall be considered to be actions taken by you and we may rely solely on such actions in matters relating to the operation of the Restaurant without discussing the matter with you or any other party, and we will not be liable for any decisions or actions we take based on the Operator's decisions or actions. (Franchise Agreement, Paragraph 10.3).

To meet certain minimal requirements that allow us to communicate the System, the Designated Franchisee and Operator must be fluent in the English language and able to adequately communicate (oral and written) with us, customers, employees, representatives of relevant government agencies and others. To ensure that the provisions of Paragraphs 15.3 [Confidential Information] and 16.1 [Covenants] are addressed, the Designated Franchisee or Operator may not give access to Hungry Howie's proprietary information or become involved in any business, consistent with Paragraphs 15.3 [Confidential Information] and 16 [Covenants]. (Franchise Agreement, Paragraph 10.3). You may have to provide us written proof that the Operator has agreed to abide by the terms of Paragraphs 15.3 [Confidential Information] and 16 [Covenants] for our benefit.

If the Operator is not or is unable to be personally involved in the regular conduct, management and operation of the Restaurant on a frequent and ongoing basis for more than 14 consecutive days, you shall notify us in writing within 7 days of your knowledge of this information or the end of the 14 consecutive days, whichever shall first occur. Such notification shall include the name of another individual you propose as a replacement to the Operator. You shall, upon our request, promptly provide us with any additional information we may reasonably request with respect to the qualifications of the proposed replacement Operator that are consistent with those qualifications outlined in the paragraph above. If you have provided the additional information we requested, then, provided the replacement Operator is fluent in the English language, able to adequately communicate (oral and written) with us, customers, employees, representatives of relevant government agencies and others, may not give access to Hungry Howie's proprietary information or become involved in any business, consistent with Paragraphs 15.3 [Confidential Information] and 16.1 [In-Term Covenant], and attends and successfully completes the next scheduled Operator Training Program and you have paid the Training Fee, the replacement Operator shall be permitted. If we do not approve, in writing, of the replacement Operator within 14 days after the date on which you propose a replacement Operator, we may, in our sole discretion, terminate the Franchise Agreement upon written notice to you in connection with Paragraph 18.5(u). You shall be responsible for the Operator's compensation, travel and living expenses during the Operator Training Program. The Designated Franchisee must serve as the interim Operator until an approved replacement Operator has successfully completed our then-current Operator Training Program. You are still responsible for the Employment Practices under Item 8.

While you are a Hungry Howie's franchisee, you may not become involved in any business engaged in the sale of pizza or give access to Hungry Howie's proprietary information to anyone in competition with Hungry Howie's or who is about to enter into any activity competitive with Hungry Howie's.

Each Owner, in cases where you are not an individual, must execute the Guaranty at the time the Franchise Agreement is signed. If there is a Transfer to a corporation, partnership or limited liability company, the individuals having an Ownership Interest in the Transferee must execute the Guaranty at the time the Transfer is consummated. Any individual who acquires an Ownership Interest in the franchisee after the Franchise Agreement is signed must execute the Guaranty at the time such Ownership Interest is acquired. Only Hungry Howie's may release a Guarantor from his/her obligations under the Guaranty.

No obligation is imposed under the ADMUA to personally participate in the operation of your Restaurant. Such obligation is contained in the Franchise Agreements which must be signed for each Restaurant under the ADMUA.

We recommend direct participation in the Restaurant.

## Item 16: Restrictions on What the Franchisee May Sell

You are required to sell only Menu Items at the Restaurant and must sell all Menu Items at the Restaurant. We may from time to time at our discretion revise Menu Items, including adding, deleting or altering the Menu Items or any recipe, ingredients or method of preparation. You must revise the Menu Items you sell immediately upon written notice unless otherwise provided by us.

You are required to use the Packaging only in the sale and dispensing of Menu Items. "Packaging" shall mean only such containers, boxes, cartons, bags, napkins, spoons, forks, and knives as are permitted or required by the Hungry Howie's System. We may from time to time at our discretion revise the Packaging, including adding, deleting or altering the Packaging. You must revise the Packaging you use immediately upon written notice unless otherwise provided by us.

Menu Items and Packaging are designated in the Manual. The Manual can be changed by us at our discretion. There are no restrictions on our right to make changes to the Menu Items or the Packaging.

A Restaurant may not share its premises with any other business. You may not engage in co-branding.

There is no limitation upon the customers to whom you may sell Menu Items.

You will not be permitted to offer delivery service to any customer located outside of your Territory if deliveries cannot be made within a reasonable period or if you are unable to maintain the quality of the product delivered in accordance with the Hungry Howie's System.

## Item 17: Renewal, Termination, Transfer and Dispute Resolution

### THE FRANCHISE RELATIONSHIP

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

| Provision | Paragraph in Franchise Agreement | Summary |
|---|---|---|
| a. Length of the franchise term | Paragraph 4.1 | 10 years. |
| b. Renewal or extension of the term | Paragraph 4.3 | If, among other things, you are in good standing, upon expiration of your original Franchise Agreement, you will have the right to renew your franchise for one additional 10-year term by signing the then-current franchise agreement. This means that we may require you to sign an agreement with terms and conditions that are materially different from those in your original Franchise Agreement. |

| Provision | Paragraph in Franchise Agreement | Summary |
|---|---|---|
| c. Requirements for franchisee to renew or extend | Paragraph 4.3 | You must give us written notice between 6 and 12 months before the expiration of the initial term (the "Term"). You must not be in default of any agreement with us, a Designated Supplier, or our affiliates or subsidiaries through the expiration of the Term. You must not have, on 3 or more occasions during the Term, been sent written notice by us that you are in default. You must provide satisfactory proof that you have obtained an extension or renewal of your Lease for the duration of the renewal term of your Franchise Agreement, or you obtain our consent and approval for relocation and relocate prior to expiration of the Term. You must obtain any licenses or approvals needed to operate the Restaurant from any governmental authority having jurisdiction over the Restaurant. If Upgrades are required and we inform you in writing of such Upgrades within 60 days after we receive the Renewal Notice and you inform us in writing that you agree to complete the Upgrades, you must complete the Upgrades at least 30 days prior to the expiration of the Term. You must execute a new Franchise Agreement. You must execute a general release of any and all past or current claims which you have against us or our affiliates, the respective shareholders, directors, officers, employees, and agents of each, including claims arising under federal, state, and local laws and regulations. You pay the Renewal Fee of $1,000.<br><br>You must not have committed a material breach during the Term. |
| d. Termination by franchisee | Paragraph 18.1 | Not Applicable. |
| e. Termination by franchisor without cause | None | Not Applicable. |
| f. Termination by franchisor with cause | Paragraph 18 | We can terminate only if there is a Franchisee Default. |

| Provision | Paragraph in Franchise Agreement | Summary |
|---|---|---|
| g. "Cause" defined – curable defaults | Paragraphs 18.7 and 18.8 | Failure to pay Royalty Fees or any other amounts due; failure to continuously operate the Restaurant; failure to maintain insurance; unauthorized use of service marks or trademarks, operation under any name other than Hungry Howie's or Hungry Howie's Pizza; purchase, lease or use of unauthorized goods or services; purchase, lease or use of goods or services from unauthorized suppliers; failure to furnish financial statements; failure to pay any supplier or vendor; failure to comply with laws material to the operation of the Restaurant; entry of a judgment which is not satisfied or indemnified against; default under other agreements with Hungry Howie's. |
| h. "Cause" defined – non-curable defaults | Paragraph 18.6 | Material misrepresentation in connection with the acquisition of the franchise; conduct that reflects materially and unfavorably upon the operation or reputation of Hungry Howie's; a conviction, guilty plea or plea of no contest to a felony, or other criminal offense relevant to the operation of the franchise; conduct related to the Restaurant that may constitute an imminent danger to public health or safety; dissolution, merger or reorganization; insolvency or the commencement of bankruptcy or state insolvency; assignment of assets for the benefit of creditors, or the appointment of a receiver, trustee or similar person; subsequent default that is substantially the same as a previously cured default; 3 or more defaults; use or disclosure of confidential or proprietary information; violation of in-term or post-term covenants; unauthorized sale, transfer or assignment of Restaurant assets or Ownership Interests; default under other agreements with Hungry Howie's. |
| i. Franchisee's obligation on termination/non-renewal | Paragraph 18.13 | Obligations include complete de-identification and complete payment of amounts due (also see r, below). |
| j. Assignment of contract by franchisor | Paragraph 17.6 | We shall have the right to assign if the assignee shall expressly assume and agree to perform our obligations under the Franchise Agreements, and shall become solely responsible for all of our obligations under the Franchise Agreement. |
| k. "Transfer" by franchisee - defined | Glossary and Paragraph 17 | Any sale, transfer or assignment of any restaurant assets or ownership interest. |
| l. Franchisor's approval of transfer by franchisee | Paragraph 17.2 | We have the right to approve all transfers but approval will not be unreasonably withheld. |

| Provision | Paragraph in Franchise Agreement | Summary |
|---|---|---|
| m. Conditions for franchisor's approval of transfer | Paragraph 17.2 | New franchisee qualifies; appropriate forms, including transfer forms, are executed; all amounts due are paid before the transfer; taxes are paid; you execute a general release; you execute a subordination agreement; the transfer fee is paid; the new franchisee completes our training program; the Restaurant is updated; the re-grand opening marketing deposit is paid; you are compliant; new franchisee signs the then-current form of franchise agreement (also see r, below). |
| n. Franchisor's right of first refusal to acquire franchisee's business | Paragraph 17.1 | We may match any offer for either your business or the ownership interest of any Owner of the Restaurant. |
| o. Franchisor's option to purchase franchisee's business | Paragraph 18.13 | Upon termination or expiration of the Franchise Agreement, we have the option to acquire your business or the assets used in your business. |
| p. Death or disability of franchisee | Paragraphs 17.3 and 10.3 | Franchise must be assigned by estate to approved buyer within 180 days or the franchise automatically terminates. "Operator" must be replaced within the time limits specified in Paragraph 10.3 of the Franchise Agreement or the franchise will automatically terminate in 30 days. |
| q. Non-competition covenants during the term of the franchise | Paragraph 16.1 | No involvement in a competing business, which is any business engaged in the retail sale of pizza, submarine sandwiches and other products similar to our designated menu items. |
| r. Non-competition covenants after the franchise is terminated or expires | Paragraph 16.2 | No competing business (which is any business engaged in the retail sale of pizza, submarine sandwiches and other products similar to our designated menu items) for 12 months (i) at the former Restaurant; (ii) within 5 miles of the former Restaurant; or (iii) within 5 miles of any Hungry Howie's Unit; |
| s. Modification of the agreement | Paragraphs 15.2 and 22.3 | No modifications except as caused by change in law but the Manual is subject to change and policies or standards may be revised or established concerning any aspect of the system. |
| t. Integration/merger clause | Paragraph 24.2 | Only the terms of the Franchise Agreement are binding (subject to state law). The Franchise Agreement supersedes any prior agreements. Any representations or promises made outside of the Disclosure Document or Franchise Agreement may not be enforceable. |
| u. Dispute resolution by arbitration or mediation | Paragraphs 18.13 (g) and 23.5 | Used to determine fair market value of your assets and all disputes and claims under the Franchise Agreement. |

| Provision | Paragraph in Franchise Agreement | Summary |
|---|---|---|
| v. Choice of forum | Paragraphs 23.4 and 23.5 | Michigan. Otherwise, alternative location if required by law, such as state in which Restaurant is located. |
| w. Choice of law | Paragraph 23.3 | Michigan or federal if it has to do with trademarks or arbitration |

| Provision | Paragraph in ADMUA | Summary |
|---|---|---|
| a. Length of Agreement | Paragraph 1.1; Exhibit A Part 3 | Negotiated with us. The term of an ADMUA generally does not exceed 5 years. |
| b. Renewal or extension of the term | None | Not Applicable – See Franchise Agreement |
| c. Requirements for franchisee to renew or extend | None | Not Applicable – See Franchise Agreement |
| d. Termination by franchisee | None | Not Applicable – See Franchise Agreement |
| e. Termination by franchisor without cause | None | Not Applicable |
| f. Termination by franchisor with cause | Paragraph 6 | Your failure to follow the Development Schedule or any other default of the terms of the ADMUA. Default also includes the termination of a Franchise Agreement or New Agreement by us or by you. Default also includes your failure to cure a Franchisee Default under the Franchise Agreement or a New Agreement. |
| g. "Cause" defined – curable defaults | None | No defaults are curable. |
| h. "Cause" defined – non-curable defaults | None | Not Applicable – See Franchise Agreement |
| i. Franchisee's obligation on termination/non-renewal | None | Not Applicable – See Franchise Agreement |
| j. Assignment of contract by franchisor | None | Not Applicable – See Franchise Agreement |
| k. "Transfer" by franchisee definition | Paragraph 7 | None of your Development Rights may be transferred or assigned at all. |
| l. Franchisor's approval of transfer by franchisee | Paragraph 7 | None of your Development Rights may be transferred or assigned at all. Only a non-controlling ownership interest of you may be transferred or assigned, subject to our prior written consent. |
| m. Conditions for franchisor's approval of transfer | Paragraph 7 | None of your Development Rights may be transferred or assigned at all. Only a non-controlling ownership interest of you may be transferred or assigned, subject to our prior written consent. |

| Provision | Paragraph in ADMUA | Summary |
|---|---|---|
| n. Franchisor's right of first refusal to acquire your business | None | Not Applicable – See Franchise Agreement |
| o. Franchisor's option to purchase your business | None | Not Applicable – See Franchise Agreement |
| p. Death or disability of franchisee | None | Not Applicable – See Franchise Agreement |
| q. Non-competition covenants during the term of the franchise | Paragraph 1.2 | Not Applicable – See Franchise Agreement |
| r. Non-competition after the franchise is terminated or expires | None | Not Applicable – See Franchise Agreement |
| s. Modification of the agreement | None | Not Applicable – See Franchise Agreement |
| t. Integration/merger clause | None | Not Applicable – See Franchise Agreement |
| u. Dispute resolution by arbitration or mediation | None | Not Applicable – See Franchise Agreement |
| v. Choice of forum | None | See Franchise Agreement |
| w. Choice of law | None | See Franchise Agreement |

See the State Addenda to this Disclosure Document attached as Exhibit A for special state disclosures.

## Item 18: Public Figures

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

## Item 19: Financial Performance Representations

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in this 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 financial performance representations below are based on the historical performance of a subset of existing Hungry Howie's Units.

### Florida Units

Units located in the State of Florida are excluded from the information and calculations provided in this Item 19 because such units are owned by franchisees of H.H. Pizza, Inc., which operates under a license agreement with us. Subject to its license agreement, H.H. Pizza, Inc. may deviate from the Hungry Howie's system in certain respects, including its selection of menu items, standards and specifications, and marketing strategies.

**Chart 1**
**General Information**

- The information shown in Chart 1 was derived from Gross Sales[1] for our 2023 fiscal year (December 26, 2022 through December 31, 2023). The total number of Hungry Howie's Units as of December 31, 2023 was 523, which includes Franchised Units, Affiliated Units, "legacy units" (which are excluded from this information), and the 193 Florida units (which are excluded from this information as described under "Florida Units" above).
- The information was obtained from POS systems at each individual unit. We did not independently audit any of this information.
- Gross Sales were only used if the Hungry Howie's Unit had been open for the entire fiscal year for which the information is listed. However, in Chart 1, units that were closed for more than 10 days due to a force majeure event were excluded.
- All units open for the respective full fiscal year are included in the "All Units" line-item (i.e., the system-wide average).

**Chart 1A**
**Average & Median Annual Gross Sales of Certain Hungry Howie's Units**
**for the 53-weeks ended December 31, 2023**

| Type of Unit | Number of Units | Average Annual Gross Sales[7] of Units | Number of Units Which Attained or Surpassed the Average | Percentage of Units Which Attained or Surpassed the Average | Median Annual Gross Sales[8] of Units | Highest Annual Gross Sales of a Unit | Lowest Annual Gross Sales of a Unit |
|---|---|---|---|---|---|---|---|
| All Units[2] | 314 | $859,777 | 139 | 43.60% | $824,113 | $2,027,653 | $279,096 |
| Franchised Units[3] | 281 | $837,770 | 125 | 44.48% | $792,354 | $2,027,653 | $279,096 |
| Affiliated Units (Broadcast)[4] | 33 | $1,047,167 | 14 | 42.42% | $986,841 | $1,576,310 | $580,169 |
| Franchised Units (Broadcast)[5] | 152 | $951,131 | 68 | 44.74% | $904,027 | $1,704,689 | $359,535 |
| Franchised Units (Non-Broadcast)[6] | 129 | $704,198 | 47 | 36.43% | $635,431 | $2,027,653 | $279,096 |

Footnotes:

1. "Gross Sales" means all sales or revenue arising out of Hungry Howie's Units, including those: (i) from on-site and off-site sales; (ii) from fees and charges received for deliveries; (iii) from the value equal to redeemed gift cards, loyalty cards or other promotional or redemption programs; (iv) orders that originate in, at, or from Hungry Howie's Units, whether delivery or performance is made from Hungry Howie's Units or some other place; (v) that are made or originated by mail, telephone, internet or any other form of Electronic commerce, or facsimile orders received or filled in, at or from Hungry Howie's Units; (vi) that are made or performed by means of mechanical or other vending devices at Hungry Howie's Units; (vii) which a person, in the normal and customary course of business, would credit or attribute to the operation of Hungry Howie's Units; or (viii) from sales made or revenue received from a kiosk. Gross Sales are calculated without reserve or deduction for a franchisee's inability or failure to collect, any amounts owed to such franchisee or for any fees, payments or consideration made to or on behalf of any credit, debit, gift card program, customer loyalty program or Electronic payment processing system. Gross Sales shall not include: (i) cash or credit refunds actually provided to customers on transactions otherwise included in Gross Sales; (ii) sales of fixtures, machinery and equipment, which are not sold in the ordinary course of business; (iii) amounts which are separately stated and collected from customers by a franchisee on behalf of any governmental entity for sales or other such tax; (iv) amounts of gift card sales, excluding those redeemed gift cards as described above; and (v) bottle deposits/return fees, where applicable by law. We reserve the right to modify our policies and practices regarding revenue recognition, revenue reporting, and the inclusion or exclusion of certain revenue from "Gross Sales" as circumstances, business practices, and technology change. For the avoidance of doubt, Gross Sales are not reduced by the amount paid to, retained

or collected by, or shared with third-party food ordering and delivery systems with which the Restaurant does business. However, our current practice is to charge Royalty Fees and Marketing Fees only on the post-commission amount of third-party food ordering and delivery systems.

2. "All Units" means the sum of all Franchised Units and Affiliated Units.

3. "Franchised Units" means all Hungry Howie's Units that were open and reporting sales to us for the entire fiscal year, excluding (1) 193 Florida units, (2) 33 Affiliated Units, (3) 15 Hungry Howie's Units which opened or permanently closed during the entire fiscal year, and therefore were not open for the full fiscal year, (4) 4 "legacy units" which are not obligated to and do not report sales to us; and (5) 1 unit that was closed for more than ten consecutive days during the entire fiscal year due to a force majeure event. The Franchised Units are in 20 states. These Franchised Units have reasonably similar operations as those being offered for sale.

4. "Affiliated Units" means all Hungry Howie's Units that were (1) open and reporting sales to us for the entire fiscal year and (2) owned or controlled by a director, officer, parent or affiliate of ours. The Affiliated Units are all located in Michigan. These Affiliated Units have reasonably similar operations as those being offered for sale.

5. "Franchised Units (Broadcast)" means all Hungry Howie's Units that were (1) open and reporting sales to us for the entire fiscal year and (2) located in a broadcast-feasible market. A "broadcast-feasible market" is one in which traditional broadcast media, such as radio and television, are affordable and efficient advertising options for the units in such market. Excluded from this category are (1) 193 Florida units, (2) 33 Affiliated Units, (3) 15 Hungry Howie's Units which opened or permanently closed during the entire fiscal year, and therefore were not open for the full fiscal year,, (4) 4 "legacy units" which are not obligated to and do not report sales to us, and (5) 129 Franchised Units (Non-Broadcast). These units are all located in Michigan.

6. Franchised Units (Non-Broadcast)" means all Hungry Howie's Units that were (1) open and reporting sales to us for the entire fiscal year and (2) located in a non-broadcast-feasible market. Excluded from this category are (1) 193 Florida units, (2) 33 Affiliated Units, (3) 15 Hungry Howie's Units which opened or permanently closed during the entire fiscal year, and therefore were not open for the full fiscal year, (4) 4 "legacy units" which are not obligated to and do not report sales to us, (5) 152 Franchise Units (Broadcast), and (6) 1 unit that was closed for more than ten consecutive days during the entire fiscal year due to a force majeure event. These units are located in 20 states.

7. Average Annual Gross Sales were calculated by aggregating the Gross Sales for the entire fiscal year of the Franchised Units, Affiliated Units and All Units, as the case may be, and dividing the same by the number of Franchised Units, Affiliated Units and All Units, as the case may be.

8. Median Annual Gross Sales were calculated by placing all data point values of annual gross sales of Franchised Units, Affiliated Units and All Units, as the case may be, for the entire fiscal year in value order and finding the middle data point in that set. In the event the data set contains an odd number of data points, the median is the center number. In the event the data set contains an even number of data points, the median is reached by taking the two data points in the middle, adding them together, and dividing by two.

## Chart 2
## General Information

- The information shown in Chart 2 was derived from Gross Sales[1] for our 2023 fiscal year (December 26, 2022 through December 31, 2023). The total number of Hungry Howie's Units as of December 31, 2023 was 523, which includes Franchised Units, Affiliated Units, "legacy units" (which are excluded from this information), and the 193 Florida units (which are excluded from this information as described under "Florida Units" above).
- The information was obtained from POS systems at each individual unit. We did not independently audit any of this information.
- Gross Sales were only used if the Hungry Howie's Unit had been open for the entire fiscal year for which the information is listed. However, units that were closed for more than 10 days due to a force majeure event were excluded.

**Chart 2**
**Gross Sales of Certain Hungry Howie's Units for the 53 weeks ended December 31, 2023**

We examined the Gross Sales[1] of certain Hungry Howie's Units (as described below) that were open for the entire 53-week period from December 26, 2022 through December 31, 2023. The following tables provide the average and median Gross Sales, on a categorical and cumulative basis, for units which were open during the entire fiscal year and which describe the top performing 25%, 50%, and 75%, and the bottom performing 25%, 50%, and 75%, of 314 Units (including 281 Franchised Units[2] and 33 Affiliated Units[3]).

| Type of Units | Number of Units | Average Annual Gross Sales[4] of Units | Number of Units Which Attained or Surpassed the Average | Percentage of Units Which Attained or Surpassed the Average | Median Annual Gross Sales[5] of Units | Highest Annual Gross Sales of a Unit | Lowest Annual Gross Sales of a Unit |
|---|---|---|---|---|---|---|---|
| Top 25% of Franchised Units | 70 | 1,276,883 | 23 | 32.86% | 1,210,998 | 2,027,653 | 890,797 |
| Bottom 25% of Franchised Units | 70 | 492,031 | 44 | 62.86% | 507,171 | 601,596 | 279,096 |
| Top 50% of Franchised Units | 140 | 1,086,942 | 61 | 43.57% | 1,029,265 | 2,027,653 | 796,541 |
| Bottom 50% of Franchised Units | 140 | 588,923 | 74 | 52.86% | 602,724 | 787,062 | 279,096 |
| Top 75% of Franchised Units | 211 | 952,471 | 84 | 39.81% | 890,797 | 2,027,653 | 603,851 |
| Bottom 75% of Franchised Units | 211 | 692,093 | 102 | 48.34% | 683,286 | 1,027,917 | 279,096 |
| Total Franchised Units | 281 | 837,770 | 125 | 44.48% | 792,354 | 2,027,653 | 279,096 |

| Type of Units | Number of Units | Average Annual Gross Sales[4] of Units | Number of Units Which Attained or Surpassed the Average | Percentage of Units Which Attained or Surpassed the Average | Median Annual Gross Sales[5] of Units | Highest Annual Gross Sales of a Unit | Lowest Annual Gross Sales of a Unit |
|---|---|---|---|---|---|---|---|
| Top 25% of Affiliated Units | 8 | 1,406,532 | 4 | 50.00% | 1,406,294 | 1,576,310 | 1,216,945 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Bottom 25% of Affiliated Units | 8 | 763,686 | 5 | 62.50% | 787,092 | 872,995 | 580,169 |
| Top 50% of Affiliated Units | 16 | 1,244,159 | 7 | 43.75% | 1,187,265 | 1,576,310 | 1,029,778 |
| Bottom 50% of Affiliated Units | 16 | 853,945 | 10 | 62.50% | 889,100 | 979,091 | 580,169 |
| Top 75% of Affiliated Units | 25 | 1,137,881 | 9 | 36.00% | 1,072,237 | 1,576,310 | 905,206 |
| Bottom 75% of Affiliated Units | 25 | 932,170 | 15 | 60.00% | 949,405 | 1,157,586 | 580,169 |
| Total Affiliated Units | 33 | 1,047,167 | 14 | 42.42% | 986,841 | 1,576,310 | 580,169 |

Footnotes:

[1.] "Gross Sales" means all sales or revenue arising out of Hungry Howie's Units, including those: (i) from on-site and off-site sales; (ii) from fees and charges received for deliveries; (iii) from the value equal to redeemed gift cards, loyalty cards or other promotional or redemption programs; (iv) orders that originate in, at, or from Hungry Howie's Units, whether delivery or performance is made from Hungry Howie's Units or some other place; (v) that are made or originated by mail, telephone, internet or any other form of Electronic commerce, or facsimile orders received or filled in, at or from Hungry Howie's Units; (vi) that are made or performed by means of mechanical or other vending devices at Hungry Howie's Units; (vii) which a person, in the normal and customary course of business, would credit or attribute to the operation of Hungry Howie's Units; or (viii) from sales made or revenue received from a kiosk. Gross Sales are calculated without reserve or deduction for a franchisee's inability or failure to collect, any amounts owed to such franchisee or for any fees, payments or consideration made to or on behalf of any credit, debit, gift card program, customer loyalty program or Electronic payment processing system. Gross Sales shall not include: (i) cash or credit refunds actually provided to customers on transactions otherwise included in Gross Sales; (ii) sales of fixtures, machinery and equipment, which are not sold in the ordinary course of business; (iii) amounts which are separately stated and collected from customers by a franchisee on behalf of any governmental entity for sales or other such tax; (iv) amounts of gift card sales, excluding those redeemed gift cards as described above; and (v) bottle deposits/return fees, where applicable by law. We reserve the right to modify our policies and practices regarding revenue recognition, revenue reporting, and the inclusion or exclusion of certain revenue from "Gross Sales" as circumstances, business practices, and technology change. For the avoidance of doubt, Gross Sales are not reduced by the amount paid to, retained or collected by, or shared with third-party food ordering and delivery systems with which the Restaurant does business. However, our current practice is to charge Royalty Fees and Marketing Fees only on the post-commission amount of third-party food ordering and delivery systems.

[2.] "Franchised Units" means all Hungry Howie's Units that were open and reporting sales to us for the entire fiscal year, excluding (1) 193 Florida units, (2) 33 Affiliated Units, (3) 15 Hungry Howie's Units which opened or permanently closed during the entire fiscal year, and therefore were not open for the full fiscal year, (4) 4 "legacy units" which are not obligated to and do not report sales to us, and (5) 1 unit that was closed for more than ten consecutive days during the entire fiscal

year due to a force majeure event. The Franchised Units are in 20 states. These Franchised Units have reasonably similar operations as those being offered for sale.

[3.] "Affiliated Units" means all Hungry Howie's Units that were (1) open and reporting sales to us for the entire fiscal year and (2) owned or controlled by a director, officer, parent or affiliate of ours. The Affiliated Units are all located in Michigan. These Affiliated Units have reasonably similar operations as those being offered for sale.

[4.] Average Annual Gross Sales were calculated by aggregating the Gross Sales for the fiscal year of the Franchised Units, Affiliated Units and All Units, as the case may be, and dividing the same by the number of Franchised Units, Affiliated Units and All Units, as the case may be.

[5.] Median Annual Gross Sales were calculated by placing all data point values of annual gross sales of Franchised Units, Affiliated Units and All Units, as the case may be, for the fiscal year in value order and finding the middle data point in that set. In the event the data set contains an odd number of data points, the median is the center number. In the event the data set contains an even number of data points, the median is reached by taking the two data points in the middle, adding them together, and dividing by two.

**Chart 3:**
**Number of Hungry Howie's Units with Gross Sales Over $1,000,000**

The following chart provides information regarding the number of Franchised Units and Affiliated Units with Gross Sales[1] over $1,000,000, by year for the entire 53-week period from December 26, 2022 through December 31, 2023 which were open for business during the entire fiscal year.

| Type of Units Examined | 2023 |
|---|---|
| All Units[2] Reported | 314 |
| Total Franchised Units[3] Reported | 281 |
| Franchised Units over $1,000,000 | 75 |
| % of Franchised Units to Total Reported | 26.69% |
| Total Affiliated Units[4] Reported | 33 |
| Affiliated Units over $1,000,000 | 16 |
| % of Affiliated Units to Total Reported | 48.48% |

Footnotes:

1. "Gross Sales" means all sales or revenue arising out of Hungry Howie's Units, including those: (i) from on-site and off-site sales; (ii) from fees and charges received for deliveries; (iii) from the value equal to redeemed gift cards, loyalty cards or other promotional or redemption programs; (iv) orders that originate in, at, or from Hungry Howie's Units, whether delivery or performance is made from Hungry Howie's Units or some other place; (v) that are made or originated by mail, telephone, internet or any other form of Electronic commerce, or facsimile orders received or filled in, at or from Hungry Howie's Units; (vi) that are made or performed by means of mechanical or other vending devices at Hungry Howie's Units; (vii) which a person, in the normal and customary course of business, would credit or attribute to the operation of Hungry Howie's Units; or (viii) from sales made or revenue received from a kiosk. Gross Sales are calculated without reserve or deduction for a franchisee's inability or failure to collect, any amounts owed to such franchisee or for any fees, payments or consideration made to or on behalf of any credit, debit, gift card program, customer loyalty program or Electronic payment processing system. Gross Sales shall not include: (i) cash or credit refunds actually provided to customers on transactions otherwise included in Gross Sales; (ii) sales of fixtures, machinery and equipment, which are not sold in the ordinary course of business; (iii) amounts which are separately stated and collected from customers by a franchisee on behalf of any governmental entity for sales or other such tax; (iv) amounts of gift card sales, excluding those redeemed gift cards as described above; and (v) bottle deposits/return fees, where applicable by law. We reserve the right to modify our policies and practices regarding revenue recognition, revenue reporting, and the inclusion or exclusion of certain revenue from "Gross Sales" as circumstances, business practices, and technology change. For the avoidance of doubt, Gross Sales are not reduced by the amount paid to, retained or collected by, or shared with third-party food ordering and delivery systems with which the Restaurant does business. However, our current practice is to charge Royalty Fees and Marketing Fees only on the post-commission amount of third-party food ordering and delivery systems.

2. "All Units" means the sum of all Franchised Units and Affiliated Units.

3. "Franchised Units" means all Hungry Howie's Units that were open and reporting sales to us for the entire fiscal year. This excludes (1) 193 Florida units, (2) 33 Affiliated Units, (3) 15 Hungry Howie's Units which opened or closed during the fiscal year, (4) 4 "legacy units" which are not obligated to and do not report sales to us, and (5) 1 unit that was closed for more than ten

consecutive days during the entire fiscal year due to a force majeure event. The Franchised Units are in 20 states. These Franchised Units have reasonably similar operations as those being offered for sale.

4. "Affiliated Units" means all Hungry Howie's Units that were (1) open and reporting sales to us for the entire fiscal year and (2) owned or controlled by a director, officer, parent or affiliate of ours. The Affiliated Units are all located in Michigan. These Affiliated Units have reasonably similar operations as those being offered for sale.

## Chart 4
## Average & Median Annual Gross Sales and Food, Paper & Labor Cost Information of Certain Hungry Howie's Units for the 53 weeks ended December 31, 2023

We examined income statements of certain Hungry Howie's Units as described below for the entire 52-week period from December 26, 2022 to December 31, 2023. The income statements have not been audited. Income statements received by us that showed obvious and material inconsistencies or defects were not used in this analysis. The data below was derived from Gross Sales[1] and select cost information[2] obtained from income statements we received as of March 13, 2024 from Franchised Units[3], Affiliated Units[4] and All Units[5]. The units used in this analysis were open the entirety of the fiscal year.

| Type of Units Examined | Number of Units | Average Annual Gross Sales[6, 7] of Units | Number of Units Which Attained or Surpassed the Average | Percentage of Units Which Attained or Surpassed the Average | Median Annual Gross Sales[8] of Units | Highest Annual Gross Sales of a Unit | Lowest Annual Gross Sales of a Unit |
|---|---|---|---|---|---|---|---|
| Franchised Units | 237 | 856,017 | 105 | 44.30% | 812,046 | 2,028,618 | 309,722 |
| Affiliated Units | 33 | 1,044,739 | 14 | 42.42% | 984,150 | 1,575,610 | 580,169 |
| All Units | 270 | 879,083 | 121 | 44.81% | 844,102 | 2,028,618 | 309,722 |

| Type of Hungry Howie's Units Examined | Type of Cost | Average Percentage of Gross Sales[9] | Number of Hungry Howie's Units Below the Average | Percentage of Hungry Howie's Units Below the Average | Median Percentage of Gross Sales[10] | Highest Percentage of Gross Sales | Lowest Percentage of Gross Sales |
|---|---|---|---|---|---|---|---|
| Franchised Units | Food Cost | 24.37% | 137 | 57.81% | 24.05% | 36.89% | 20.31% |
| Franchised Units | Paper Cost | 3.82% | 103 | 43.46% | 3.88% | 5.24% | 2.30% |
| Franchised Units | Labor Cost | 17.76% | 113 | 47.68% | 18.00% | 35.88% | 6.24% |
| | Total Average | 45.95% | 116 | 48.95% | 46.13% | 66.99% | 31.10% |

| Type of Hungry Howie's Units Examined | Type of Cost | Average Percentage of Gross Sales[9] | Number of Hungry Howie's Units Below the Average | Percentage of Hungry Howie's Units Below the Average | Median Percentage of Gross Sales[10] | Highest Percentage of Gross Sales | Lowest Percentage of Gross Sales |
|---|---|---|---|---|---|---|---|
| Affiliated Units | Food Cost | 24.10% | 21 | 63.64% | 23.74% | 26.49% | 22.16% |
| Affiliated Units | Paper Cost | 3.86% | 17 | 51.52% | 3.85% | 4.19% | 3.57% |
| Affiliated Units | Labor Cost | 19.66% | 14 | 42.42% | 19.81% | 21.43% | 16.93% |
| | Total Average | 47.62% | 19 | 57.58% | 47.25% | 50.95% | 44.85% |

| Type of Hungry Howie's Units Examined | Type of Cost | Average Percentage of Gross Sales[9] | Number of Hungry Howie's Units Below the Average | Percentage of Hungry Howie's Units Below the Average | Median Percentage of Gross Sales[10] | Highest Percentage of Gross Sales | Lowest Percentage of Gross Sales |
|---|---|---|---|---|---|---|---|
| All Units | Food Cost | 24.33% | 157 | 58.15% | 24.01% | 36.89% | 20.31% |
| All Units | Paper Cost | 3.82% | 116 | 42.96% | 3.88% | 5.24% | 2.30% |
| All Units | Labor Cost | 18.04% | 120 | 44.44% | 18.72% | 35.88% | 6.24% |
| | Total Average | 46.19% | 123 | 45.56% | 46.65% | 66.99% | 31.10% |

Footnotes:

[1.] "Gross Sales" means all sales or revenue arising out of Hungry Howie's Units, including those: (i) from on-site and off-site sales; (ii) from fees and charges received for deliveries; (iii) from the value equal to redeemed gift cards, loyalty cards or other promotional or redemption programs; (iv) orders that originate in, at, or from Hungry Howie's Units, whether delivery or performance is made from Hungry Howie's Units or some other place; (v) that are made or originated by mail, telephone, internet or any other form of Electronic commerce, or facsimile orders received or filled in, at or from Hungry Howie's Units; (vi) that are made or performed by means of mechanical or other vending devices at Hungry Howie's Units; (vii) which a person, in the normal and customary course of business, would credit or attribute to the operation of Hungry Howie's Units; or (viii) from sales made or revenue received from a kiosk. Gross Sales are calculated without reserve or deduction for a franchisee's inability or failure to collect, any amounts owed to such franchisee or for any fees, payments or consideration made to or on behalf of any credit, debit, gift card program, customer loyalty program or Electronic payment processing system. Gross Sales shall not include: (i) cash or credit refunds actually provided to customers on transactions otherwise included in Gross Sales; (ii) sales of fixtures, machinery and equipment, which are not sold in the ordinary course of business; (iii) amounts which are separately stated and collected from customers by a franchisee on behalf of any governmental entity for sales or other such tax; (iv) amounts of gift card sales, excluding those redeemed gift cards as described above; and (v) bottle deposits/return fees, where applicable by law. We reserve the right to modify our policies and practices regarding revenue recognition, revenue reporting, and the inclusion or exclusion of certain revenue from "Gross Sales" as circumstances, business practices, and technology

change. For the avoidance of doubt, Gross Sales are not reduced by the amount paid to, retained or collected by, or shared with third-party food ordering and delivery systems with which the Restaurant does business. However, our current practice is to charge Royalty Fees and Marketing Fees only on the post-commission amount of third-party food ordering and delivery systems.

[2.] Such select cost information includes food, paper and labor costs.

"Food Cost" means the cost of all food and beverages purchased to produce the Menu Items sold at certain Hungry Howie's Units. The Menu Items sold at certain Hungry Howie's Units are substantially the same.

"Paper Cost" means the cost of all pizza boxes and other containers or packaging purchased for the Menu Items sold at certain Hungry Howie's Units. Pizza boxes and other containers or packaging purchased for the Menu Items sold at certain Hungry Howie's Units are substantially the same.

"Labor Cost" means the cost of the actual labor cost of all production and delivery personnel in certain Hungry Howie's Units, excluding any tax burdens, bonuses or benefits. Labor Cost also excludes any amounts paid to managers and/or the Owners.

[3.] "Franchised Units" means all Hungry Howie's Units that were open and reporting sales to us for the entire fiscal year, excluding (1) 193 Florida units, (2) 33 Affiliated Units, (3) 15 Hungry Howie's Units which opened or closed during the entire fiscal year, (4) 4 "legacy units" which are not obligated to and do not report sales to us, and (5) 1 unit that was closed for more than ten consecutive days during the entire fiscal year due to a force majeure event. The Franchised Units are in 17 states. These Franchised Units have reasonably similar operations as those being offered for sale.

[4.] "Affiliated Units" means all Hungry Howie's Units that were (1) open and reporting sales to us for the entire fiscal year and (2) owned or controlled by a director, officer, parent or affiliate of ours. The Affiliated Units are all located in Michigan. These Affiliated Units have reasonably similar operations as those being offered for sale.

[5.] "All Units" means the sum of all Franchised Units and Affiliated Units.

[6.] Average Annual Gross Sales were calculated by aggregating the Gross Sales for the entire fiscal year of the Franchised Units, Affiliated Units and All Units, as the case may be, and dividing the same by the number of Franchised Units, Affiliated Units and All Units, as the case may be.

[7.] The difference between the numbers provided for Average Annual Gross Sales of Affiliated Units and All Units in Charts 1A and 1B and the numbers provided for the same in Charts 4A and 4B is because sales information used to generate Charts 1A and 1B are obtained from point of sales systems at each individual unit and sales information used to generate Charts 4A and 4B are obtained from income statements received from individual units. Franchisees may make adjustments to information contained in income statements, such as returns, discounts and allowances.

[8.] Median Annual Gross Sales were calculated by placing all data point values of annual gross sales of Franchised Units, Affiliated Units and All Units, as the case may be, for the entire fiscal year in value order and finding the middle data point in that set. In the event the data set contains an odd number of data points, the median is the center number. In the event the data set contains an even number of data points, the median is reached by taking the two data points in the middle, adding them together, and dividing by two.

[9] Average Percentages were calculated by aggregating the Food Cost, Paper Cost and Labor Cost, as the case may be, for the entire fiscal year of the Franchised Units, Affiliated Units and All Units, as the case may be, and dividing the same by the aggregate Gross Sales of such units for the entire fiscal year.

[10] Median Percentages were calculated by placing all data point values of Food Cost, Paper Cost and Labor Cost, as the case may be, for the entire fiscal year of the Franchised Units, Affiliated Units and All Units, as the case may be, in value order and finding the middle data point in that set. In the event the data set contains an odd number of data points, the median is the center number. In the event the data set contains an even number of data points, the median is reached by taking the two data points in the middle, adding them together, and dividing by two.

Various factors affect sales and certain costs, including the economy; competition; accessibility and visibility of a location; the Operators business and restaurant experience, ability, business acumen and commitment to marketing the Restaurant; and adherence to System standards, policies and procedures.

**Some Hungry Howie's Units have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.**

Written substantiation of all financial performance information appearing in this Item 19 will be furnished 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 Hungry Howie's Unit. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Steve Clough at 30300 Stephenson Highway, Suite 200, Madison Heights, Michigan 48071 (248) 414-3300, the Federal Trade Commission, and the appropriate state regulatory agencies.

## Item 20: Outlets and Franchisee Information

The following applies to all the tables in this Item 20: 1) Company Owned Outlets are all owned by Properties, JFS, GP Pizza, Perry Pizza, and Shelby Pizza. Properties is a wholly owned subsidiary of Distributing, which is an affiliate of ours. JFS is owned and controlled by an officer of ours. All Company Owned outlets are located in Michigan. 2) Florida Outlets are all owned by franchisees of H.H. Pizza, Inc., which operates under a license agreement with us. Subject to its license agreement, H.H. Pizza, Inc. deviates from the Hungry Howie's system in certain respects, including its selection of menu items, standards and specifications, and marketing strategies. Information on Florida outlets is based on information obtained from Distributing and has not been independently verified. The numbers are as of December 31 for each year.

**TABLE NO. 1**
**SYSTEM WIDE OUTLET SUMMARY**
**FOR YEARS 2021 TO 2023**

| Column 1 Outlet Type | Column 2 Year | Column 3 Outlets at the Start of the Year | Column 4 Outlets at the End of the Year | Column 5 Net Change |
|---|---|---|---|---|
| **Franchised** | 2021 | 499 | 501 | 2 |
| | 2022 | 501 | 503 | 2 |
| | 2023 | 503 | 491 | -12 |
| **Company Owned*** | 2021 | 32 | 33 | 1 |
| | 2022 | 33 | 33 | 0 |
| | 2023 | 33 | 33 | 0 |
| **Total Outlets** | 2021 | 531 | 534 | 3 |
| | 2022 | 534 | 536 | 2 |
| | 2023 | 536 | 524 | -12 |

**TABLE NO. 2**
**TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS OTHER THAN THE FRANCHISOR FOR YEARS 2021 TO 2023**

| Column 1<br>State | Column 2<br>Year | Column 3<br>Number of Transfers |
|---|---|---|
| **Alabama** | 2021 | 1 |
| | 2022 | 0 |
| | 2023 | 1 |
| **California** | 2021 | 0 |
| | 2022 | 1 |
| | 2023 | 1 |
| **Colorado** | 2021 | 0 |
| | 2022 | 1 |
| | 2023 | 1 |
| **Florida*** | 2021 | 3 |
| | 2022 | 3 |
| | 2023 | 37 |
| **Georgia** | 2021 | 0 |
| | 2022 | 0 |
| | 2023 | 1 |
| **Indiana** | 2021 | 0 |
| | 2022 | 01 |
| | 2023 | 0 |
| **Louisiana** | 2021 | 0 |
| | 2022 | 1 |
| | 2023 | 0 |
| **Michigan** | 2021 | 1 |
| | 2022 | 6 |
| | 2023 | 0 |
| **Nevada** | 2021 | 0 |
| | 2022 | 1 |
| | 2023 | 1 |
| **North Carolina** | 2021 | 3 |
| | 2022 | 0 |
| | 2023 | 2 |
| **Ohio** | 2021 | 0 |
| | 2022 | 1 |
| | 2023 | 6 |
| **Oklahoma** | 2021 | 1 |
| | 2022 | 0 |
| | 2023 | 0 |
| | 2021 | 0 |

| | | |
|---|---|---|
| **Pennsylvania** | 2022<br>2023 | 0<br>1 |
| **Tennessee** | 2021<br>2022<br>2023 | 0<br>0<br>3 |
| **Texas** | 2021<br>2022<br>2023 | 0<br>0<br>1 |
| **Utah** | 2021<br>2022<br>2023 | 2<br>0<br>0 |
| **TOTALS** | 2021<br>2022<br>2023 | 11<br>15<br>25 |

## TABLE NO. 3
## STATUS OF FRANCHISE OUTLETS
## FOR YEARS 2021 TO 2023

| COLUMN 1<br>STATE | COLUMN 2<br>YEAR | COLUMN 3<br>OUTLETS AT START OF YEAR | COLUMN 4<br>OUTLETS OPENED | COLUMN 5<br>TERMI-NATIONS | COLUMN 6<br>NON-RENEWALS | COLUMN 7<br>REACQUIRED BY FRANCHISOR | COLUMN 8<br>CEASED OPERATIONS OTHER REASONS | COLUMN 9<br>OUTLETS AT END OF THE YEAR |
|---|---|---|---|---|---|---|---|---|
| **Alabama** | 2021 | 11 | 1 | 0 | 0 | 0 | 0 | 12 |
| | 2022 | 12 | 0 | 0 | 0 | 0 | 0 | 12 |
| | 2023 | 12 | 1 | 0 | 0 | 0 | 0 | 13 |
| **Arizona** | 2021 | 23 | 0 | 0 | 0 | 0 | 0 | 23 |
| | 2022 | 23 | 1 | 0 | 0 | 0 | 0 | 24 |
| | 2023 | 24 | 0 | 0 | 0 | 0 | 1 | 23 |
| **Arkansas** | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| **California** | 2021 | 10 | 0 | 0 | 0 | 0 | 0 | 10 |
| | 2022 | 10 | 0 | 0 | 0 | 0 | 1 | 9 |
| | 2023 | 9 | 0 | 0 | 0 | 0 | 0 | 9 |
| **Colorado** | 2021 | 2 | 2 | 0 | 0 | 0 | 0 | 4 |
| | 2022 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2023 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| **Delaware** | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| **Florida** | 2021 | 204 | 0 | 0 | 0 | 0 | 2 | 202 |
| | 2022 | 202 | 2 | 0 | 0 | 0 | 3 | 201 |
| | 2023 | 201 | 1 | 0 | 0 | 0 | 8 | 194 |
| **Georgia** | 2021 | 4 | 0 | 0 | 0 | 0 | 1* | 3 |
| | 2022 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2023 | 3 | 0 | 0 | 0 | 0 | 1 | 2 |
| **Indiana** | 2021 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| | 2022 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| | 2023 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| **Louisiana** | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| **Michigan** | 2021 | 164 | 2 | 0 | 0 | 1 | 0 | 165 |
| | 2022 | 165 | 1 | 0 | 0 | 0 | 1 | 165 |
| | 2023 | 165 | 0 | 0 | 0 | 0 | 0 | 165 |
| **Mississippi** | 2021 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2022 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2023 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| **Nevada** | 2021 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2022 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2023 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| **North Carolina** | 2021 | 23 | 0 | 0 | 0 | 0 | 0 | 23 |
| | 2022 | 23 | 3 | 0 | 0 | 0 | 0 | 26 |
| | 2023 | 26 | 1 | 2 | 0 | 0 | 2 | 23 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Ohio** | 2021 | 12 | 0 | 0 | 0 | 0 | 1 | 11 |
| | 2022 | 11 | 0 | 0 | 0 | 0 | 0 | 11 |
| | 2023 | 11 | 2 | 0 | 0 | 0 | 0 | 13 |
| **Oklahoma** | 2021 | 3 | 0 | 0 | 0 | 0 | 1 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| **Pennsylvania** | 2021 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2022 | 3 | 0 | 0 | 0 | 0 | 2 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| **South Carolina** | 2021 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| | 2022 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| | 2023 | 6 | 0 | 1 | 0 | 0 | 0 | 5 |
| **Tennessee** | 2021 | 4 | 1 | 0 | 0 | 0 | 0 | 5 |
| | 2022 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2023 | 5 | 0 | 0 | 0 | 0 | 2 | 3 |
| **Texas** | 2021 | 8 | 1 | 0 | 0 | 0 | 0 | 9 |
| | 2022 | 9 | 1 | 0 | 0 | 0 | 0 | 10 |
| | 2023 | 10 | 1 | 0 | 0 | 0 | 1 | 10 |
| **Utah** | 2021 | 7 | 0 | 0 | 0 | 0 | 1 | 6 |
| | 2022 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| | 2023 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| **TOTALS** | 2021 | 499 | 7 | 0 | 0 | 1 | 4 | 501 |
| | 2022 | 501 | 9 | 0 | 0 | 0 | 7 | 503 |
| | 2023 | 503 | 6 | 3 | 0 | 0 | 15 | 491 |

**TABLE NO. 4**
**STATUS OF COMPANY-OWNED OUTLETS**
**FOR YEARS 2021 TO 2023**

| Column 1 State | Column 2 Year | Column 3 Outlets at Start of Year | Column 4 Outlets Opened | Column 5 Outlets Reacquired From Franchisees | Column 6 Outlets Closed | Column 7 Outlets Sold to Franchisees | Column 8 Outlets at End of the Year |
|---|---|---|---|---|---|---|---|
| **Michigan** | 2021 | 32 | 0 | 1 | 0 | 0 | 33 |
| | 2022 | 33 | 0 | 0 | 0 | 0 | 33 |
| | 2023 | 33 | 0 | 0 | 0 | 0 | 33 |
| **Totals** | 2021 | 32 | 0 | 1 | 0 | 0 | 33 |
| | 2022 | 33 | 0 | 0 | 0 | 0 | 33 |
| | 2023 | 33 | 0 | 0 | 0 | 0 | 33 |

**TABLE NO. 5**
**PROJECTED OPENINGS AS OF DECEMBER 31, 2024**

| Column 1<br>State | Column 2<br>Franchise Agreements Signed but Outlet Not Opened | Column 3<br>Projected New Franchised Outlets in the Next Fiscal Year | Column 4<br>Projected New Company-Owned Outlets in the Current Fiscal Year |
|---|---|---|---|
| **Alabama** | 0 | 1 | 0 |
| **Arizona** | 0 | 1 | 0 |
| **Michigan** | 5 | 5 | 0 |
| **North Carolina** | 0 | 2 | 0 |
| **Ohio** | 1 | 1 | 0 |
| **South Carolina** | 0 | 1 | 0 |
| **Tennessee** | 0 | 1 | 0 |
| **Texas** | 1 | 3 | 0 |
| **TOTAL** | **7** | **15** | **0** |

Exhibit J lists the names of all current franchisees and the addresses and telephone numbers of their outlets.

Exhibit K lists the name, city, state, and business telephone number or email address of each current franchisee who has signed a Franchise Agreement but was not opened for business as of December 31, 2023.

Exhibit L lists the name, city and state, and current business telephone number or email address of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the twelve months ended December 31, 2023, or who has not communicated with Hungry Howie's within 10 weeks of the issuance date of this Disclosure Document. If you purchase a franchise and later leave the franchise system, your contact information may be disclosed.

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experience as a franchisee in the franchise system. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

There are no trademark specific franchisee associations associated with the Hungry Howie's franchise system that Hungry Howie's has created, sponsored or endorsed. There are no trademark specific franchisee associations associated with the Hungry Howie's franchise system that are incorporated or otherwise organized under state law and that have asked us to be included in this Disclosure Document.

## Item 21: Financial Statements

Attached to this disclosure document as Exhibit C are our audited financial statements for the fiscal years ended December 31, 2021, December 31, 2022 and December 31, 2023.

## Item 22: Contracts

Copies of the Franchisor's current Franchise Agreement, Area Developer Multiple Unit Agreement, Standard Lease Rider, General Release and Confidentiality Agreement are attached as Exhibits E, F, G, H and I respectively.

## Item 23: Receipts

You will find copies of the detachable receipts in Exhibit M which are the last pages of this Disclosure Document.

**Exhibit A:**
**State Addenda to Disclosure Document**

CALIFORNIA

1.

DISCLOSURES REGARDING THE CALIFORNIA FAST FOOD ACT
(CALIFORNIA ASSEMBLY BILL 1228)

A. ITEM 1: To the extent it is applicable, you must comply with California Assembly Bill 1228, codified at Cal. Lab. Code §§ 1474-1475 (the "Fast Food Act"), which may set health, safety, and employment standards related to your employees, including standards on minimum wages, working hours, and working conditions.

B. ITEMS 5, 6, AND 11: We currently do not provide any training or assistance, or charge any initial or ongoing fees, related to the development or implementation of any standards, policies, or procedures that may be required under the Fast Food Act. It is solely your responsibility to determine whether the Fast Food Act applies to your franchise and, to the extent it does apply, to comply with the Fast Food Act when developing and constructing your restaurant, operating your franchise, and training and supervising your employees.

C. ITEM 7: As of this Franchise Disclosure Document's issuance date, standards have been set by procedures outlined in the Fast Food Act with respect to any health, safety, and employment standards related to your employees, including standards on working hours, and working conditions. As such the Additional Funds estimate does not take into account any increased costs that you might incur related to complying with the Fast Food Act (such as increased wages), based on its standards in effect as of this Franchise Disclosure Document's issuance date.

The following paragraphs are added to Item 17 of the Disclosure Document:

CALIFORNIA

1. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Franchise Disclosure Document.

2. The franchisor nor any person or franchise broken in Item 2 of the Franchise Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

3. Our website has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov.

4. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

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

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

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

8. The Franchise Agreement requires binding arbitration under Paragraph 18.5(g). The arbitration costs will be divided equally between you and Hungry Howie's. This provision may not be enforceable under California law.

9. The provision in the Franchise Agreement requiring the application of Michigan law may not be enforceable in California.

10. Each owner of the franchise is required to execute a personal guaranty. Doing so could jeopardize the marital assets of non-owner spouses domiciled in community property states such as California.

11. **Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner.**

ILLINOIS

1. **Illinois law** governs the franchise agreement(s).

2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

3. Franchisees' rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, 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.

MINNESOTA

1. With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that you will be

given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement.

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

2. Pursuant to Minn. Stat. §80C.21 and Minn. Rule Part 2860.4400J, these sections shall not in any way abrogate or reduce your rights as provided in Minnesota Statutes, Chapter 80C, including the right to submit matters to jurisdiction of the courts of Minnesota.

3. Any release as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

4. Minnesota Rule Part 2860.4400J prohibits you from waiving your rights to a jury trial or waiving your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties, or judgment notes.

5. Provided you have complied with all provisions of the Franchise Agreement and Area Development Multi-Unit Agreement applicable to the Marks, we will protect your rights to use the Marks and we also will indemnify you from any loss, costs or expenses from any claims, suits or demands regarding your use of the Marks in accordance with Minn. Stat. Sec. 80C.12 Subd. 1(g).

NORTH DAKOTA

1. The Franchise Agreement contains an agreement not to compete. The enforceability of the agreement not to compete is subject to North Dakota Century Code, Section 9-08-06.

2. The provision in the Franchise Agreement requiring any action to be commenced in the state of Michigan may not be enforceable.

3. The provision in the Franchise Agreement requiring the franchisee to pay liquidated damages may not be enforceable; however, we and you will enforce the provision to the extent the law allows.

4. The provision requiring the application of Michigan law may not be enforceable in North Dakota.

5. The provision requiring waiver of jury trial may not be enforceable in North Dakota.

6. The provision requiring the franchisee to sign a general release upon renewal of the Franchise Agreement may not be enforceable in North Dakota.

7. The provision requiring the franchisee to bring a claim within one (1) year is not enforceable. The statute of limitations under North Dakota law applies.

8. The provision that requires the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement may not be enforceable in North Dakota. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney’s fees.

RHODE ISLAND

1. Any provision in the Franchise Agreement restricting jurisdiction or venue to Michigan or requiring the application of Michigan law is void and unenforceable.

2. The provision requiring a release as a condition to transfer summarized in Item 17 (m) will not be applicable if it does not conform with the Rhode Island Franchise Investment Act.

3. The provision requiring the franchisee to bring any claims under the Franchise Agreement within one (1) year is not enforceable.

**Exhibit B:**
**State Agencies/Agents for Service of Process**

Listed here are the names, addresses and telephone numbers of the state agencies responsible for franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of such state's franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process.

There may be additional agents appointed in some of the states listed.

**California**
Department of Financial Protection and Innovation
One Sansome Street, Suite 600
San Francisco, California 94105-2980
(415) 972-8559
Toll Free: 1 (866) 275-2677

**Hawaii**
For service of process and other matters:
Commissioner of Securities
Business Registration Division
Department of Commerce
and Consumer Affairs
335 Merchant Street, Room 205
Honolulu, Hawaii 96813
(808) 586-2722

**Illinois**
Illinois Attorney General's Office
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

**Indiana**
State agency:
Indiana Secretary of State
Securities Division
Room E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317)232-6681

For service of process:
Office of the Indiana Secretary of State
200 West Washington Street
Room 201
Indianapolis, Indiana 46204
(317) 232-6531

**Maryland**
State agency:
Office of the Attorney General – Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

For service of process:
Maryland Securities Commissioner
at the Office of Attorney General-
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

**Michigan**
Corporations Division
Franchise Section
P.O. Box 30054
Lansing, Michigan 48909-7554
(517) 373-7117

**Minnesota**
Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1500

**New York**
Administrator:
Office of the New York State Attorney General
Investor Protection Bureau
Franchise Section
120 Broadway, 23rd Floor

New York, New York 10271
Telephone: (212) 416-8211

For service of process:
Attention: New York Secretary of State
New York Department of State
One Commerce Plaza,
99 Washington Avenue, 6th Floor
Albany, New York 12231-0001
(518) 473-2492

**North Dakota**
State agency:
North Dakota Securities Department
Franchise Examiner
600 East Boulevard Avenue State Capitol
5th Floor Dept. 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

For service of process:
Securities Commissioner
600 East Boulevard Avenue State Capitol
Fifth Floor Dept. 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

**Rhode Island**
Securities Division
Department of Business Regulations
1511 Pontiac Avenue
John O. Pastore Complex 69-1
Cranston, Rhode Island 02920
(401) 462-9527

**South Dakota**
Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501-3185
(605) 773-4823

**Virginia**
For service of process:
Clerk of the State Corporation Commission
1300 East Main Street
First Floor
Richmond, Virginia 23219
(804) 371-9733

For other matters:
State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street
Ninth Floor
Richmond, Virginia 23219
(804) 371-9051

**Washington**
For service of process:
Director Department of Financial Institutions
Securities Division
Securities Administrator
150 Israel Road SW
Tumwater, Washington 98501
(360) 902-8760

For other matters:
Department of Financial Institutions
Securities Division
P. O. Box 9033
Olympia, Washington 98501-9033
(360) 902-8760

**Wisconsin**
Commissioner of Securities
101 E. Wilson St.,
Madison, Wisconsin 53703
(608) 266-8557

**Exhibit C:**
**Financial Statements**

# Hungry Howie's Pizza & Subs, Inc. and Subsidiaries

**Consolidated Financial Report**
**with Additional Information**
**December 31, 2023**

## Hungry Howie's Pizza & Subs, Inc. and Subsidiaries

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Plante & Moran, PLLC
Suite 300
2601 Cambridge Court
Auburn Hills, MI 48326
Tel: 248.375.7100
Fax: 248.375.7101
plantemoran.com

**Independent Auditor's Report**

To the Board of Directors
Hungry Howie's Pizza & Subs, Inc. and Subsidiaries

***Opinion***

We have audited the consolidated financial statements of Hungry Howie's Pizza & Subs, Inc. and Subsidiaries (the "Company"), which comprise the consolidated balance sheet as of December 31, 2023, 2022, and 2021 and the related consolidated statements of operations, stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, 2022, and 2021 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Consolidated Financial Statements* section of our report. We are required to be independent of the Company and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Consolidated Financial Statements***

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

***Auditor's Responsibilities for the Audits of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

PRAXITY
Empowering Business Globally

To the Board of Directors
Hungry Howie's Pizza & Subs, Inc. and Subsidiaries

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Plante & Moran, PLLC

March 26, 2024

## Hungry Howie's Pizza & Subs, Inc. and Subsidiaries

# Consolidated Balance Sheet

**December 31, 2023, 2022, and 2021**

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| **Assets** | | | |
| **Current Assets** | | | |
| Cash and cash equivalents | $ 6,788,079 | $ 6,874,167 | $ 6,682,117 |
| Restricted cash | 51,132 | 77,185 | 60,258 |
| Accounts receivable - Net | 1,684,975 | 1,605,302 | 1,155,971 |
| Prepaid expenses and other current assets | 148,496 | 68,068 | 58,021 |
| Total current assets | 8,672,682 | 8,624,722 | 7,956,367 |
| **Property and Equipment** - Net (Note 4) | 40,243 | 47,662 | 66,434 |
| Total assets | **$ 8,712,925** | **$ 8,672,384** | **$ 8,022,801** |
| **Liabilities and Stockholders' Equity** | | | |
| **Current Liabilities** | | | |
| Trade accounts payable | $ 346,494 | $ 71,347 | $ 372,064 |
| Accrued and other current liabilities: | | | |
| Accrued compensation | 1,037,690 | 1,029,261 | 874,896 |
| Deferred vendor payments | 30,590 | 71,375 | 112,161 |
| Reimbursable promotional fees | 142,903 | 54,551 | 195,448 |
| Deposits on oven sales | 61,268 | 25,963 | 233,902 |
| Deferred franchise fees - Current | 392,750 | 474,000 | 480,250 |
| Other accrued liabilities | 772,119 | 818,999 | 876,554 |
| Total current liabilities | 2,783,814 | 2,545,496 | 3,145,275 |
| **Deferred Franchise Fees** - Net of current portion | 373,888 | - | - |
| Total liabilities | 3,157,702 | 2,545,496 | 3,145,275 |
| **Stockholders' Equity** | 5,555,223 | 6,126,888 | 4,877,526 |
| Total liabilities and stockholders' equity | **$ 8,712,925** | **$ 8,672,384** | **$ 8,022,801** |

See notes to consolidated financial statements. 3

## Hungry Howie's Pizza & Subs, Inc. and Subsidiaries

# Consolidated Statement of Operations

**Years Ended December 31, 2023, 2022, and 2021**

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| **Net Sales** | | | |
| Royalties and other revenue | $ 28,774,251 | $ 29,857,294 | $ 29,086,808 |
| Franchise fee revenue | 235,616 | 266,423 | 260,000 |
| Restaurant equipment sales | 389,945 | 1,014,603 | 1,087,639 |
| Total net revenue | 29,399,812 | 31,138,320 | 30,434,447 |
| **Cost of Sales** - Restaurant equipment | 382,331 | 916,858 | 1,008,865 |
| **Gross Profit** | 29,017,481 | 30,221,462 | 29,425,582 |
| **Operating Expenses** | 27,280,964 | 26,101,305 | 25,139,793 |
| **Operating Income** | 1,736,517 | 4,120,157 | 4,285,789 |
| **Nonoperating Income** | | | |
| Interest income | 135,098 | - | - |
| Sourcing income | 2,699,549 | 2,407,568 | 2,137,033 |
| Other fees | 2,508,347 | 1,568,363 | 1,231,357 |
| PPP loan forgiveness | - | - | 629,100 |
| Total nonoperating income | 5,342,994 | 3,975,931 | 3,997,490 |
| **Net Income** | **$ 7,079,511** | **$ 8,096,088** | **$ 8,283,279** |

See notes to consolidated financial statements. 4

## Hungry Howie's Pizza & Subs, Inc. and Subsidiaries

# Consolidated Statement of Stockholders' Equity

**Years Ended December 31, 2023, 2022, and 2021**

| | Common Stock (Note 7) | Additional Paid-in Capital | Retained Earnings | Total |
|---|---|---|---|---|
| **Balance** - January 1, 2021 | $ 7,000 | $ 33,810 | $ 3,581,019 | $ 3,621,829 |
| Net income | - | - | 8,283,279 | 8,283,279 |
| Stockholder distributions | - | - | (7,027,582) | (7,027,582) |
| **Balance** - December 31, 2021 | 7,000 | 33,810 | 4,836,716 | 4,877,526 |
| Net income | - | - | 8,096,088 | 8,096,088 |
| Stockholder distributions | - | - | (6,846,726) | (6,846,726) |
| **Balance** - December 31, 2022 | 7,000 | 33,810 | 6,086,078 | 6,126,888 |
| Net income | - | - | 7,079,511 | 7,079,511 |
| Stockholder distributions | - | - | (7,651,176) | (7,651,176) |
| **Balance** - December 31, 2023 | **$ 7,000** | **$ 33,810** | **$ 5,514,413** | **$ 5,555,223** |

See notes to consolidated financial statements. 5

## Hungry Howie's Pizza & Subs, Inc. and Subsidiaries

# Consolidated Statement of Cash Flows

**Years Ended December 31, 2023, 2022, and 2021**

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| **Cash Flows from Operating Activities** | | | |
| Net income | $ 7,079,511 | $ 8,096,088 | $ 8,283,279 |
| Adjustments to reconcile net income to net cash, cash equivalents, and restricted cash from operating activities: | | | |
| Depreciation | 13,202 | 18,772 | 22,113 |
| Bad debt recoveries | - | - | (10,000) |
| PPP loan forgiveness | - | - | (629,100) |
| Changes in operating assets and liabilities that (used) provided cash, cash equivalents, and restricted cash: | | | |
| Accounts receivable | (79,673) | (449,331) | 244,250 |
| Prepaid expenses and other assets | (80,428) | (10,047) | (3,820) |
| Accounts payable | 275,147 | (300,717) | 161,693 |
| Accrued and other liabilities | 85,206 | (252,026) | (181,229) |
| Deferred franchise fees and vendor payments | 292,638 | (6,250) | (65,250) |
| Deferred vendor payments | (40,785) | (40,786) | - |
| Net cash, cash equivalents, and restricted cash provided by operating activities | 7,544,818 | 7,055,703 | 7,821,936 |
| **Cash Flows from Investing Activities** | | | |
| Purchase of property and equipment | (5,783) | - | (4,266) |
| Proceeds from disposition of property and equipment | - | - | 5,000 |
| Net cash, cash equivalents, and restricted cash (used in) provided by investing activities | (5,783) | - | 734 |
| **Cash Flows Used in Financing Activities** - Stockholder distributions | (7,651,176) | (6,846,726) | (7,027,582) |
| **Net (Decrease) Increase in Cash, Cash Equivalents, and Restricted Cash** | (112,141) | 208,977 | 795,088 |
| **Cash, Cash Equivalents, and Restricted Cash** - Beginning of year | 6,951,352 | 6,742,375 | 5,947,287 |
| **Cash, Cash Equivalents, and Restricted Cash** - End of year | **$ 6,839,211** | **$ 6,951,352** | **$ 6,742,375** |

See notes to consolidated financial statements. 6

## Note 1 - Nature of Business

Hungry Howie's Pizza & Subs, Inc. and Subsidiaries (the "Company") is engaged in the franchising of restaurants in the United States, with the exception of Florida, under the name Hungry Howie's and related trademarks (the "Marks"). Under a licensing agreement with Hungry Howie's Pizza & Subs, Inc., a related entity, H. H. Pizza, Inc., has the nonexclusive, royalty-free right to use the Marks in connection with its restaurant services and the sale of goods, and all advertising and promotion thereof, including the right to sublicense in connection with such activities, in the state of Florida during the term of the license agreement. Such license is subject to certain quality requirements in connection with goods and services sold under the Marks. The Company is also engaged in the sale of restaurant equipment, acting as distributor between the supplier and franchisees.

## Note 2 - Significant Accounting Policies

***Principles of Consolidation***

The consolidated financial statements include the accounts of Hungry Howie's Pizza & Subs, Inc. and its wholly owned subsidiaries: Hungry Howie's Dough Raiser Program, LLC and Hungry Howie's Gift Card Program, LLC. All material intercompany accounts and transactions have been eliminated in consolidation.

***Cash, Cash Equivalents, and Restricted Cash***

At December 31, 2023, 2022, and 2021, the Company had bank deposits and investments in excess of the amount insured by the Federal Deposit Insurance Corporation. The Company deems this a normal business risk.

The Company considers all investments with an original maturity of three months or less when purchased to be cash equivalents.

The Company has restricted cash equal to the amount of unspent advertising funds on deposit. At December 31, 2023, 2022, and 2021, $51,132, $77,185, and $60,258, respectively, of cash is restricted for this purpose.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated balance sheet to the amounts reported on the consolidated statement of cash flows:

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Cash and cash equivalents | $ 6,788,079 | $ 6,874,167 | $ 6,682,117 |
| Restricted cash | 51,132 | 77,185 | 60,258 |
| Total | $ 6,839,211 | $ 6,951,352 | $ 6,742,375 |

***Trade Accounts Receivable***

Accounts receivable are stated at net invoice amounts. An allowance for expected credit losses is established for accounts receivable based on a combination of factors, including the aging of receivables, historical collection trends, and charge-offs, and includes adjustments for current economic conditions and reasonable and supportable forecasts. When the Company is aware of a franchise or customer's inability to meet its financial obligation, the Company may individually evaluate the related receivable to determine the allowance for expected credit losses. All amounts deemed to be uncollectible are charged against the allowance for expected credit losses in the period that determination is made. The allowance for expected credit losses on accounts receivable balances was $50,000 as of December 31, 2023, 2022, and 2021. The balance of accounts receivable at January 1, 2021 was $1,390,221. Accounts receivable totaling $0, $0, and $17,368 that had been previously reserved were collected during 2023, 2022, and 2021, respectively.

## Note 2 - Significant Accounting Policies (Continued)

***Property and Equipment***

Property and equipment are recorded at cost. Both straight-line and accelerated methods are used for computing depreciation and amortization. Assets are depreciated over their estimated useful lives. Costs of maintenance and repairs are charged to expense when incurred.

***Revenue Recognition***

The Company's revenue from operations mainly consists of franchise fees, royalties, advertising fees, and restaurant equipment sales. The Company sells individual franchisees the right to operate a Hungry Howie's restaurant within a defined territory using the franchise name. The initial term of a franchise agreement is typically 10 years, with an option to renew for a fee or transfer the franchise agreement to a new or existing franchisee, at which point a transfer fee is typically paid.

The Company has obligations to provide franchisees with the franchise rights to operate a Hungry Howie's restaurant, training, and site selection, as well as provide advertising, for which fees are charged. During 2021, the Company adopted Accounting Standards Update (ASU) No. 2021-02, *Franchisors - Revenue from Contracts from Customers (Subtopic 952-606): Practical Expedient*. As a result, the Company concluded that management training and site selection are one performance obligation related to preopening services due to the nature of these services. The remaining items represent a single performance obligation. Therefore, initial franchise fees for each agreement are allocated to the preopening services and franchise right for each individual franchise. The preopening services revenue is recognized at the time the restaurant opens when the performance obligation has been settled. The franchise right revenue is recognized over the term of the respective franchise agreement beginning on the date the restaurant is opened. Transfer fees and renewal fees are recognized over the term of the new franchise agreement. Income for royalties and advertising fees is recognized over the term of the respective franchise agreement as the underlying sales occur. Income for restaurant equipment sales is recognized at the time of delivery to the franchisee. Revenue on the consolidated statement of operations has been disaggregated accordingly.

***Payment Terms***

Initial franchise and transfer fees are due and typically paid when a franchise agreement is entered into and are nonrefundable. Royalties and advertising fees are paid on a weekly basis based upon a percentage of franchisee net sales. Franchise fees are collected prior to the satisfaction of the Company's performance obligation, resulting in the Company recognizing contract liabilities. Additionally, amounts received for restaurant equipment in advance of delivery are recorded as contract liabilities. The portion of contract liabilities that is expected to be recognized as revenue within one year is classified as current on the consolidated balance sheet. Deferred revenue at January 1, 2023, 2022, and 2021 was $766,638, $480,250, and $648,000, respectively.

***Allocating the Transaction Price***

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for providing franchisees with the franchise rights to operate a restaurant. To determine the transaction price, the Company considers its customary business practices and the terms of the underlying agreement. For the purpose of determining transaction prices, the Company assumes performance obligations will be satisfied as promised in accordance with franchise agreements and that agreements will not be canceled, renewed, or modified.

The Company's franchise agreements with franchisees have transaction prices that contain a fixed and variable component. Variable consideration includes revenue related to royalties and advertising fees, as the transaction price is based on the franchisees' sales. The license of the franchise right is the predominant item to which the royalty relates; therefore, the variable consideration is recognized based on the actual amounts incurred each month.

## Note 2 - Significant Accounting Policies (Continued)

The Company allocates consideration to the preopening services based on the observable stand-alone selling price for management training and site selection services, which approximates the fair value of the service using the cost plus margin approach.

***Reimbursable Promotional Fees***

The Company sells certificates to various organizations, which can be redeemed for a pizza at franchisee locations on a future date. The Company is required to reimburse the franchisees for the cost of the pizza when certificates are redeemed. Reimbursable promotional fees are recorded as deferred revenue when sold and are recognized as revenue in proportion to the pattern of redemption exercised by customers. The Company recorded a liability for unredeemed issued certificates totaling $142,903, $54,551, and $195,448 at December 31, 2023, 2022, and 2021, respectively, net of estimated allowances for certificates that are expected never to be redeemed of $0, $0, and $919,047 as of December 31, 2023, 2022, and 2021, respectively.

***Gift Cards***

The Company sells gift cards in company- and franchise-owned restaurants. The Company does not charge administrative fees on unused gift card balances, and the gift cards have no expiration date. The Company determined that it does not have a legal obligation to remit the value of the unredeemed gift card under applicable state unclaimed property escheat statutes. Gift card sales are recorded as deferred revenue when sold and are recognized as revenue in proportion to the pattern of redemption exercised by customers. The Company recorded a liability for unredeemed issued gift cards totaling $206,484, $195,951, and $324,530 at December 31, 2023, 2022, and 2021, respectively, net of estimated allowances for gift cards that are expected never to be redeemed of $203,208, $169,828 $0, as of December 31, 2023, 2022, and 2021, respectively. The liability for unredeemed gift cards is presented within other accrued liabilities on the consolidated balance sheet.

***Advertising Expense***

Advertising expense is recorded against income during the year in which it is incurred. Advertising expense for the years ended December 31, 2023, 2022, and 2021 was $16,261,253, $16,282,591, and $15,804,671, respectively.

***Servicing Agreement***

The Hungry Howie's National Advertising Fund, Inc. (National Advertising Fund); the Hungry Howie's Advertising Fund, Inc. (Regional Advertising Fund I); and the Hungry Howie's Advertising Fund Marketing Fund (Regional Advertising Fund II) (collectively, the "Advertising Funds") are not-for-profit corporations formed to manage contributions from Hungry Howie's franchisees for national and regional marketing expenses. The Company collects contributions to these funds in accordance with the provisions of the franchise agreements and remits the contributions to the Advertising Funds to be expended for the collective advertising, marketing, and promotional benefit of franchisees, as provided in the agreements between Hungry Howie's and its franchisees.

Under the terms of a servicing agreement, the Company administers the activities of the Advertising Funds under the direction of the respective funds' boards. For the years ended December 31, 2023, 2022, and 2021, the Company incurred administrative costs totaling $1,316,737, $409,981, and $280,611, respectively, which were billed to the Advertising Funds. There were no amounts outstanding at December 31, 2023, 2022, or 2021.

***Sourcing Fees***

The Company receives sourcing fees from its vendors based on the amount of purchases made within a specified period. These funds are recognized as revenue when earned in accordance with the related contract.

## Note 2 - Significant Accounting Policies (Continued)

***Other Fees***

The Company includes the following amounts as nonoperating income from other fees in the consolidated statement of operations: fees charged to vendors that are used entirely for advertising and franchisee convention expense, fees charged to the National Advertising Fund and Regional Advertising Funds under the servicing agreement described above, and late fees collected from franchisees for noncompliance related to royalties and financial statements, per the franchise agreements. Fees charged to the Advertising Funds and late fees collected from franchisees are recognized as revenue when earned. Funds received from vendors to support advertising costs of the Company are recognized as revenue when earned in accordance with the related contract.

***Advertising Fund Revenue and Expenses***

Revenue and expenses relating to the Advertising Funds totaled $17,522,649 for the year ended December 31, 2023, compared to $15,425,189 for the year ended December 31, 2022 and $14,931,662 for the year ended December 31, 2021.

***Income Taxes***

Pursuant to provisions of the Internal Revenue Code, the Company elected to be taxed as an S corporation. Generally, the income of an S corporation is not subject to federal income tax at the corporate level, but rather the stockholders are required to include a pro rata share of the corporation's taxable income or loss in their personal income tax returns, irrespective of whether dividends have been paid. Accordingly, no provision for federal income taxes has been made in the accompanying consolidated financial statements.

***Use of Estimates***

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

***Shipping and Handling Costs***

Shipping and handling costs are recorded as costs of sales as they are incurred.

***Sales Tax***

Sales tax collected and remitted to state governments is netted against revenue in the Company's consolidated statement of operations.

***Leases***

The Company has an operating lease for a building with a lease term of one year or less that the Company elected to account for as a short-term lease. As this lease is a short-term lease, it is not included in the right-of-use asset and lease liability. Total expense related to this short-term lease is disclosed in Note 3.

***Subsequent Events***

The consolidated financial statements and related disclosures include evaluation of events up through and including March 26, 2024, which is the date the consolidated financial statements were available to be issued.

## Note 3 - Related Party Transactions

The following is a description of transactions between the Company and related parties:

***Revenue***

For the years ended December 31, 2023, 2022, and 2021, the Company recognized royalty income from a company related through common ownership totaling $1,002,097, $981,010, and $954,971, respectively. As of December 31, 2023, 2022, and 2021, this related entity owed the Company $40,257, $38,202, and $25,047, respectively, for outstanding royalty payments.

***Expenses and Reimbursements***

The Company and a company related through common ownership pay each other for reimbursement of operating expenses. Reimbursements paid to this affiliate, net of receipts, for the years ended December 31, 2023, 2022, and 2021 were $645,304, $742,663, and $812,481, respectively. These totals include IT-related expenses of $1,059,500, $970,600, and $929,300, respectively. There were no receivables or payables with this affiliate at December 31, 2023, 2022, and 2021.

***Lease Commitment***

The Company conducts its operations from premises leased on a month-to-month basis from an entity related through common ownership. The month-to-month lease agreement requires the Company to pay $7,846 per period. Rent expense under the agreement was $100,038, $103,961, and $102,000 per year for 2023, 2022, and 2021, respectively.

## Note 4 - Property and Equipment

Property and equipment are summarized as follows:

| | 2023 | 2022 | 2021 | Depreciable Life - Years |
|---|---|---|---|---|
| Computer equipment | $ 162,481 | $ 156,698 | $ 156,698 | 5-7 |
| Furniture and fixtures | 590,298 | 590,298 | 590,298 | 5-7 |
| Software | 729,962 | 729,962 | 729,962 | 3-5 |
| Leasehold improvements | 48,418 | 48,418 | 48,418 | 15-40 |
| Total cost | 1,531,159 | 1,525,376 | 1,525,376 | |
| Accumulated depreciation | 1,490,916 | 1,477,714 | 1,458,942 | |
| Net property and equipment | $ 40,243 | $ 47,662 | $ 66,434 | |

Depreciation expense was $13,202, $18,772, and $22,113 in 2023, 2022, and 2021, respectively.

## Note 5 - Retirement Plan

The Company maintains a defined contribution profit-sharing plan covering substantially all employees. The plan provides for the Company to make 3 percent nonelective safe harbor contributions. The total contribution for the years ended December 31, 2023, 2022, and 2021 was $126,676, $119,327, and $103,169, respectively. The plan also provides for the Company to make discretionary contributions. There were no discretionary contributions made in the years ended December 31, 2023, 2022, or 2021.

## Note 6 - Common Stock

Common stock consists of 50,000 authorized shares of $1 par value stock. As of December 31, 2023, 2022, and 2021, there were 7,000 shares issued and outstanding.

# Additional Information

Plante & Moran, PLLC
Suite 300
2601 Cambridge Court
Auburn Hills, MI 48326
Tel: 248.375.7100
Fax: 248.375.7101
plantemoran.com

**Independent Auditor's Report on Additional Information**

To the Board of Directors
Hungry Howie's Pizza & Subs, Inc. and Subsidiaries

We have audited the consolidated financial statements of Hungry Howie's Pizza & Subs, Inc. and Subsidiaries as of and for the years ended December 31, 2023, 2022, and 2021 and have issued our report thereon dated March 26, 2024, which contained an unmodified opinion on those consolidated financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidated schedule of operating expenses is presented for the purpose of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The information has not been subjected to the auditing procedures applied in the audits of the consolidated financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Plante & Moran, PLLC

March 26, 2024

PRAXITY
Empowering Business Globally

## Hungry Howie's Pizza & Subs, Inc. and Subsidiaries

# Consolidated Schedule of Operating Expenses

**Years Ended December 31, 2023, 2022, and 2021**

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Advertising | $ 16,261,253 | $ 16,282,591 | $ 15,804,671 |
| Bad debt expense | - | - | 27,368 |
| Bad debt recoveries | - | - | (17,368) |
| Computer supplies | 248,125 | 222,560 | 221,236 |
| Contributions | 16,357 | 46,000 | 21,133 |
| Depreciation expense | 13,202 | 18,772 | 22,113 |
| Dues and subscriptions | 219,999 | 194,625 | 202,881 |
| Training | 45,196 | 22,565 | 15,933 |
| Fundraiser expenses | 68,743 | 50,331 | 1,435 |
| Insurance | 328,178 | 344,584 | 314,733 |
| Meals and entertainment | 25,363 | 22,360 | 14,333 |
| Office expenses | 74,067 | 62,265 | 48,537 |
| Professional fees | 525,805 | 451,022 | 475,281 |
| Profit sharing | 126,676 | 119,327 | 103,169 |
| Rent - Building | 100,038 | 103,961 | 102,000 |
| Repairs and maintenance | 10,088 | 11,240 | 9,363 |
| Research and development | 22,664 | 1,822 | 67,411 |
| Salaries and wages | 6,575,505 | 5,941,422 | 5,934,457 |
| Subcontract services | 1,065,806 | 971,951 | 930,233 |
| Franchise materials, supplies, and shows | 821,687 | 539,211 | 334,658 |
| Payroll taxes | 329,103 | 289,573 | 263,939 |
| Property taxes | 6,269 | 7,075 | 7,812 |
| State income taxes | 11,472 | 19,259 | 8,007 |
| Telephone and telecommunications | 31,057 | 31,430 | 32,280 |
| Travel expenses | 259,265 | 256,655 | 127,354 |
| Vehicle expenses | 95,046 | 90,704 | 66,824 |
| Total operating expenses | **$ 27,280,964** | **$ 26,101,305** | **$ 25,139,793** |

**Exhibit E: Franchise Agreement**

FRANCHISE AGREEMENT

between

HUNGRY HOWIE'S PIZZA & SUBS, INC.

and

_____

Store # _____

Effective: _____

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# FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "Agreement") is between _____ <<FRANCHISE OWNER>> ("Franchisee", "Tenant", "you" or "your") and HUNGRY HOWIE'S PIZZA & SUBS, INC., a Michigan corporation ("Hungry Howie's", "we", "our" or "us"), with offices located at 30300 Stephenson Highway, Suite 200, Madison Heights, Michigan 48071.

## RECITALS

A. Hungry Howie's is in the business of franchising restaurants under the Marks "Hungry Howie's®" and "HUNGRY HOWIE'S® Flavored Crust® Pizza".

B. You recognize the benefits to be derived from being identified with the Marks and from utilizing the Hungry Howie's System.

C. You desire to establish, own and operate a Hungry Howie's Unit.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, the parties agree as follows:

## 1. GLOSSARY

As used in this Agreement, capitalized terms shall be as defined as follows:

1.1 "ACH" shall mean Automated Clearing House, our current method of collecting and disbursing any and all funds from or to you.

1.2 "Accounting Period" shall mean a 28-day period, consisting of 4 consecutive Reporting Periods, ending on a day designated by Hungry Howie's.

1.3 "ADA" shall mean the Americans with Disabilities Act of 1990, as amended, or similar federal, state or local law, code or regulation governing public accommodations for persons with disabilities.

1.4 "Administrative Fees" shall mean fees you must pay to us for certain acts or failures to act (collectively "Conduct"). Such Conduct may or may not rise to the level of a Franchisee Default, but over time or cumulatively it may cause devaluation of the Marks, the Restaurant, or the System, or cause Hungry Howie's to incur additional administrative or out–of–pocket expenses. The Conduct for which Administrative Fees may be assessed includes, but is not limited to: failure to prepare Menu Items according to the Manual; failure to maintain standards of cleanliness; failure to purchase or lease inventory, supplies, or equipment from Designated Suppliers; or the unauthorized use of the Marks or Marketing materials. A schedule containing a description of the Conduct with the corresponding fee will be published in the Manual. We may periodically revise or amend this schedule in our reasonable discretion. An Administrative Fee will be between $50.00 and $500.00 for each act or failure to act.

1.5 "Alternate Architect" shall mean the licensed architect that you propose to us in place of the Designated Supplier for the preparation and completion of the Drawings.

1.6 "Alternate Architect Fee" shall mean a fee of $2,500.00.

1.7 “Annual Meeting Fee” shall mean a fee of $1,000.00.

1.8 “Anti-Terrorism Laws” shall mean any law prohibiting corrupt business practices, money laundering or the aid or support of persons who conspire to commit acts of terror against any person or government, including acts prohibited by the USA Patriot Act or U.S. Executive Order 13244 or any and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and other governmental requirements in any way relating to terrorist acts and acts of war.

1.9 “Audit” shall mean an examination of the Restaurant’s Financial Statements and Financial Information in order to determine if you have paid any Recurring Fee in compliance with this Agreement and have otherwise complied with this Agreement.

1.10 “Audit Invoice” shall mean an invoice from us to you which shall be paid by you and which shall include an amount that is twice the Deficiency, and if the Deficiency exceeds 2% of the amount of the Recurring Fees as represented by you, the invoice shall also include the actual cost of such Audit to us.

1.11 “Casualty” shall mean any damage or destruction to the Restaurant due to fire, flood, earthquake or similar cause beyond your control.

1.12 “Claims” shall mean all losses, expenses, obligations, damages (actual, consequential, punitive, or otherwise) or costs which any Indemnified Parties may incur in connection with any action, proceeding, allegation, or other matter asserted against any Indemnified Parties, including all reasonable accountants’, arbitrators’, attorneys’ and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration or alternative dispute resolution, when such losses, expenses obligations, damages or costs originate or arise, directly or indirectly, in connection with or related to (i) your development, design, construction or operation of the Restaurant; (ii) your noncompliance or alleged noncompliance with any law, ordinance, rule or regulation concerning the development, design, construction or operation of the Restaurant (including the ADA and laws regulating employment practices and employee relations); (iii) the business you conduct under this Agreement; (iv) your breach of or failure to comply with any term or condition of this Agreement or any other agreement with us or our affiliates, including, without limitation, claims by employees, customers or other third parties, regardless of whether litigation, arbitration or alternative dispute resolution is commenced.

1.13 “COD” shall mean cash-on-delivery.

1.14 “Collateral” shall mean the Restaurant Assets together with all similar property now owned or later acquired additions, substitutions, replacements, proceeds and products thereof, wherever located, used in connection with the Franchise or the Restaurant.

1.15 “Community Marketing Fee” shall mean 1% of Gross Sales but in no event less than $103 per Reporting Period.

1.16 “Confidentiality Agreement” shall mean **Attachment J** or any other substantially similar document that we may require you or the Owners to execute.

1.17 “Confidential Information” shall have the meaning as described in the Confidentiality Agreement.

1.18 “Continuing Training Program” is any type of additional, supplemental or refresher training program, sales meeting, operations meeting, or marketing meeting either requiring personal attendance by the Designated Franchisee and/or Operator or his or her attendance via telephone conference, web-based portal or other Electronic method which is designated by Hungry Howie’s from time to time in our discretion.

1.19 “Customer Information” shall have the meaning as described in Paragraph 9.9.

1.20 “Default Notice” shall mean written notice of either a Franchisor or Franchisee Default in sufficient detail for the defaulting party to reasonably understand the nature of the default along with a description of any action that must be taken to affect a cure, if a cure is permitted.

1.21 “Deficiency” shall mean any underpayment of Recurring Fees which is discovered or disclosed as a result of an Audit or otherwise.

1.22 “Designated Supplier” shall mean suppliers, distributors or vendors designated by us from time to time, in our sole discretion, and from which you must purchase, lease or enter into other agreements for certain products or services.

1.23 “Designated Franchisee” shall mean a person who (a) has at least 15% of Ownership Interest, (b) has oversight over the general conduct of your business, including Employment Practices and maintaining and operating the Restaurant in compliance with Paragraph 3.13, (c) is solely responsible for communicating with us (or our affiliates or a Designated Supplier) in accordance with Paragraph 10.2, and (d) is designated by you to be the individual to which we may provide notices to you and any Guarantors pursuant to Paragraph 21.

1.24 “Designated Franchisee Training Program” shall mean training that (a) is required by Hungry Howie’s, (b) is designed and intended to protect and maintain the System and the Marks, and (c) the Designated Franchisee must successfully complete prior to the opening of the Restaurant or as otherwise required by this Agreement. Such training may include providing instruction on standards, specifications and techniques for product preparation, handling, packaging, delivery, marketing, business development, sales, customer service, financial and inventory management and general operations. This training may also consist of completing production and delivery tasks and may require the Designated Franchisee to demonstrate sufficient proficiency and knowledge so as to be able to instruct your employees. The Designated Franchisee must also demonstrate that he has learned and retained such information.

Although this training may include information relating to your or the Restaurant’s employees, such information is provided for information purposes only, as you exclusively control Employment Practices of your or the Restaurant’s employees.

1.25 “Development Rights” shall mean rights granted by us to you to establish, open and operate the Restaurant and a specified number of Hungry Howie’s Units in a specified geographic area during a limited amount of time.

1.26 “DMA” or “Designated Market Area” shall mean a group of counties that form a geographic area as defined by Nielsen Media Research based upon television station viewing dominance, but which shall be determined in our sole and exclusive discretion.

1.27 “Drawings” shall mean a detailed and professionally prepared floor plan, architectural and construction drawings for the Restaurant including dimensions, interior layout, exterior design, material specifications, equipment, fixtures, furniture, signage and decor.

1.28 “Effective Date” is the date this Agreement is signed by an authorized representative of Hungry Howie’s on the signature page to this Agreement.

1.29 “EFT” shall mean Electronic funds transfer.

1.30 “Electronic” shall mean relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic or similar capabilities.

1.31 “Employment Practices” shall mean your labor relations and practices related to your or the Restaurant’s employees, including, among other things, employee selection, training, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions.

1.32 “FI Late Fee” shall mean a fee of $250.00 per Accounting Period or any fraction thereof.

1.33 “Financial Information” shall mean all of your books, records, tax returns and other financial information relating to the Franchise or the Restaurant and those of the Owners, if applicable. Financial Information does not include any records or information relating to your or the Restaurant’s employees, as you control exclusively your Employment Practices.

1.34 “Financial Statement” shall mean an income statement and balance sheet prepared as prescribed by us in the Manual.

1.35 “Financing Statement” shall have the meaning as defined in Article 9 of the Uniform Commercial Code.

1.36 “Force Majeure” shall mean an extraordinary event or circumstance beyond the control of you or Hungry Howie’s, such as war, strike, criminal act, riot, labor walkout, material or ingredient shortage, act of terrorism or Act of God (e.g. fire, flood, earthquake, volcano, zombie apocalypse, time shift, fracture in the time-space continuum or invasion by extraterrestrials).

1.37 “Franchise” shall mean your rights and obligations under this Agreement or similar rights and obligations granted to others under a Franchise Agreement.

1.38 “Franchise Agreement” shall mean an agreement entered into by Hungry Howie’s which grants the same or similar rights and obligations as under this Agreement. A Franchise Agreement may refer to agreements entered into by Hungry Howie’s with other persons or entities, the terms and conditions of which may vary widely and substantially from those in this Agreement.

1.39 “Franchise Disclosure Document” shall mean the franchise disclosure document delivered to a prospective franchisee as required pursuant to Federal Trade Commission Rule 436 or similar state law or regulation requiring pre-sale disclosures to a franchisee of Hungry Howie’s.

1.40 “Franchise Fee” shall mean a fee of $25,000.00.

1.41 “Franchise Fee for Veterans” shall mean a fee equal to 50% of the Franchise Fee.

1.42 “Franchise Grand Opening Fee” shall mean a fee of $15,000.00.

1.43 “Franchisee Default” shall have the meaning in Paragraph 18.5.

1.44 “Franchisor Default” shall mean that we have committed a material breach of this Agreement.

1.45 “General Release” shall mean **Attachment I** to this Agreement or any other substantially similar document that we may require you or the Owners to execute.

1.46 “Gift Card Program” shall mean a gift card, loyalty or reward program(s), or other similar redemption program(s) for customers, which may be designated by us from time to time in the Manual.

1.47 “Gross Sales” shall mean all sales or revenue arising out of the Restaurant, including those: (i) from on-site and off-site sales; (ii) from fees and charges received for deliveries,; (iii) from the value equal to redeemed gift cards, loyalty cards or other promotional or redemption programs; (iv) orders that originate in, at, or from the Restaurant, whether delivery or performance is made from the Restaurant or some other place; (v) that are made or originated by mail, telephone, internet or any other form of Electronic commerce, or facsimile orders received or filled in, at or from the Restaurant; (vi) that are made or performed by means of mechanical or other vending devices at the Restaurant; (vii) which a person, in the normal and customary course of business, would credit or attribute to your operation of the Restaurant; or (viii) from sales made or revenue received from a kiosk. Gross Sales shall be calculated without reserve or deduction for your inability or failure to collect, any amounts owed to you or for any fees, payments, discounts or consideration made to or on behalf of any credit, debit, gift card program, customer loyalty program, Electronic payment processing system or third-party delivery or ordering service. Gross Sales shall not include: (i) cash or credit refunds actually provided to customers on transactions otherwise included in Gross Sales; (ii) sales of fixtures, machinery and equipment, which are not sold in the ordinary course of business; (iii) amounts which are separately stated and collected from customers by a you on behalf of any governmental entity for sales or other such tax; (iv) amounts of gift card sales, excluding those redeemed gift cards as described above; and (v) bottle deposits/return fees, where applicable by law. We reserve the right to modify our policies and practices regarding revenue recognition, revenue reporting, and the inclusion or exclusion of certain revenue from “Gross Sales” as circumstances, business practices, and technology change. For the avoidance of doubt, Gross Sales are not reduced by the amount paid to, retained or collected by, or shared with third-party food ordering and delivery systems with which the Restaurant does business.

1.48 “Guarantors” shall mean those Owners or other persons or entities who sign the Guaranty.

1.49 “Guaranty” shall mean **Attachment D** to this Agreement or any other substantially similar document that we may require you or the Owners to execute.

1.50 “Hazardous Materials” shall have the meaning as described in Paragraph 3.4.

1.51 “HOME” shall mean the Howie’s Online Management Exchange or any similar system that we may designate as its supplement or replacement.

1.52 “Hours of Operation” shall mean the days and hours that the Restaurant must remain open and operating to the public and serving the Menu Items, as prescribed by Hungry Howie’s in the Manual.

1.53 “Hungry Howie’s Unit” shall mean, other than the Restaurant, a Hungry Howie’s carry-out and delivery unit, or a sit-down restaurant offering all Menu Items and not a Non-Traditional Restaurant.

1.54 "Indebtedness" shall mean:

(i) All amounts due to us under this Agreement or otherwise by you;

(ii) All sums which we may, at our option, expend or advance on your behalf for the maintenance, preservation, and protection of the Collateral, including, without limitation, payment of rent, taxes, levies, assessments, insurance premiums and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness;

(iii) All expenses, including reasonable attorneys’ fees, which we incur for collecting any or all the Indebtedness or in enforcing or protecting our rights under this Agreement; and

(iv) All of your other present or future, direct or indirect, absolute or contingent, liabilities or obligations, to us, or our affiliates or third-parties, however created.

1.55 “Indemnified Parties” shall mean us, our affiliates, and our and their respective owners, directors, officers, employees, agents, lawyers, consultants, representatives, successors, and assigns.

1.56 “Insurance Fee” shall mean a fee of $250.00 owed by you to us for each Accounting Period or any fraction thereof.

1.57 “Interest Fee” shall mean 1.25% of the applicable outstanding amount owed by you to us for each Accounting Period or any fraction thereof, but in no event greater than allowed by applicable law. In the event it is determined that the Interest Fee is greater than allowed by applicable law, the Interest Fee shall be reduced to the greatest amount that is allowable by applicable law.

1.58 “Landlord” shall mean the person or entity with whom you enter into a Lease for the Restaurant.

1.59 “Late Fee” shall mean a fee equal to 5% of any Recurring Fee.

1.60 “Lease” shall mean the lease or license agreement pursuant to which you occupy the premises where the Restaurant is approved by us to be located.

1.61 “Local Marketing” shall mean Marketing that we decide is meant to generally increase the goodwill of the Marks and the Restaurant within the Restaurant’s general trading area. However, we may decide that the goodwill of the Marks and the Restaurant within the Restaurant’s general trading area would benefit from pooling some or all of your Local Marketing Fee with some or all of the local marketing fees of other Hungry Howie’s Units. Such pooling may be done by DMA, geographical area, or by a demographic, psychographic, or other similar segmentation. Local Marketing may include but is not limited to broadcast television, outdoor

advertising, radio, sponsorships of sports teams, print advertising, and the utilization of any Electronic or other emerging media or promotional tactics, such as digital or social media. Local Marketing does not include the purchase of any car top, interior or exterior signage for the Restaurant. We will decide whether something is "Local Marketing". Local Marketing shall be administered by the Local Marketing Fund in accordance with Paragraph 12.

1.62 "Local Marketing Fee" shall mean the portion of the Marketing Fee designated for Local Marketing and contributed to the Local Marketing Fund in accordance with Paragraph 12.

1.63 "Local Marketing Fund" shall mean a fund to collect Marketing Fees collected from you and used for Local Marketing which may be combined with money collected from other franchisees and which is established and administered with Paragraph 12.

1.64 "Manner of Payment" shall mean EFT or ACH or any other manner of payment of legal tender that Hungry Howie's may designate from time to time.

1.65 "Manual" shall mean any set or compilation of publications, documents, memoranda, notices or written communications in any form, including without limitation print or Electronic media, issued by Hungry Howie's which describes any standards, specifications, policies and requirements concerning any aspect of the System, the Marks, the operation of the Restaurant including but not limited to such areas as design, construction, operations, accounting, Marketing and requirements to use Designated Suppliers.

1.66 "Marketing" shall mean administering, directing, conducting, developing or implementing the preparation of advertising, marketing, public relations, and/or promotional programs and materials, and any other activities which Hungry Howie's decides will benefit the Marks and the System, a geographic region, the Restaurant, a Hungry Howie's Unit or Non-Traditional Restaurant, including, among other things: (i) preparing and executing advertising campaigns in various media; (ii) utilizing any Electronic or other emerging media or promotional tactics; (iii) preparation and distribution of direct mail advertising; (iv) production and broadcast of television, radio, television and Internet commercials or advertisements; (v) public relations; (vi) market and consumer research; (vii) product development; (viii) in-store sales promotions; (ix) promotional items; (x) gift cards or certificates; (xi) loyalty programs; (xii) online ordering; (xiii) telemarketing; (xiv) enterprise reporting; (xv) customer satisfaction surveys; (xvi) sweepstakes; (xvii) bounce back promotions; (xviii) marketing meetings and conventions for franchisees; and/or (xix) the hiring of advertising or public relations agencies, consultants or experts (including law firm or in-house counsel to review advertising and related materials) to provide services or assist in any of the above.

1.67 "Marketing Fee" shall mean a fee equal to 7% of your Gross Sales, but in no event less than $721.00 per Reporting Period.

1.68 "Marketing Funds" shall mean the National Marketing Fund and Local Marketing Fund.

1.69 "Marks" or "Trademarks" shall mean all Hungry Howie's trade names, service marks and trademarks, whether currently existing, developed or acquired in the future, together with any other symbols, emblems, signs and insignias that Hungry Howie's has adopted and designated, or subsequently acquires, adopts, develops or designates, for use in connection with the System.

1.70 “Menu Items” shall mean all food, beverages, products or services permitted or designated by us to be sold in the Restaurant in accordance with the Manual.

1.71 “National Marketing” shall mean Marketing which is meant to generally increase the goodwill associated with the Marks or the System but shall not be construed to require that the Restaurant, a geographic region, any Hungry Howie’s Unit, or Non-Traditional Restaurant benefits directly, pro rata, or equally from such Marketing and which is administered by the National Marketing Fund in accordance with Paragraph 12.

1.72 “National Marketing Fee” shall mean the portion of the Marketing Fee designated for National Marketing and contributed to the National Marketing Fund in accordance with Paragraph 12.

1.73 “National Marketing Fund” shall mean a fund to collect Marketing Fees used for National Marketing which are collected from you and which may be combined with similar funds collected from other franchisees and which is established and administered in accordance with Paragraph 12.

1.74 “New Agreement” shall mean the then-current form of Hungry Howie’s Franchise Agreement which is being used at the time of a renewal, assignment or similar event or at the time a franchise agreement is signed pursuant to Development Rights, along with other related agreements then being offered by us to similarly situated franchisees at the time of a renewal, assignment or similar event. Such New Agreement, if executed by you for the Restaurant, will in all respects supersede this Agreement and other related documents and may contain materially different terms and conditions, including differing amounts for royalty and advertising fees.

1.75 “Non-Traditional Restaurant Addendum” shall mean an addendum to this Agreement negotiated and executed between the parties for a Non-Traditional Restaurant, which will set forth any deviations from the Agreement. If agreed to in writing by us that such a Non-Traditional Restaurant shall not offer delivery service, such Non-Traditional Restaurant shall not have any protection of the Territory as described in Paragraph 3.16(a) and you will not receive an exclusive territory.

1.76 “Non-Traditional Restaurant” shall mean a Hungry Howie’s restaurant which is or intended to be established, owned and operated in accordance with the System and in accordance with this Agreement as amended by the Non-Traditional Restaurant Addendum in a location such as an airport, train, bus or subway station, toll road facility, highway rest stop, stadium, arena, amusement park, fair, carnival, gas station, convenience store, hotel, motel, school, college or university, office building, factory, hospital, shopping mall or food court and other similar retail facility, penal institutions, institutional food service facilities or other non-traditional venues. Non-Traditional Restaurants may offer limited or no delivery service as agreed to in writing by us.

1.77 “NSF Fee” shall mean an amount equal to any bank, financial institution or third-party charges that we incur as a result of the tender of a check, EFT or ACH and returned or rejected for any reason whatsoever by a bank or financial institution.

1.78 “Offer” shall mean a written offer that, if accepted, would constitute a legally binding contract and which sets forth all material terms and conditions of any proposed Transfer.

1.79 “Other Fee” shall mean any fee chargeable or payable by you under this Agreement other than a Recurring Fee or the Interest Fee.

1.80 “Owner” shall mean, in cases where you are not an individual, your stockholders, partners or members that have a legal or beneficial interest in you.

1.81 “Operator” is an individual you identify who is vested with sufficient decision-making authority to make decisions on your behalf that are essential to the Restaurant’s effective and efficient operation on a day-to-day basis and shall be personally involved in the regular conduct, management and operation of the Restaurant on a regular, frequent, and ongoing basis. You shall designate a person as the Operator. Such individual shall be designated as provided on **Attachment B**.

1.82 “Operator Training Program” shall mean training that (a) is required by Hungry Howie’s, (b) is designed and intended to protect and maintain the System and the Marks, and (c) that the Operator must successfully complete prior to the opening of the Restaurant or as otherwise required by this Agreement. Such training may include, without limitation, providing instruction on standards, specifications and techniques for product preparation, handling, packaging, delivery, marketing, business development, sales and customer service, financial and inventory management and general operations. This training may also consist of completing production and delivery tasks and may require the Operator to demonstrate sufficient proficiency and knowledge so as to be able to instruct your employees. The Operator must also demonstrate that he has learned and retained such information.

Although this training may include information relating to your or the Restaurant’s employees, such information is provided for information purposes only, as you exclusively control Employment Practices of your or the Restaurant’s employees.

1.83 “Ownership Interest” shall mean your legal, equitable or beneficial right, title or interest in stock, partnership interest or membership interest.

1.84 “Packaging” shall mean only such containers, boxes, cartons, bags, napkins, spoons, forks and knives as are permitted or required by the System.

1.85 “Payment Date” is defined as a day designated by Hungry Howie’s from time to time following the Reporting Period for which a Recurring Fee or Other Fee is due.

1.86 “PCI DSS” means payment card industry data security standards.

1.87 “POS System” shall mean an Electronic point of sale system, whether physically located at the Restaurant or in a virtual location, which may consist of one or more computer systems, hardware, software, cloud-based services, software-as-a-service, dedicated telephone, power and data lines, modems, high speed Internet access (or alternative communications line designated by, or permitted by us), cables, printers and other computer-related accessories and peripheral equipment and which may provide point of sale information, customer databases and retention services, and perform accounting, marketing, and inventory functions as specified by us in accordance with the Manual.

1.88 “Premises” shall mean the location of the Restaurant.

1.89 “Proposed Location” shall mean a location which you present to us for approval to move or relocate the Restaurant after the Restaurant has been opened and operating for business.

1.90 “Recurring Fee” shall mean the Royalty Fee, Marketing Fee, or, if instituted in accordance with Paragraph 9.10, the Technology Fee.

1.91 “Re-Opening Marketing Fee” shall mean a fee of no more than $15,000.00, as decided by us, taking into consideration relevant factors, including how long the store may have been closed, sales levels at closure or time of Transfer, reputation and goodwill associated with the Restaurant in local community, reason for closure or Transfer, and the general conditions in the marketing area and industry

1.92 “Re-Inspection Fee” shall mean a fee of $2,500.00 plus our out-of-pocket expenses.

1.93 “Relocation Fee” shall mean a fee not to exceed $7,500.00.

1.94 “Renewal Fee” shall mean a fee of $1,000.00.

1.95 “Renewal Notice” shall mean a written notice of your intent to exercise your option to renew this Agreement in accordance with Paragraph 4.3.

1.96 “Replacement Training Fee” shall mean a per person fee of 25% of the then-current Franchise Fee.

1.97 “Reporting Period” shall mean Monday through Sunday of each week.

1.98 “Restaurant” shall mean your Hungry Howie’s carry-out and delivery restaurant which is or intended to be established and operated in accordance with this Agreement and the System, for a typical store front or free-standing restaurant which operates carry-out, delivery and/or sit-down service for retail customers specializing in offering the full range of services and Menu Items under the System.

1.99 “Restaurant Assets” shall mean any and all assets used in connection with and regularly located at the Restaurant including any furniture, fixtures, equipment, signage, decorations, leasehold improvements and betterments, telephone numbers, any right, title or interest to any personal property leases or the Lease or other right to occupy the premises of the Restaurant and any right, title or interest to this Agreement or the Franchise.

1.100 “Right of First Refusal” shall mean our right to acquire the Restaurant Assets or Ownership Interest prior to any Transfer and in accordance with the terms and conditions in Paragraph 17.1.

1.101 “Royalty Fee” shall mean a fee equal to 5.5% of your Gross Sales for each Reporting Period, but in no event less than $360.00 per Reporting Period.

1.102 “Security Interest” shall have the meaning as defined in Article 9 of the Uniform Commercial Code.

1.103 “Securities Offering” shall mean the direct or indirect offer, sale or issuance of any securities (including, without limitation, common or preferred stock, bonds, debentures, general or limited partnership interests, membership interests or membership units, whether certificated or un-certificated) which are subject to any state or federal law governing the offer, sale or issuance of any such securities.

1.104 “Securities Offering Documents” shall mean any offering prospectus, literature, materials or documents to be used in a Securities Offering or required by federal or state law for any Securities Offering, including any literature, materials or documents to be used in any exempt securities offering.

1.105 “Seller” shall mean a Franchisee or an Owner who becomes an intended or actual seller, transferor or assignor of all or portion of any Restaurant Assets or Ownership Interest.

1.106 “Seminar Fee” shall mean a fee equal to $250.00.

1.107 “Social Media” shall mean any social or professional networking channel or Internet site, web page, virtual world, audio, video, visual or file sharing site, blog, messaging system, email account, user name, text address, mobile application, or other Electronic, mobile or Internet presence that uses or displays any of the Marks or that promotes, mentions or discusses the Marks or any products or services of the Restaurant or the System.

1.108 “System” shall mean the distinctive style of restaurant operated and identified by the Marks for the sale of food, beverages and other products and services, including but not limited to the sale of Menu Items, the utilization of designated and prescribed equipment, building layouts, designs, trade dress, methodologies and marketing materials. Among other things, the System emphasizes prompt and courteous service in a clean and wholesome atmosphere, utilizing standards, specifications, policies and requirements as are expressed in the Manual and changed, altered or amended by us from time to time in our sole and absolute discretion.

1.109 “Technology Fee” shall mean, if instituted, a fee equal to no more than 0.25% of your Gross Sales, but in no event less than $25.00 per Reporting Period.

1.110 “Technology System(s)” shall mean any POS System, Gift Card Program, or other Electronic system, device, product or service, including computers, equipment, hardware, software, cloud-based services, software-as-a-service, communication devices, tablets, internet service providers and connections, online, text or voice ordering systems or services, including call centers (which permits customers to place, track or pay for orders using the Internet or other Electronic media), customer satisfaction and payment processing systems, as may be described in the Manual.

1.111 “Term” shall be a period of time beginning on the Effective Date and ending 10 years from the date on which you open the Restaurant for business.

1.112 “Territory” shall mean a one mile radius surrounding the Restaurant unless within such mile there is a population density of 25,000 or more people or a commuter-adjusted daytime population density of 25,000 or more people, as based on the most current United States census. In such case, the territory may be reduced based on a case-by-case basis through negotiations of the parties and which will be in writing as an addendum to this Agreement.

1.113 “Training Fee” shall mean a fee up to $5,000.00.

1.114 “Training Fee – Remote” shall mean a fee up to $10,000.00.

1.115 “Transfer” shall mean any sale, transfer or assignment of any Restaurant Assets or Ownership Interest. A Transfer shall also include any changes in an Ownership Interest by: (i) issuing, transferring or assigning any stock, membership interest or partnership interest; (ii) permitting the conversion of stock to another class of stock; (iii) allowing any person or entity to

become a partner or member or to increase his membership or partnership interest in the Franchisee; or (iv) converting a membership interest or partnership interest to another class of membership or partnership interest.

1.116 "Transfer Fee" shall mean a fee equal to 50% of the then-current franchise fee unless: (i) the Transferee is an existing Owner of another Hungry Howie's Unit and has previously successfully completed the Initial Training Program in which case the Transfer Fee shall be 25% of the then-current franchise fee; or (ii) the Transferee is an existing Owner of the Restaurant and has completed the Initial Training Program in which case the Transfer Fee shall be 5% of the then-current franchise fee.

1.117 "Transferee" shall mean any purchaser, transferee or assignee of any Restaurant Assets or Ownership Interest.

1.118 "UCC" shall mean Uniform Commercial Code.

1.119 "Upgrades" shall mean any renovation, remodeling, addition or substitution in the Restaurant including Technology Systems, equipment, furniture, fixtures, signage or decorations which we may require.

1.120 "Upgrade Deadline" shall be a date that is 180 days from the date on which we send you written notice of the Upgrades.

1.121 "Upgrade Oversight Fee" shall mean a fee equal to 15% of the cost of furnishing and installing any or all of the Upgrades which is paid by you to us.

1.122 "Website" shall mean a website, Intranet or extranet site that we make available to you.

## 2. GRANT AND NATURE OF FRANCHISE

Subject to the terms of this Agreement, you are granted a non-exclusive license to utilize the System, including the Marks and the Manual, to establish, own and operate the Restaurant and to benefit from the foregoing, at the single location specified in Paragraph 3. Nothing contained in this Agreement shall be construed to authorize or permit you to use the System or the Marks at any other location or for any other purpose. We retain the exclusive ownership of all rights, titles and interest in and to, including any goodwill, standard operating procedures and policies associated with the System and the Marks. You shall operate the Restaurant according to the Manual.

If this Agreement is for the establishment of a Non-Traditional Restaurant, the parties will enter into a Non-Traditional Restaurant Addendum. If this Agreement is for the establishment of a Non-Traditional Restaurant, the term Restaurant as used in this Agreement shall refer to Non-Traditional Restaurant.

## 3. LOCATION DEVELOPMENT AND TERRITORY

3.1 LOCATION OF THE RESTAURANT: The location of the Restaurant shall be in the geographic area described on **Attachment A.** The location shall be selected by you with our consent and approval. You shall not share the Premises occupying the Restaurant with any other business, nor shall you engage in co-branding without our prior written approval. Our consent and approval of the location of the Restaurant shall not be unreasonably withheld. The consent

and approval of the location of the Restaurant by us does not constitute a guarantee, recommendation, warranty or endorsement of the location or the likelihood of the Restaurant's success. Only the business of the Restaurant may be conducted in the Restaurant.

3.2 ASSISTANCE WITH LOCATION SELECTION: We shall provide you general advice, guidance and assistance in the selection of a location for the Restaurant. We may provide varying degrees of advice, guidance and assistance, on a case-by-case basis, based on our determination of your need or request for our advice, guidance or assistance, including such factors as your previous experience with selecting retail restaurant locations. Generally, you are expected to present appropriate locations for our approval in accordance with the provisions of Paragraph 3.2 of this Agreement.

We shall expend such time and effort, and incur such expenses, as we believe to be reasonably necessary to evaluate the locations proposed by you for the Restaurant. Our consent or approval of a location or any advice, guidance, assistance, review or approval of a location that we may provide is for the sole benefit of Hungry Howie's and the benefit of the System and is not intended to express, warrant or imply: (i) a guarantee of success or profitability of the Restaurant; (ii) a judgment as to the likelihood of success that you may achieve at the location; (iii) the desirability of such location compared to other locations that might be available; (iv) that you secured the most advantageous terms and conditions of the Lease; or (v) any legal, accounting or tax advice as to the terms and conditions of the lease, sublease or purchase of a location. You shall not rely on Hungry Howie's for such purposes.

We may require you to utilize the services of a Designated Supplier to assist in the location selection process or negotiations of the Lease. In the event that we require you to utilize such a Designated Supplier we shall notify you in writing of any associated fees that you must pay.

3.3 LEASE: We shall provide you with general advice, guidance and assistance in the negotiation of the Lease. Before you enter into the Lease, Hungry Howie's must approve the Lease. Promptly after the Lease has been executed, you shall furnish us with a fully executed copy of the Lease. Our consent or approval of the Lease, or any advice, guidance, assistance, negotiations, review or approval of the Lease that we may provide is for the sole benefit of Hungry Howie's and the benefit of the System and is not intended to express, warrant or imply: (i) a guarantee of success or profitability of the Restaurant; (ii) a judgment as to the likelihood of success that you may achieve at the location; (iii) the desirability of a location compared to other locations that might be available; (iv) that you secured the most advantageous terms and conditions of the Lease; (v) that the location is in or can be made to be in compliance with applicable building, safety, disability or health law, code or ordinance; or (vi) any legal, accounting or tax advice as to the terms and conditions of the Lease, sublease or purchase of a location. You shall not rely on Hungry Howie's for such purposes.

3.4 REQUIRED LEASE PROVISIONS: The term of the Lease, including options to renew at a fixed or determinable rate, must be for a term of not less than 10 years. The Lease must contain a provision making the Lease subject to our review and approval, and must also contain, at our discretion, all provisions included in **Attachment H**.

3.5 ARCHITECTURAL DRAWINGS: After the Restaurant location has been approved by us and we have received a copy of the Lease, we will provide you with general advice, guidance and assistance in developing the Drawings. We will name one or more Designated Suppliers which shall be an architect licensed in the state where the Restaurant is located to

prepare the Drawings. You shall contract directly with such Designated Supplier and pay all costs for the preparation of the Drawings. The Drawings must be approved by us before construction begins. This approval will not be unreasonably withheld. Providing you a Designated Supplier and review and approval of the Drawings is to assist you in determining if the Drawings are in conformity to the System, and does not warrant or imply that the Drawings are complete or accurate, or that they comply with your Lease or applicable federal, state or local building, safety, disability or health laws, codes or ordinances, including the ADA, as compliance with such laws is your sole responsibility. Prior to seeking our approval of the Drawings, we may require you to certify to us that the Drawings comply with the ADA.

Despite our designation of a licensed architect, you may request in writing to use an Alternate Architect. Any request must be in writing and state your name and the name and address of the Alternate Architect. Within 30 business days after the request, we will inform you if the Alternate Architect has been approved. While we may investigate whether the Alternate Architect can competently complete the work, our investigation or approval shall not be considered a representation or guarantee that the Alternate Architect you requested will provide service in accordance with any professional or industry standards or applicable laws. We will have an architect approved by us review the floor plan and drawings prepared by the Alternate Architect. You must pay our designated architect the fee it charges to review the Alternate Architect's work. No fee is paid to us to secure approval. There is no procedure to revoke Alternate Architect approval. However, if we approve an Alternate Architect and later determine that such Alternate Architect is not performing competently or in a timely manner, we will notify you in writing that you must change the Alternate Architect within a reasonable period of time.

3.6 CONSTRUCTING AND EQUIPPING THE RESTAURANT: After the Drawings have been approved by us you shall, at your own expense, construct and equip the Restaurant in accordance with the Drawings. You will comply with all federal, state and local laws, codes and regulations, including the applicable provisions of the ADA regarding the construction, design and operation of the Restaurant. You are required to use a contractor licensed in the state in which the Restaurant is located with commercially adequate general liability and property damage insurance. We may require that you provide us reasonable evidence of these requirements.

You will provide us notice within 3 days after construction of the Restaurant is completed. We will then be permitted to conduct an on-site inspection and review of the Restaurant to determine if the Restaurant has been constructed in conformity to the approved Drawings and the System. You will make all changes, alterations, substitutions and additions to bring the Restaurant in strict conformity with the Drawings and the System. Our inspection and review of the Restaurant is to assist in determining if the Restaurant was constructed in general conformity to the Drawings and the System, and does not warrant or imply the quality or manner of construction of any improvements and betterments, the condition or installation of any furniture, fixtures or equipment, or that the construction complies with the Lease or applicable federal, state or local building, safety, disability or health laws, codes or ordinances, including the ADA, as compliance with such laws is your sole responsibility. If the Restaurant does not conform to the Drawings and more than one on-site inspection is required, you shall pay us the Re-Inspection Fee for each additional on-site inspection required in accordance with this Paragraph 3.6. Hungry Howie's may permit or require you, in our discretion, to furnish photos, videos or other documentation of the Restaurant in a manner prescribed by us.

Prior to opening the Restaurant, we may require you, at your sole expense, to have a qualified architect, engineer or contractor certify to us, on your behalf, that the construction and

build-out of the Restaurant has complied with all applicable provisions of the ADA on a form reasonably required by us.

You must acquire and install at the Restaurant equipment and fixtures as specified in the Manual. Specifications in the Manual may include the manufacturer and model number of any equipment.

You shall install and erect at the Restaurant such signs, emblems and caricatures as are prescribed by Hungry Howie's from time to time, in accordance with our specifications, subject to local ordinances. You shall not display any signs, emblems or caricatures at the Restaurant other than those prescribed or approved by Hungry Howie's. Signs shall be purchased from a Designated Supplier.

3.7 OPERATOR TRAINING PROGRAM: Prior to opening the Restaurant to the public and before receiving approval from us to open the Restaurant to the public, the Operator must complete all aspects of our then-current Operator Training Program (including our requirements for attendance and punctuality). You remain solely responsible to train the Operator, consistent with Paragraph 10.8 [Employee Relations] and you shall be responsible for Employment Practices. If the Operator fails to successfully complete our then-current Operator Training Program to our reasonable satisfaction, we may, at our discretion, require you to name a new Operator and, at your sole cost and expense, require the new Operator to successfully complete our then-current Operator Training Program to our reasonable satisfaction or we may terminate this Agreement in accordance with Paragraph 18.

At the end of each phase of the Operator Training Program, the Operator may be required to demonstrate proficiency in the areas covered by each phase of the Operator Training Program. We may at our discretion, reduce, eliminate or increase the training period or classes of the Operator Training Program based on the extent to which the Operator is able to exhibit the skills or knowledge that meet our requirements.

The Operator Training Program will be conducted at location(s) and time(s) as designated by us and may be conducted in person or remotely, via an Electronic-based communication platform, as designated by us. If all or a portion of the Operator Training Program is conducted remotely via an Electronic-based communication platform, the Operator must be able to connect to such designated communication platform audibly and visually at your sole cost and expense. Other than the cost of the training instructor, instruction facilities and training materials, you will pay all expenses incurred by you, the Operator or any of your employees attending the Operator Training Program, including wages, travel, meals and lodging. The training instructor may vary and/or change.

After the Restaurant opens for business to the public, we may, at our discretion, provide additional assistance for a period of approximately 1 to 2 weeks.

At our discretion, we may make changes or modifications to the Operator Training Program without notice to you. We make no representations or warranty that upon your completion of the Operator Training Program you will be adequately trained to operate the Restaurant or that you will be successful in the operation or any aspect of the Restaurant.

Only the Operator may attend the Operator Training Program. We may, at our discretion, permit additional attendees and assess the Training Fee for such additional attendees.

The Training Fee must be paid by you prior to the commencement of the Operator Training Program.

We may, at our sole discretion, permit the Operator Training Program to take place outside of the Metro Detroit, MI area and assess the Training Fee – Remote for such training. The Training Fee – Remote must be paid by you prior to the commencement of any such training program.

3.8 DESIGNATED FRANCHISEE TRAINING PROGRAM: Prior to opening the Restaurant to the public and before receiving approval from us to open the Restaurant to the public, the Designated Franchisee must complete all aspects of our then-current Designated Franchisee Training Program (including our requirements for attendance and punctuality). If the Designated Franchisee fails to successfully complete the Designated Franchisee Training Program to our reasonable satisfaction, we may, at our discretion, require you to name a new Designated Franchisee and, at your sole cost and expense, require the new Designated Franchisee to successfully complete the Designated Franchisee Training Program to our reasonable satisfaction or we may terminate the Agreement in accordance with Paragraph 18.

At the end of each phase of the training program, the Designated Franchisee may be required to demonstrate proficiency in the areas covered by each phase of the Designated Franchisee Training Program. We may at our discretion, reduce, eliminate, or increase the training period or classes of the Designated Franchisee Training Program based on the extent to which the Designated Franchisee is able to exhibit skills or knowledge that meet our requirements.

The Designated Franchisee Training Program will be conducted at location(s) and time(s) as designated by us and may be conducted in person or remotely, via an Electronic-based communication platform, as designated by us. If all or a portion of the Designated Franchisee Training program is conducted remotely via an Electronic-based communication platform, the Designated Franchisee must be able to connect to such designated communication platform audibly and visually at your sole cost and expense. The Designated Franchisee Training Program may contain classroom and/or on-the-job training at an operating Hungry Howie's Unit selected by us. Other than the cost of the training instructor, instruction facilities and training materials, you will pay all expenses incurred by the Designated Franchisee or any of your employees attending the Designated Franchisee Training Program, including wages, travel, meals, and lodging. The training instructor may vary and/or change.

At the end of each phase of the training program, the Designated Franchisee may be required to demonstrate proficiency in the areas covered by each phase of the Designated Franchisee Training Program. At our discretion, we may make changes or modifications to the Designated Franchisee Training Program without notice to you. We make no representations or warranty that upon your completion of the Designated Franchisee Training Program you will be adequately trained to operate the Restaurant or that you will be successful in the operation or any aspect of the Restaurant.

Only the Designated Franchisee may attend the Designated Franchisee Training Program. We may, at our discretion, permit additional attendees and assess the Training Fee for such additional attendees. The Training Fee must be paid by you prior to the commencement of the Designated Franchisee Training Program.

We may, at our sole discretion, permit the Designated Franchisee Training Program to take place outside of the Metro Detroit, MI area and assess the Training Fee – Remote

for such training. The Training Fee – Remote must be paid by you prior to the commencement of any such training program.

Notwithstanding anything contained in this Paragraph 3.8, you shall be responsible for Employment Practices.

3.9 CONTINUNG TRAINING PROGRAM: We may, at our discretion, periodically require the attendance or participation of the Designated Franchisee and/or the Operator at a Continuing Training Program. We shall provide you with reasonable notice of any mandatory Continuing Training Program. Continuing Training Programs will be at such locations and for such durations as we deem appropriate within the continental United States, or may be conducted remotely, via an Electronic-based communication platform, as designated by us. If all or a portion of the Continuing Training Program is conducted remotely via an Electronic-based communication platform, the Designated Franchisee and/or the Operator must be able to connect to such designated communication platform audibly and visually, at your sole cost and expense. Other than the cost of the training instructor, instruction facilities and training materials, you will pay all expenses incurred by you, the Designated Franchisee, the Operator, or any of your employees attending the Continuing Training Program, including wages, travel, meals and lodging. If the Designated Franchisee and/or Operator fails or neglects to attend or participate in a Continuing Training Program as required by this Paragraph 3.9, we may require you to pay an Administrative Fee and/or default you in accordance with Paragraph 18.5(u).

At our discretion, we may make changes or modifications to the Continuing Training Program without notice to you. We make no representations or warranty that upon your completion of any Continuing Training Program you will be adequately trained to operate the Restaurant or that you will be successful in the operation or any aspect of the Restaurant.

Without our prior consent, only the Designated Franchisee and/or Operator may attend a Continuing Training Program that has been designated for such person. We may, at our discretion, assess the Training Fee for additional attendees at any Continuing Training Program, which must be paid by you prior to the commencement of any Continuing Training Program. Notwithstanding anything contained in this Paragraph 3.9, you shall be responsible for Employment Practices.

We may, at our sole discretion, permit the Continuing Training Program to take place outside of the Metro Detroit, MI area and assess the Training Fee – Remote for such training. The Training Fee – Remote must be paid by you prior to the commencement of any such training program.

3.10 OPENING DATE: After determining that you have satisfied your obligations under this Agreement, we shall mutually agree to a specific date on which the Restaurant will open for business so that we can coordinate our support services to you.

3.11 UPGRADES TO THE RESTAURANT: At least every 4 years, you shall complete the Upgrades as designated by us in writing. You must complete the Upgrades, at your sole cost and expense, by the Upgrade Deadline. If you fail to meet the Upgrade Deadline, we may, at our option, engage Designated Suppliers, contractors or vendors to make any or all of the Upgrades at the Restaurant and charge you the Upgrade Oversight Fee for coordinating and oversight of the Upgrades.

3.12 MAINTENANCE, REPAIRS AND GENERAL APPEARANCE: You shall maintain the Restaurant and all equipment, fixtures, signs and decorations in good order and repair, sound operating condition and in a clean and attractive appearance according to the System. You must always keep the Restaurant in a secure and sanitary condition and repair and periodically repaint the exterior and interior of the Restaurant, and perform such maintenance, repairs or replacements of all uniforms, equipment, fixtures, signs and decorations as Hungry Howie's may reasonably request. Upon our reasonable instruction or request and at your sole cost and expense, you must remove and replace all out of date, worn, faded or discontinued Marketing materials including, but not limited to, posters, signboards, menu boards, and promotional materials and images.

3.13 COMPLIANCE WITH LAWS AND REGULATIONS: You shall maintain and operate the Restaurant in compliance with all applicable federal, state and local laws, codes, ordinances, statutes, rules, standards and regulations, including, but not limited to, the ADA.

3.14 RELOCATION: You shall not relocate the Restaurant without our prior written consent and approval, which shall not be unreasonably withheld. If you desire to relocate your Restaurant, you shall provide us with notice of such desire as soon as reasonably possible. Additionally, you will provide us with a Proposed Location along with such information regarding the Proposed Location as we may reasonably request. At the time you request to relocate the Restaurant, you shall pay the Relocation Fee to us. We will provide location selection assistance as described and subject to the terms and conditions of Paragraph 3.2. Any Proposed Location is subject to the terms of this Agreement, along with completion of the Upgrades or our policy for relocating a Restaurant as provided in the Manual. You may also be subject to the Re-Inspection Fee as provided in Paragraph 3.6.

Any failure to consent or approve a Proposed Location shall not be deemed unreasonable if: (i) we determine the Proposed Location is closer to another Hungry Howie's Unit (regardless of whether the Proposed Location is within the geographic area described on **Attachment A** or the Territory) than the current Restaurant; (ii) there is a determination that customers or sales from an existing or proposed Hungry Howie's Unit will be negatively impacted by the Proposed Location; or (iii) other criteria or factors that we would consider if the Proposed Location was being proposed as a new Hungry Howie's Unit are not satisfied. In no case shall we be required to consent and approve a Proposed Location outside the geographic area described on **Attachment A** or within the Territory of another franchisee.

3.15 EMINENT DOMAIN: If the Lease is terminated or you suffer the loss of adequate parking, due either to the actual or threatened appropriation of all or a portion of the Restaurant by eminent domain proceedings, then for a period of one year following such termination or loss you shall have the right to establish another Restaurant at another location within the Territory. The new location shall be subject to the conditions for relocating the Restaurant as set forth in Paragraph 3.14, except that you shall not be required to pay the Relocation Fee.

3.16 THE TERRITORY:

(a) As long as this Agreement is in effect and you are not in Franchisee Default, we shall not establish or franchise a Hungry Howie's Unit with its physical location within the Territory. You will not be permitted to offer delivery service to any customer located outside of your Territory if deliveries cannot be made within a reasonable period of time or if you are unable to maintain the quality of the product delivered in accordance with the System as we may designate in the Manual.

(b) The Marketing Funds or any advertising cooperative established in accordance with the provisions of Paragraph 12 shall be permitted to advertise multiple locations using the same or single media. This includes printed materials or Internet media on which more than 1 Hungry Howie's Unit and the Restaurant, including telephone numbers and addresses, may be listed. Overlapping into the Territory may also occur during the conduct of direct mail, Internet, Electronic or other mass media campaigns.

(c) Notwithstanding anything in any agreement we may have with you or other franchisees to the contrary, we do not warrant or represent that another Hungry Howie's Unit will not solicit or make any sales within the Territory, and you expressly acknowledge that such solicitations or sales may occur within the Territory, including delivery of the Products and other items and services within the Territory by another Hungry Howie's Unit. We shall have no duty to protect you from any such sales, solicitations, or attempted sales or solicitations. You recognize and acknowledge that: (i) you will compete with other Hungry Howie's Units which are now, or which may in the future be, located near or adjacent to the Territory; (ii) that such Hungry Howie's Units may be owned or operated by us, our affiliates, third parties or any combination thereof; and (iii) a reasonable amount of overlap may occur between your Territory and the territories of other franchisees or company-owned Hungry Howie's Units.

(d) We reserve the right to purchase, merge, acquire, be acquired by or affiliate with any existing competitive business and, following such activity, without compensation to you, Hungry Howie's may operate or franchise those other businesses under any names or marks regardless of the location of those businesses which may be within the Territory. We reserve to ourselves, without compensation to you, the right to establish other franchise or company-owned restaurants with similar or different products or services using different marks within the Territory. You waive and release any Claims arising from or relating to any of the above activities and shall not initiate or join in any legal action or proceeding or register a complaint with any governmental entity directly or indirectly contending otherwise.

(e) Whether partially or wholly located within or outside of the Territory, we reserve the exclusive right for ourselves or for any other person or entity we may designate, without compensation to you, to use the Marks or to establish, operate and franchise Non-Traditional Restaurants in the Territory.

(f) Whether partially or wholly located within or outside of the Territory, we reserve the exclusive right to ourselves or with any other person or entity we may designate, without compensation to you, to solicit or accept orders from consumers, through channels of distribution other than a Hungry Howie's Unit, including use of the Internet, "online ordering", mobile applications, telemarketing or other direct marketing channels.

(g) Whether partially or wholly located within or outside of the Territory, we reserve the exclusive right to ourselves or with any other person or entity we may designate, without compensation to you, to directly or indirectly sell and distribute and license others to sell and distribute, prepackaged menu items under the Marks to retail outlets (*i.e.* supermarkets, grocery stores, markets, gourmet shops, convenience stores and other similar retailers) and non-retail outlets (*i.e.* warehouse clubs, pharmacies, drug stores and other similar non-retailers).

(h) Whether partially or wholly located within or outside of the Territory, we reserve the exclusive right to ourselves or with any other person or entity we may designate, without compensation to you, the right to distribute or sell (including marketing and advertising) products

bearing our Marks through non-restaurant distribution channels (which may be the same or similar products or services sold by you), including the internet, mobile applications Electronic mail, direct mail, in supermarkets and grocery stores, discounters, convenience stores or vending machines.

## 4. TERM AND RENEWAL OF AGREEMENT

4.1 INITIAL TERM: This Agreement begins on the Effective Date and, unless terminated sooner in accordance with the terms and conditions of this Agreement, expires at the end of the Term.

4.2 OPENING DATE: You shall not open the Restaurant for business until Hungry Howie's gives you written authorization, as stated in Paragraph 3.10.

4.3 RENEWAL OPTION: You will have the right and option to renew this Agreement for one additional term of 10 years, provided that you strictly comply with all of the following conditions prior to renewal:

(a) You provide us the Renewal Notice not more than 12 months and not less than 6 months before the expiration of the Term;

(b) You are not in Franchisee Default, or in default of any other agreement with us at the time you provide the Renewal Notice and through the expiration of the Term;

(c) You are not in default of any agreement with our affiliates or subsidiaries or a Designated Supplier, at the time you provide the Renewal Notice and through the expiration of the Term;

(d) You have not, on 3 or more occasions during the Term, been sent a Default Notice, without regard to whether you have corrected any such Franchisee Default after having received a Default Notice from us;

(e) You provide us satisfactory proof that you have obtained an extension or renewal of the Lease for the duration of the Term of the New Agreement, or, not less than 6 months prior to expiration of the Term, you have obtained our consent and approval of a Proposed Location as provided in Paragraph 3.14 and you open the Restaurant for business at the Proposed Location prior to expiration of the Term. We need not grant you a renewal option if you cannot maintain possession of the physical location of the Restaurant and therefore would need to secure a substitute location for the Restaurant;

(f) You have obtained any licenses or approvals needed to operate the Restaurant from any federal, state or local governmental authority having jurisdiction over the Restaurant;

(g) You have completed the Upgrades at least 30 days prior to the expiration of the Term, provided that within 60 days after we receive the Renewal Notice we inform you, in writing, of the required Upgrades, and within 30 days after we have sent you the list of Upgrades, you must provide us written notice that you agree to complete the Upgrades;

(h) You execute the New Agreement upon completion of the Upgrades;

(i) You pay to us the non-refundable Renewal Fee upon execution of the New Agreement; and

(j) You execute the General Release.

## 5. FRANCHISE FEES

5.1 FRANCHISE FEE: Upon the execution of this Agreement, you shall pay us the Franchise Fee in full. No portion of the Franchise Fee is refundable under any circumstances.

5.2 FRANCHISE FEE FOR VETERANS: Upon the execution of this Agreement, provided that you are a former member of the United States Armed Forces and have been "Honorably Discharged," you shall pay us the Franchise Fee for Veterans in lieu of the Franchise Fee. The Franchise Fee for Veterans is 50% of the Franchise Fee. You or your affiliates may receive the Franchise Fee for Veterans for only one Restaurant. All other fees will apply. You will be required to provide satisfactory proof of your "Honorable Discharge." The approved Honorably Discharged veteran must have a 51% or greater Ownership Interest and be designated as the Designated Franchisee on **Attachment B**. No portion of the Franchise Fee for Veterans is refundable under any circumstances.

5.3 FRANCHISE GRAND OPENING FEE: The Franchise Grand Opening Fee shall be used in accordance with Paragraph 12.10. We require you to pay us the Franchise Grand Opening Fee on the date you furnish us with a fully executed copy of the Lease in accordance with Paragraph 3.3. No portion of the Franchise Grand Opening Fee is refundable under any circumstances.

## 6. RECURRING AND OTHER FEES

6.1 PAYMENT OF RECURRING FEES: Recurring Fees shall be paid by you to us on the Payment Date and in accordance with the Manner of Payment. The Recurring Fees shall be subject to the Late Fee and Interest Fee if the same are not paid when due and shall be paid by you to us. Our failure to timely invoice you shall not relieve you of your obligation to pay Recurring Fees and Late Fees. Payment of any Other Fee or Interest Fee does not excuse or diminish your obligation to pay us any Recurring Fee. All Recurring Fees are non-refundable.

6.2 PAYMENT OF OTHER FEES: Except as specifically provided elsewhere in this Agreement, Other Fees shall be paid by you to us within 10 days after the Other Fee has been assessed and in accordance with the Manner of Payment. We may provide you written notice of the assessment of Other Fees in the ordinary course of business. The Other Fees shall be subject to the Interest Fee if the same are not paid when due. Our failure to timely invoice you for the Other Fees does not relieve you of your obligation to pay the Other Fees. No portion of the Other Fees is refundable under any circumstances.

6.3 NSF FEE: You shall pay us the NSF Fee if any Recurring Fee or Other Fee is returned to us "Non-Sufficient Funds" by a bank or financial institution. The NSF Fee is also paid by you to us if a check, EFT or ACH is rejected by a bank or financial institution for any other reason whatsoever. No portion of the NSF Fee is refundable under any circumstances.

6.4 GIFT CARD PROGRAM FEES: We may require that you pay us or a Designated Supplier monies paid to you pursuant to the Gift Card Program and hold these monies until a gift card or customer loyalty initiative is redeemed. However, we may keep any prepaid amounts that are not used by customers to the extent allowed by applicable law.

## 7. FINANCIAL STATEMENTS, INFORMATION AND AUDITS

7.1 RECORDS: You will establish an accounting, bookkeeping and recordkeeping system conforming to the requirements prescribed by us in the Manual. This may include the retention of daily cash register receipts, coupons, purchase orders, purchase invoices, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, journals and general ledgers. The records and information described in this Paragraph will not include any records or information relating to Restaurant employees, as you control exclusively your Employment Practices.

All transactions first will be (and must be) entered into the POS System at the full (non-discounted) retail price, plus all related fees and charges, for purposes of calculating Gross Sales.

7.2 REQUIRED REPORTS: You shall adopt a 52/53-week year for income tax and financial reporting purposes. Hungry Howie's may change the period for reporting Gross Sales and paying Recurring Fees to a daily basis, weekly basis, monthly basis or some other basis and impose fees for late payments comparable to the Late Fee. If such a change is made, the Recurring Fees and Late Fee will be revised accordingly. You will submit to us, in the form prescribed by us from time to time, all of the following:

(a) After each Reporting Period and on a day designated by us, a report of the Gross Sales of the Restaurant for such Reporting Period and such other information and supporting records as may be reasonably required by us;

(b) Within 28 days after the end of each Accounting Period or such other date as may be reasonably designated by us, a Financial Statement for the Accounting Period and year to date. You shall certify the accuracy of the Financial Statement submitted to us;

(c) Within 60 days after the end of each calendar year, an unaudited annual Financial Statement and sources and uses of funds;

(d) Such additional information as we may reasonably require to determine that you are in full compliance with the terms of this Agreement, to assist you in the management or operation of the Restaurant, or to otherwise evaluate the performance of the Restaurant;

(e) Within 30 days after a written request from us, exact and complete copies of any and all tax filings required by any governmental agency or taxing authority for any period during the Term. You will execute any necessary forms for us to receive directly from any governmental agency or taxing authority, copies of any and all tax filings required by any governmental agency or taxing authority for any period during the Term;

(f) Reports on the sale of specific items sold by you, product mix, cost or expenses incurred by you or other reports at intervals and in a manner reasonably requested by us;

(g) Reports on purchases made by you from any Designated Supplier or vendor. If requested by us, you shall sign an authorization directing any Designated Supplier or vendor to furnish us with any information regarding purchases by you from such Designated Supplier or vendor, payments by you to the Designated Supplier or vendor and the outstanding

balance due the Designated Supplier or vendor. We shall have the right to obtain any such information directly from a Designated Supplier without your advance approval; and

(h) Such additional information as we may reasonably require as necessary or desirable for us to offer or sell franchises.

You shall pay to us the FI Late Fee from the date you were required to furnish to us Financial Information, Financial Statements or other information as required in this Paragraph 7.2 until the date you furnish all Financial Statements and Financial Information requested by Hungry Howie's. No portion of the FI Late Fee is refundable under any circumstances.

7.3 ACCOUNTING: During the first full year of operation of the Restaurant, you shall utilize, at your own cost and expense, a Designated Supplier for accounting services and for the preparation of the Financial Statements. After the first full year of operation of the Restaurant, you may request to use an alternate accountant for the preparation of the Financial Statements other than the Designated Supplier. Any request must be in writing, and must state the name, address, telephone number and email address of the accountant you would like to use. We may conduct an investigation to determine if the alternate accountant can perform the tasks in accordance with our requirements.

We will not unreasonably withhold our approval and we will provide our approval or disapproval within 30 days. If we fail to timely provide any approval or disapproval, the accountant you requested shall be deemed approved. No fee is paid to us to secure approval. There is no procedure to revoke such approvals. However, if we reasonably determine that such alternate accountant is not performing competently and in a timely manner, we shall notify you in writing that you must change the alternate accountant within a reasonable period of time. We must approve any replacement accountant.

You understand and agree our investigation or approval of your proposed alternate accountant is for our sole benefit and is not intended to express, warrant or imply a guarantee of the quality or nature of the services provided. You shall not rely on us for such purposes.

7.4 AUDITS: Hungry Howie's, its agents or other representatives shall have the right to conduct an Audit at any time. Within 30 days after notice from Hungry Howie's, you shall furnish the Financial Information to Hungry Howie's at such location as Hungry Howie's designates. You and all of your employees, contractors and accountants will cooperate with all personnel conducting the Audit.

After the Audit is completed, Hungry Howie's shall provide you with an Audit Invoice, if applicable. You shall pay us the Audit Invoice in full within 10 days after we provide you the Audit Invoice. If you fail to pay the Audit Invoice when due, Hungry Howie's will add the Interest Charge to the Audit Invoice until the amount of the Audit Invoice is paid in full.

If the Audit requires Financial Information which is not in the possession of Hungry Howie's, Hungry Howie's shall give you written notice of the Financial Information required in connection with the Audit, and the location and date of the Audit at least 30 days prior to the date of the Audit. If you do not furnish the Financial Information requested in connection with an Audit at the time and location designated by us, you shall pay to us the FI Late Fee and the Interest Charge.

7.5 EFT AND ACH: You shall establish and maintain throughout the Term of this Agreement an account with a state or federally chartered financial institution, which account shall be the only account into which you regularly deposit Gross Sales from the Restaurant. You will then immediately upon our request deliver and execute all documents and authorization deemed necessary by us or the financial institution where you maintain any such account permitting us to EFT any payments due to us under this Agreement via ACH. You may also be required by us to deliver and execute such documents and authorizations to a Marketing Fund or an entity that we establish or administer under the provisions of Paragraph 12.

If any Recurring Fee is based on Gross Sales or some other figure which you must report to us and you fail to report this figure in a timely fashion, then we shall have the power to EFT from such account the amount which we shall deem to be a reasonable approximation of the sum owed to us. The transfer of funds in this manner shall not in any way relieve you of the obligation to pay any amounts owing should the transferred funds be less than the actual amount owing by you or if sufficient funds are not available for transfer from said account. You will still be required to submit full and complete reports as required by Paragraph 7.2.

7.6 ELECTRONIC DATA TRANSFERS: We may require you to file any and all reports to us via an Electronic data transfer system which shall be prescribed by us. All data shall be transferred in a form compatible with our system and in accordance with Paragraph 9.5.

7.7 CREDIT REPORTING: You hereby authorize us to report to any credit reporting facility any past due or current amounts owing under this Agreement or any other amount owing to us or our affiliates.

7.8 FURNISHING OF FINANCIAL DATA: Hungry Howie's shall have the right to furnish all Financial Information, Financial Statements and other information regarding you to your prospective Transferee or a prospective Transferee of any of your stockholders, partners or members. Hungry Howie's may furnish to all or less than all franchisees information regarding all franchisees including, but not limited to, sales, cost of goods sold and expenses and Hungry Howie's may identify you by name, location and/or store number in its disclosure of such information to all other franchise owners.

## 8. RESTRICTIONS ON THE SALE AND SOURCES OF PRODUCTS AND SERVICES

8.1 SALES OF ONLY MENU ITEMS: You must sell all Menu Items at the Restaurant. You are only permitted to sell Menu Items at the Restaurant. We may from time to time at our discretion revise Menu Items, including adding, deleting or altering the Menu Items or any recipe, ingredients or method of preparation. You must begin to sell the revised Menu Items immediately upon written notice from us unless otherwise provided by us.

8.2 PACKAGING OF MENU ITEMS: You shall only use the Packaging in the sale and dispensing of Menu Items. We may from time to time at our discretion revise the Packaging, including adding, deleting or altering the Packaging. You must use the revised Packaging immediately upon written notice from us unless otherwise provided by us.

8.3 STANDARDS AND SPECIFICATIONS OF APPROVED ITEMS: You shall not purchase, utilize, dispense or sell any Menu Item, Packaging or other product or service that does not conform to the System. All Menu Items sold by you shall be fresh and wholesome. You shall not sell or utilize any food or ingredient purchased at a railroad or truck salvage or any other type of salvage or auction.

8.4 PURCHASE OF INGREDIENTS AND SUPPLIES: You must purchase all products, ingredients, equipment, supplies and materials, whether perishable or non-perishable, including but not limited to our trade secret spices and crust flavors, cheeses, meats, vegetables, dough mix, flour, sauce, beverages (prepackaged and post-mix), Packaging, uniforms, signage, menu boards, printed materials, posters and menus, only from a Designated Supplier. All ingredients, supplies and Packaging purchased must be used only at the Restaurant and you shall not resell, transfer or share the ingredients, supplies or Packaging with any other party. You shall promptly and fully pay any Designated Supplier.

8.5 PRICE OF APPROVED ITEMS: We shall have the power to exercise certain rights with respect to the prices at which Menu Items are to be sold by you. To the fullest extent permitted by law, these rights may include (without limitation) prescribing, limiting or recommending the maximum and/or minimum prices at which you may sell Menu Items and/or your marketing or advertising of specific prices for some or all Menu Items which you must observe. Hungry Howie's shall also have the power to direct certain Marketing, promotional and related campaigns in which you must participate and which may directly or indirectly impact menu prices (such as "buy one, get one free") and otherwise mandate, directly or indirectly, the maximum and/or minimum prices which you may charge for Menu Items. Hungry Howie's may engage in any such activity either periodically or throughout the Term. Hungry Howie's may engage in such activities only in certain geographic areas and not others. You acknowledge that the prices Hungry Howie's prescribes or suggests may or may not optimize the profitability of the Restaurant and you irrevocably waive any and all claims arising from or related to Hungry Howie's prescription or suggestion of prices for Menu Items.

8.6 USE OF DESIGNATED SUPPLIERS: In addition to the terms or conditions found elsewhere in this Agreement, the designation by us and use by you of a Designated Supplier shall be subject to all of the following:

(a) We may name ourselves or our affiliates as a Designated Supplier;

(b) We may name one or more Designated Suppliers with restrictions or conditions on the designation or use of such Designated Suppliers, including geographic location, product or services to be offered, quantity or quality of products or services to be provided, duration, exclusivity or other restrictions or conditions as we deem appropriate from time to time in our discretion;

(c) We, or our designee, are permitted to, and are the only parties authorized to, negotiate pricing for products or services on behalf of the System and you are not permitted or authorized to negotiate pricing on behalf of the System;

(d) We make no guaranty, warranty or promise that we will obtain the best pricing or most advantageous terms on behalf of the System;

(e) Your purchases from the Designated Supplier will be at prices and under terms in effect at that time and as established by the Designated Supplier, and you acknowledge that the Designated Supplier has the right to change its prices or terms from time to time without notice;

(f) Neither we nor the Designated Supplier is required to provide you any extension of credit and all payment terms, unless otherwise agreed to with the Designated Supplier, shall be COD;

(g) Any approval of a Designated Supplier is not a blanket approval of the products or services the Designated Supplier may provide, but shall only be for specific products or services sold by that Designated Supplier as approved by us;

(h) If we determine in our discretion, that such Designated Supplier has violated any agreement with us, or the products or services no longer meet our standards or specifications, we may at any time revoke our approval of a Designated Supplier, or of any particular product or services provided by a Designated Supplier. Upon receipt of written notice of such revocation, you shall cease purchasing or using any disapproved Designated Suppliers, products or services;

(i) You acknowledge that we and/or our Designated Supplier may make a profit on goods, products and/or services sold or leased to you or used by you, and such profit may vary from time-to time. You also acknowledge that we may receive or charge a fee or other form of remuneration or consideration from a Designated Supplier or vendor with respect to the sale or lease of goods, products or services to you or used by you. Any fee, remuneration or consideration may or may not be related to services performed by us. Subject to applicable law, we will be entitled to retain such fee, remuneration, consideration or profits as described in this Paragraph 8.6 (i);

(j) You shall pay the Designated Supplier directly and promptly when due all invoices, accounts and debts of the Restaurant under the then-current payment terms and conditions of the Designated Supplier;

(k) If you fail to make any payment in full when due as required under this Agreement, we or the Designated Supplier reserve the right, among other remedies, to: (i) suspend or refuse shipment to you until such payment has been made in full; or (ii) require payment for any or all future shipments of products to be made COD;

(l) We provide no guarantee or warranty, expressed or implied, and are not responsible or liable if the products or services provided by a Designated Supplier fail to perform or conform to any standards or specifications that we may establish;

(m) We are not responsible or liable for any delay in the delivery of any product or services including food ingredients, beverages, fixtures, furnishings, equipment, signs, supplies and Marketing materials purchased from a Designated Supplier; and

## (N) WE RETAIN THE RIGHT TO SUBSTITUTE, ADD OR DELETE DESIGNATED SUPPLIERS AT ANY TIME IN OUR SOLE DISCRETION.9. TECHNOLOGY AND ELECTRONIC DATA

9.1 TECHNOLOGY SYSTEMS: You will purchase, lease, license and/or use, at your cost, Technology Systems as designated by us in the Manual, which may be revised, from time to time, by us in our sole discretion. We may require that such Technology Systems are purchased, leased or licensed from Designated Suppliers as described in the Manual, unless we permit otherwise in writing, in our sole discretion. We may require that any Technology System is initially programmed and, from time to time, reprogrammed only by us or Designated Suppliers.

Should you become aware of any flaw, fault or error in the programming, operation or functionality of any Technology System, you shall promptly notify us of such flaw, fault or error.

You shall, at your own expense, purchase, lease, license or subscribe to the following Technology Systems which shall:

(a) COLLECTION OF SALES INFORMATION: Accurately, consistently and completely capture and record all Gross Sales and related information and data of the Restaurant. Such Technology System is currently the POS System. You shall take all necessary action to backup all records of Gross Sales or other data and information on such Technology System at least once every 30 days or as we may otherwise designate in the Manual. We may also require you to furnish certain records or data in hard copy or Electronic files.

(b) PAYMENT PROCESSING: Permit the Restaurant to accept payment in the form of credit cards, debit cards and similar payment devices or services specified by us that enable purchases to be made with or without the physical exchange of currency. We may require that such Technology System integrate with the POS System and may involve integration with other Technology Systems; this may require you to obtain additional equipment or services. You shall, at your own expense, subscribe to any related payment processing services designated by us.

(c) INTERNET: Obtain internet services for the Restaurant, which may include secure voice and data lines, in accordance with the Manual. We may require that such Technology System integrate with the POS System and may involve integration with other Technology Systems; this may require you to obtain additional equipment or services.

(d) ALTERNATIVE ORDERING: Allow the Restaurant to accept orders from customers without the need to call the Restaurant directly, using a Technology System . We may require that such Technology System integrate with the POS System and may involve integration with other Technology Systems; this may require you to obtain additional equipment or services.

9.2 TECHNICAL SUPPORT: You shall acquire ongoing technical support, hardware or software subscription agreements, maintenance or service contracts and software upgrades and updates as specified in the Manual for any Technology System.

9.3 SOFTWARE LICENSING: You may be required to enter into and abide by hardware or software licensing, subscription, maintenance, or similar agreements with Designated Suppliers or third-party vendors in connection with hardware, software or cloud-based services for any Technology System.

9.4 HOME: You must utilize HOME to access the Manuals and other training materials, file certain reports related to your sales as described in Paragraph 7.2, and receive other communications from us. However, you shall not be required to utilize HOME for matters related to Employment Practices.

You shall, at your own expense, purchase or lease an Electronic device through which you access HOME. We may require you to purchase such Electronic device as designated by us in the Manual.

9.5 ACCESS TO CUSTOMER DATABASE AND ELECTRONIC DATA: Upon request, you shall furnish us with all information regarding the customer database or records of the

Restaurant, whether maintained in hard copy or Electronically, in the form and manner designated by us in the Manual.

You will give us free and unfettered access and the right to retrieve any data or information directly from any Technology Systems as we deem necessary, desirable or appropriate. We may retrieve such data or information Electronically and manually. Such data or information may include Electronically polling the daily sales, menu mix, carry-out, delivery, catering or online ordering mix and other data or information of the Restaurant.

Notwithstanding anything in this Paragraph 9.5 above, you shall not be required to provide us with any data or information related to Employment Practices as part of our ordinary business practices.

You will provide any assistance, equipment, software and programming required to bring and maintain the Technology Systems and the Restaurant online with any system that we designate for the Electronic transfer of data required by us via high speed internet connection or the fastest data exchanger available within the designated market. You shall pay the telephonic or other data transmission costs of such retrieval. We may also require you to furnish certain data in hard copy or via an Electronic file transfer. While retrieving any data and information we shall take reasonable precautions to protect the security of the Technology Systems. We may retrieve the data and information at intervals and times we determine, and without any advance notice to you. All data and information provided to us, whether Electronically retrieved or otherwise received, will become our property and may be used by us in any manner we consider appropriate.

9.6 ACCESS TO COMMUNICATION: In accordance with the Manual, you shall, at your own expense, maintain a designated email address and Electronic device with internet access which will allow you to access communications from us to you.

9.7 PCI DSS COMPLIANCE: You are required, at you own time and expense, to continually meet the most current PCI DSS compliance standards and provide documented proof of compliance, in accordance with the Manual. We may require you to use a Designated Supplier to provide such services.

9.8 CHANGES IN TECHNOLOGY, UPGRADES & UPDATES: You acknowledge that changes to technology are dynamic and not predictable or definable within the Term of this Agreement. We have the right to periodically establish, in writing, new standards, specifications, and components of any Technology System to address new technologies and to implement those changes into the System. You shall abide by any new standards established by us and you shall pay all fees associated with such new standards. Such new standards, specifications, and components of any Technology System due to technological developments or events, may require you to purchase, lease, license or subscribe to new or modified computer Technology Systems or to obtain service and support for any Technology System. Although we cannot estimate the future costs of any Technology System or required service or support, you must incur the costs of obtaining the such Technology System (and additions and modifications) and required service or support. Within 90 days after we deliver notice to you, you must obtain Technology System components we designate and ensure that your Technology System, as modified, is functioning properly.

We may require you to replace the POS System or other Technology System every 4 years in accordance with the provisions of Paragraph 3.11.

We will require you to update or replace software or cloud-based services used by the POS System or other Technology System as directed by us, which may be on a more frequent basis than every 5 years. You shall make or, at our direction, permit us or a Designated Supplier to make, any programming changes or updates required from time to time by us. Such programming changes or updates may be made by us or a Designated Supplier either physically in the Restaurant or remotely by Electronic means. You shall fully cooperate to ensure that such programming changes or updates are accomplished and are not altered.

9.9 CUSTOMER DATA AND PRIVACY POLICIES: You agree that the Restaurant may have access to or be provided with certain customer information, including the name, address, age, order or sales information or other data which may or may not be private or of a sensitive nature ("Customer Information"). You shall take all commercially reasonable precautions and institute policies to protect and safeguard Customer Information in a commercially reasonable manner. You also agree to abide by any laws or regulations concerning Customer Information. You also agree to abide by any privacy policies that we may publish or institute with respect to Customer Information.

9.10 INSTITUTION AND USE OF TECHNOLOGY FEE: We may institute the Technology Fee upon 90 days written notice to you.

The Technology Fee shall be used to fund technology expenditures as determined by us and may include but are not limited to providing the System with general assistance and guidance on Technology Systems, technology-related matters, researching and developing new technologies such as hardware, software and cloud-based services, network maintenance and upgrading, website internet/intranet capabilities (such as HOME) and internal and external data storage and archiving. Whether or not we collect the Technology Fee from you, you are required to acquire at your own expense, in accordance with the provisions of this Paragraph 9, technology-related products or services, including Technology Systems and other support services from one or more Designated Suppliers. The Technology Fee does not cover the amounts you will need to spend on Technology Systems in accordance with the provisions of this Paragraph 9, which are in addition to the Technology Fee.

We shall have complete discretion as to the use and allocation of the amounts collected from Technology Fee payments, which may be used for payment of salaries, wages and benefits, direct program costs and/or overhead expenses related to the above-described activities.

With respect to the collection, use or expenditure of the Technology Fee, we have no obligation to: (i) do so from you or any other franchisee; (ii) ensure equivalent or proportionate collection, use or expenditures; (iii) ensure that you or the Restaurant benefits directly, pro rata or at all from the Technology Fee; or (iv) provide an accounting to you or any franchisee.

## 10. YOUR OBLIGATIONS

10.1 NAME OF THE RESTAURANT: You shall operate the Restaurant pursuant to this Agreement and the Manual and exclusively under the Marks as we may designate from time to time in accordance with Paragraph 14.1.

10.2 DESIGNATED FRANCHISEE'S OBLIGATIONS: You are required to name and maintain a Designated Franchisee at all times. Such individual shall be designated as provided

on **Attachment B** of the Franchise Agreement and you must provide us with a contact email address and telephone number for the Designated Franchisee. The Designated Franchisee shall not be changed without our prior written consent.

The Designated Franchisee shall be solely responsible for communicating with us directly (or our affiliates or a Designated Supplier) regarding any matters relating to the Franchise Agreement, including required notices, defaults, modifications and amendments. Decisions or actions taken by the Designated Franchisee shall be final and binding on you and we may rely solely on such decisions pertaining to any matters relating to the Franchise Agreement without discussing the matter with you or any other party. We will not be liable for any decisions or actions we take based on the Designated Franchisee's decisions or actions.

To meet certain minimal requirements that allow us to communicate the System, the Designated Franchisee must be fluent in the English language and able to adequately communicate (oral and written) with us, customers, employees, representatives of relevant government agencies and others. To ensure that the provisions of Paragraphs 15.3 [Confidential Information] and 16.1 [In-term Covenant] are addressed, the Designated Franchisee may not give access to Hungry Howie's proprietary information or become involved in any business, consistent with Paragraphs 15.3 [Confidential Information] and 16.1 [In-Term Covenant].

10.3 OPERATOR'S OBLIGATIONS & MANAGEMENT AND OPERATION OF THE RESTAURANT: You are required to name and maintain an Operator at all times. Such individual shall be designated as provided on **Attachment B** of the Franchise Agreement and you must provide us with a contact email address and telephone number for the Operator. The Operator shall not be changed without our prior written consent.

The Operator shall be responsible for and diligently devote his best efforts to the operation of the Restaurant. Decisions or actions of the Operator in the conduct, management, or operation of the Restaurant shall be considered to be actions taken by you and we may rely solely on such actions in matters relating to the operation of the Restaurant without discussing the matter with you or any other party, and we will not be liable for any decisions or actions we take based on the Operator's decisions or actions.

To meet certain minimal requirements that allow us to communicate the System, the Operator must be fluent in the English language and able to adequately communicate (oral and written) with us, customers, employees, representatives of relevant government agencies and others. To ensure that the provisions of Paragraphs 15.3 [Confidential Information] and 16.1 [In-term Covenant] are addressed, while acting as the Operator, the Operator may not give access to Hungry Howie's proprietary information or become involved in any business, consistent with Paragraphs 15.3 [Confidential Information] and 16.1 [In-Term Covenant]. You may have to provide us written proof that the Operator has agreed to abide by the terms of Paragraphs 15.3 [Confidential Information] and 16 [Covenants] for our benefit.

We (or our affiliates or a Designated Supplier) may communicate directly with the Operator regarding any matters relating to the Restaurant, except for matters related to Employment Practices.

If the Operator is not or is unable to be personally involved in the regular conduct, management and operation of the Restaurant on a frequent and ongoing basis for more than 14 consecutive days, you shall notify us in writing within 7 days of your knowledge of this information or the end of the 14 consecutive days, whichever shall first occur. Such notification shall include

the name of another individual you propose as a replacement to the Operator. You shall, upon our request, promptly provide us with any additional information we may reasonably request with respect to the qualifications of the proposed replacement Operator that are consistent with those qualifications outlined in this Paragraph 10.3 above. If you have provided the additional information we requested, then, provided the replacement Operator meets qualifications that are consistent with this Paragraph 10.3 above and attends and successfully completes the next scheduled Operator Training Program and you have paid the Training Fee, the replacement Operator shall be permitted. . If we do not approve, in writing, of the replacement Operator within 14 days after the date on which you propose a replacement Operator, we may, in our sole discretion, terminate the Franchise Agreement upon written notice to you in connection with Paragraph 18.5(u). You shall be responsible for the Operator's compensation, travel and living expenses during the Operator Training Program. The Designated Franchisee must serve as the interim Operator until an approved replacement Operator has successfully completed our then-current Operator Training Program.

10.4 CONTINUOUS OPERATIONS: You shall make best efforts to complete construction and/or remodeling of the approved location, and have the Restaurant opened for business as soon as possible but in no event later than as required in Paragraphs 18.2 and 18.3.

After the Restaurant is opened for business and unless prevented by a Casualty, you shall continuously and without interruption operate the Restaurant at the approved location during the entire Term. Unless prevented by a Casualty, you shall be deemed to have abandoned the Restaurant if you fail to operate the Restaurant for 3 or more consecutive days.

If there is a Casualty you will notify us as soon as possible, but in no case more than 2 days from the date of the Casualty.

10.5 HOURS OF OPERATION: Subject to any limits imposed by local laws or ordinances, the Restaurant shall be opened for business to the public according to the Hours of Operation. Subject to local laws or ordinances, we may require you to expand or otherwise modify the Restaurant's Hours of Operation.

10.6 DELIVERY SERVICE: Subject to the restrictions below, you shall deliver Menu Items to customers who request delivery during the Restaurant's Hours of Operation, unless prevented from doing so by a Force Majeure. You shall not offer delivery service to any customer unless deliveries can be made within a reasonable period and you are able to maintain the quality of the product delivered in accordance with the System as we may designate in the Manual.

You must ensure that all vehicles used in the course of business are in good repair, meet at least minimum governmental standards for safety if owned or leased by you and shall be operated solely by persons who are properly licensed to operate such vehicles.

You shall make a diligent effort to ensure that your employees will always strictly comply with all traffic laws, regulations and rules, use due care and caution in the operation of delivery vehicles and maintain all delivery vehicles in good condition and repair.

10.7 PRODUCT AND SERVICE RESTRICTIONS: You shall abide by any restrictions on the sale or source of products or services as provided for in Paragraph 8.

10.8 EMPLOYEE RELATIONS: You have the sole responsibility and authority for your Employment Practices. Your or the Restaurant's employees are under your control at the Restaurant or when fulfilling duties on your or the Restaurant's behalf.

We are not the employer or joint employer of your or the Restaurant's personnel working at the Restaurant or claiming employment status as a direct or indirect result of the Restaurant's operations. We will not exercise direct or indirect control over the working conditions of your or the Restaurant's personnel, except to the extent such indirect control is related to our legitimate interest in protecting the quality of the Products, services, the System or the Marks. We do not share or codetermine the terms and conditions of employment of your or the Restaurant's personnel or affect matters relating to the employment relationship between you and your or the Restaurant's personnel, including your Employment Practices.

You agree that when dealing or communicating with your or the Restaurant's employees, whether through Employment Practices or in employment agreements, human resource manuals, written or electronic correspondence, paychecks, or other methods or materials, you will conspicuously identify the following:

(a) You (and only you) are their employer;

(b) We are not their employer; and

(c) We do not engage in any employer-type activities for which only franchisees such as you are responsible.

10.9 SERVICE AND UNIFORM REQUIREMENTS: You will take all steps necessary to ensure that your employees are properly trained and render competent, conscientious, sober, prompt, courteous and knowledgeable service so as to permit you to meet such minimum standards as may be established by us from time to time to preserve good customer relations with the patrons of the Restaurant and protect and maintain the goodwill of the Marks and the System. You and your employees will handle all customer complaints, refunds, returns and other adjustments in a manner that will not detract from the name or goodwill of Hungry Howie's and the System.

In order to protect and maintain the goodwill of the Marks and the System, you will require your employees to wear standard uniforms as described in the Manual and present a neat and clean appearance while engaged in the operation of the Restaurant.

10.10 DISPLAYS: In the dispensing and sale of products and services from the Restaurant, you shall only use sign cards, notices, displays and decorations as are uniform in the System and produced using sources from our visual asset library.

10.11 NO VENDING, VIDEO OR PINBALL MACHINES: You will not permit vending, slot, video, pinball or similar machines or games to be located at or in the Restaurant.

10.12 GOVERNMENT COMPLIANCE AND TAXES: You shall comply with all federal, state, county and city statutes and ordinances, and with all regulations of any governmental body which might directly or indirectly affect the operation of the Restaurant. You will timely pay all taxes assessed by any taxing authority, federal, state or local, against the Restaurant or the personal property used in the operation of the Restaurant.

You will pay to us the amount of all sales taxes, use taxes, personal property taxes and similar taxes that any taxing authority within your state(s) imposes on or seeks to collect from us on account of your Gross Sales or on account of any Recurring Fee collected by us from you, but excluding our ordinary income taxes or our receipts taxes arising out of Recurring Fees and Other Fees due or paid from you or us. We are permitted to collect from you any imposed taxes in the same manner as Recurring Fees or to direct you to make those payments directly to the applicable taxing authority.

10.13 INDEPENDENTLY OWNED POSTING: You shall conspicuously post at the Restaurant a notice that the Restaurant is "INDEPENDENTLY OWNED AND OPERATED".

You agree to identify yourself conspicuously in all dealings with customers, suppliers, public officials, employees, and others as the Restaurant's independent owner, operator, and manager under a franchise we have granted and to place notices of independent ownership on the forms, business cards, stationery, advertising and marketing, and other materials we periodically require.

10.14 INSURANCE: You will, at your own expense, obtain and maintain in effect during the entire Term, the various forms and coverage of insurance for the Restaurant as specified in Paragraph 13.

10.15 NOTICE OF LEGAL ACTIONS: You shall notify us in writing within 7 days of the receipt of your notice of the commencement of any action, suit or proceeding or of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality which in any way relates to us, to the Restaurant or the Lease for the Restaurant or that may adversely affect your financial condition or your ability to meet your obligations under this Agreement. You shall also notify us in writing within 7 days of the receipt of your notice of any complaint, claim or other notice alleging a failure to comply with the ADA.

10.16 ACTIONS AFFECTING THE LEASE: You shall not cancel, terminate or assign the Lease or sublet the Restaurant or attempt to take any such action, without providing us written notice of your intended action at least 30 days prior to taking or attempting such action. You shall provide written notice to us within 7 days after you exercise any option to extend your Lease for the Restaurant.

10.17 TELEPHONE NUMBER(S): The telephone number or numbers of the Restaurant shall be listed under the name of "HUNGRY HOWIE'S." You will provide all funds necessary for any required deposit and you shall pay all telephone charges when due. At the time this Agreement is signed, you shall execute an Assignment of Telephone Numbers in a form substantially the same as **Attachment E**. Hungry Howie's shall have the power to date the Assignment of Telephone Numbers and to insert any missing information required to make the Assignment of Telephone Numbers complete and effective.

10.18 MEETING ATTENDANCE: The Operator shall attend all meetings of franchisees periodically held by us. We shall provide you with adequate notice of the time, date, and location of each franchise meeting. You shall bear all expenses related to attendance at such meetings, including but not limited to, wages, travel, meals and lodging. You shall pay us the Annual Meeting Fee for each annual meeting which is not attended by the Operator.

10.19 INSPECTIONS: In order to protect and maintain the goodwill of the Marks and to reasonably determine if you are in compliance with the System, you shall permit, cooperate and allow the following, at any reasonable time (with or without notice):

(a) any inspections of the Restaurant;

(b) demonstration by the Operator that he/she has the skills necessary to operate the Restaurant in accordance with the System;

(c) inspection, testing, or verification that any equipment, products, supplies, methods of production, or merchandising adhere to the System;

(d) review of any books or records related to the operation of the Restaurant; however, the books or records will not include any records or information relating to Restaurant employees, as you exclusively control your Employment Practices; and

(e) conferring with your employees and/or customers.

We may, at our discretion, provide you written reports, evaluations, inspections or recommendations concerning the System. You will be obligated to make adjustments, changes and modifications to obtain compliance with the System in accordance with such written reports, evaluations, inspections or recommendations, except those related to Employment Practices, which you exclusively control.

## 11. OUR OBLIGATIONS TO YOU

11.1 PRE-OPENING OBLIGATIONS: Prior to the Restaurant opening for business we shall do all of the following:

(a) Provide consent and approval for the location of the Restaurant in accordance with Paragraph 3.1;

(b) Provide general advice, guidance and assistance on the selection of a location for the Restaurant in accordance with Paragraph 3.2;

(c) Provide general advice, guidance and assistance on the negotiation of the Lease for the Restaurant in accordance with Paragraph 3.3;

(d) Provide general advice, guidance and assistance on developing and preparing the Drawings for the Restaurant in accordance with Paragraph 3.5;

(e) If applicable, approve or disapprove the Alternate Architect within 30 business days after the request in accordance with Paragraph 3.5;

(f) Inspect the Restaurant to determine if it has been constructed in conformity to the approved Drawings and the System in accordance with Paragraph 3.6;

(g) Make the Initial Training Program available to you in accordance with Paragraph 3.7;

(h) Make the Designated Franchisee Training Program available to you in accordance with Paragraph 3.8;

(i) Designate the opening date of the Restaurant in accordance with Paragraph 3.10;

(j) Provide initial advertising and grand opening promotions in accordance with Paragraph 12.10; and

(k) Provide access to the Manual in accordance with Paragraph 15.1.

11.2 POST-OPENING OBLIGATIONS: After the Restaurant is open for business and during the Term, we shall do all of the following:

(a) Notify you in writing of the Upgrades that we require in accordance with Paragraph 3.11;

(b) If you desire or are required to relocate the Restaurant, we will provide location selection assistance in accordance with Paragraph 3.14;

(c) Not establish, operate or franchise any other Hungry Howie's Unit within the Territory as provided in Paragraph 3.16;

(d) Make the Continuing Training Program available in accordance with Paragraph 3.9;

(e) At your reasonable request, we shall periodically consult with you concerning the operations of the Restaurant. However, we shall have no obligation to consult with you according to any schedule or any specified times, rate or frequency. You acknowledge that it would be impossible for us to consult with each of our franchisees an identical number of times or for an identical amount of time, and that the extent of your meetings and consultation with us may be greater or less than other franchisees;

(f) Provide the identity of any Designated Supplier in accordance with Paragraph 8;

(g) Administer, implement and provide approvals for the Marketing Funds and Marketing in accordance with Paragraph 12;

(h) Cooperate with you to protect the System against the infringement of the Marks in accordance with Paragraph 14.5; and

(i) Provide approval or consents for Transfer in accordance with Paragraph 17.2.

## 12. MARKETING

12.1 MARKETING FEE CONTRIBUTION: You are required to pay the Marketing Fee. Except as provided in Section 12.1(c) below, the Marketing Fee shall be allocated, in our sole discretion, among the National Marketing Fund and the Local Marketing Fund. If we choose to raise or reduce the allocation of the Marketing Fee to either the National Marketing Fund or the Local Marketing Fund, then we will concurrently and proportionately reduce or raise, as applicable, the allocation of the Marketing Fee to the corresponding fund so that the total allocation to both the National Marketing Fund and the Local Marketing Fund does not exceed the Marketing Fee. We may, in our sole discretion, modify the allocation of the Marketing Fee between the National Marketing Fund and the Local Marketing Fund as often as we desire.

However, if we intend to alter the allocation of the Marketing Fee, we will provide you 90 days' prior written notice of such change. Currently, the Marketing Fee is allocated as follows:

(a) NATIONAL MARKETING FEE: One seventh ($^{1}/_{7}^{th}$) of the Marketing Fee (which is 1% of Gross Sales) is allocated as the National Marketing Fee.

(b) LOCAL MARKETING FEE: Six sevenths ($^{6}/_{7}^{th}$) of the Marketing Fee (which is 6% of Gross Sales) is allocated as the Local Marketing Fee.

(c) UNCOLLECTED MARKETING FEE: We may decide in our sole discretion not to collect the entire Marketing Fee from you. If we make this decision, then we will provide you 90 days written notice. However, you will remain responsible for administering and spending funds that are equal to that portion of the Marketing Fee we have decided not to collect from you and which may be subject to the provisions of Section 12.5 below. We may Audit your expenditures to determine if you are administering and spending the full amount of the uncollected Marketing Fee on Local Marketing. You shall maintain for inspection all agreements, bills, invoices, canceled checks, and other records necessary to document that the uncollected portion of the Marketing Fee was administered and spent on Local Marketing. We may revoke or alter our election not to collect the entire Marketing Fee from you under this Section 12.1(c) by providing you with 90 days written notice.

12.2 MARKETING FUNDS IN GENERAL: We may decide, in our sole discretion, how the Marketing Funds will be established, under what type of entity and how the Marketing Funds will be structured and operate. We shall administer, manage, operate, form, change, dissolve or merge any Marketing Funds in our sole discretion. We may have other funds similar to the Marketing Funds that serve the same or similar purpose as the Marketing Funds. At our sole discretion, we may use these funds in replacement of or in addition to the Marketing Funds. These replacement or additional funds shall become Marketing Funds. We may designate Marketing Funds by any other names. We currently receive monies from other franchisees that have similar but not identical provisions in their respective Franchise Agreements, and you agree that your contributions to the Marketing Funds may be combined with contributions made by other franchisees to conduct Marketing.

Expenditures from the Local Marketing Fund shall be generally intended to enhance recognition of the Marks and patronage of Hungry Howie's Restaurants and enhance and promote the System through Local Marketing. Other than as specifically provided in this Paragraph 12, we are not required to spend any amounts on Marketing in the area of or for the direct benefit of the Restaurant. For the expenditure of the Marketing Funds, we have no obligation to: (i) make expenditures which are equivalent or proportionate to your contributions or the contributions of any other franchisee; (ii) ensure that the Restaurant benefits directly or pro rata from the placement of Marketing; or (iii) ensure that any Marketing directly benefits the Restaurant. Additionally, we have no obligation to ensure that any Marketing Fund expenditures benefit all Hungry Howie's Units equally. In the administration or operation of the Marketing Funds, a reasonable amount of overlap may occur between your Territory and the territory of other franchisees. There may be crossover into the territory of other franchisees and, as a result, your expenditures may benefit other Hungry Howie's Units.

The sale of additional franchises benefits the System. Provided that such use is incidental, Marketing by the Marketing Funds may be used for the sale of Hungry Howie's franchises.

Administration of the Marketing Funds or any advice, guidance, or assistance we provide you is not intended to give you a guarantee, expressed or implied, or otherwise warrant or imply: (i) the likelihood of your success or profitability at the Restaurant; (ii) imply that the expenditure of any Marketing Fees is more desirable compared to other possible expenditures of the Marketing Fees; (iii) that we secured the most advantageous terms and conditions for the expenditure of the Marketing Fee; or (iv) that we are required to spend any amounts on Marketing in the area of or for the direct benefit of the Restaurant (except as provided in this Paragraph 12).

12.3 ADMINISTRATION OF MARKETING FUNDS: We shall spend the monies in the Marketing Funds as we deem best and during the fiscal year in which the contributions are made. However, we may retain a reasonable reserve for future Marketing, repayment of debt and other reasonable business needs in the next fiscal year(s). Although the Marketing Funds are intended to be of perpetual duration, we retain the right to: (i) terminate or replace any of the Marketing Funds at any time; (ii) direct the monies in any of the Marketing Funds to another entity, provided that the monies are used for Marketing; (iii) terminate the Marketing Funds or name another designee to administer or operate the Marketing Funds; (iv) change the operating agreement, articles or bylaws of the entity that administers the Marketing Funds; or (v) change or alter the entity that administers the Marketing Funds. We may only terminate the Marketing Funds if: (i) all funds in the Marketing Funds have been expended for Marketing; (ii) any unused portion of funds held by the Marketing Funds is transferred to another designee; or (iii) the unused portion of funds held by the Marketing Funds is refunded to the then-existing franchisees on a pro rata basis based on a reasonable estimate of their contributions as a percentage of total contributions during the preceding full 12-month period.

The Marketing Funds shall be used to meet the costs of Marketing and administrative expenses. On an annual basis, we may expend or allocate up to 20% of monies collected by the Marketing Funds or a cooperative as formed under Paragraph 12.8 below, for reasonable salaries, administrative costs and overhead, if any, as we may incur in connection with administration, management or operation of the Marketing Funds or a cooperative. This 20% does not include the cost of employing independent contractors or agencies to administer, create, distribute, place, publish or otherwise provide products or services to the Marketing Funds or cooperatives.

So long as a reasonable accounting is kept of the Marketing Funds so that income and expenses related to the Marketing Funds may be determined, the Marketing Funds may be maintained by a separate accounting from that used by us for our regular business. We are not required to provide audited financial statements for the Marketing Funds or any cooperatives that we establish under this Paragraph 12. However, within 120 days after the end of each fiscal year, upon your request we will provide an annual financial statement indicating the general use and expenditure from the Marketing Funds for each fiscal year.

The Marketing Funds or cooperatives may borrow money and pay interest or establish credit from us or other entities. Payments of interest may be deducted from the Marketing Funds or cooperatives. We may receive money from the Marketing Funds for goods and services provided to the Marketing Funds.

Certain vendors may contribute money for Marketing. There is no requirement or assurance that such vendors will continue to contribute money for Marketing. We may direct amounts contributed by vendors and designated for Marketing to the Marketing Funds.

12.4 ALTERNATE COLLECTION METHODS: We may establish alternate methods of collecting any of the Marketing Fees. Alternate methods may include collecting a price differential from you on the price of certain products or services that are required to be purchased by you as part of the System under Paragraph 8. If an alternate method is used to collect the Marketing Fees, then on an annual basis we shall compare the amount collected with the amount which would have been collected as if such amounts had been determined by not using the alternate method of collection. The alternate methods of collecting any of the Marketing Fees shall not exceed the Marketing Fees which would have been collected by not using the alternate method of collecting any of the Marketing Fees. If there is a deficiency between the alternate method and what should have been collected, then we may collect such deficiency from you. You must pay any deficiency within 30 days after receipt of the invoice. Failure to pay any deficiency in a timely manner will subject the deficiency to the Late Fee and Interest Fee. We will refund any excess amount collected from you within 30 days of the reconciliation.

12.5 MARKETING PLANS: If we decide not to collect the entire Marketing Fee from you pursuant to Paragraph 12.1(c) above , then we may require you to submit to us a Marketing Plan on a quarterly or annual basis which accounts for your administration and expenditure on Local Marketing of the amounts of the portion of the Marketing Fee that we have chosen not to collect from you. If you are required to submit a Marketing Plan, we will provide you with at least 30 days written notice indicating when the Marketing Plan must be submitted to us. The Marketing Plan shall be submitted to us in a manner and in such detail as prescribed by us from time to time in the Manual.

The Marketing Plan must be approved by us. We shall have 30 days after receipt of the Marketing Plan to object to all or a portion of the Marketing Plan. If we fail to object within 30 days, then you shall spend that portion of the Marketing Fee that we decided not to collect from you in accordance with the Marketing Plan that you submitted to us. If we do not object to the Marketing Plan you submit to us, this will be considered our approval. However, it will not be considered a representation or guaranty of the effectiveness of the Marketing Plan you submit to us. If we object to the Marketing Plan you submit to us, you will make changes as reasonably prescribed by us. Although we may have approved a Marketing Plan you submit to us in the past, this does not mean that future or different Marketing Plans you submit to us are approved.

12.6 ADVERTISING AND MARKETING MATERIALS: Except for any limitations that we may have with respect to pricing in accordance with Paragraph 8.5, we have sole discretion over the creative concepts, materials, media, placement and allocation of resources and funds used by the Marketing Funds.

All Marketing materials (including coupons) shall be produced using our visual asset library. If we do not maintain a visual asset library, then any materials that you use for Marketing must meet our System standards (as described in the Manual) and are subject to our prior written approval.

You must submit proposed Marketing materials for our approval prior to their production, distribution or use. Submission of any proposed Marketing materials in accordance with this Paragraph 12.6 shall be submitted in accordance with the Manual. If we fail to object within 10 days of receiving the materials, then the materials are approved. If we object to the Marketing materials, you will make changes as reasonably prescribed by us. Although we may have approved Marketing materials in the past, this does not mean that future or different Marketing Materials are approved. We can revoke any previous approval or object to the use of any Marketing materials by you at any time, even if we previously approved such Marketing materials.

You are not permitted to use or must discontinue the use of Marketing materials that we revoked or object to immediately after we provide you written notice.

12.7 NO FIDUCIARY DUTY: Nothing contained in this Paragraph 12 shall be construed as creating a fiduciary, trust or similar obligation on us in the administration, management or operation of the Marketing Funds.

12.8 COOPERATIVES: We may designate a geographical area for the purposes of establishing cooperatives, as well as to determine whether a cooperative is applicable to the Restaurant. It is our intention to define cooperative areas and whether a cooperative is applicable to the Restaurant by DMA, but we reserve the right to define it in a different manner. If we establish a cooperative, you must be a member of and participate in the cooperative in accordance with the rules governing the cooperative that we may establish from time to time. We may direct that all or a portion of your Marketing Fee be deposited into the cooperative. Each cooperative will be organized for the purpose of administering Local Marketing Funds and conducting Local Marketing for members of the cooperative. We shall administer, manage, operate, form, change, dissolve or merge any cooperative in our sole discretion.

12.9 INDEPENDENTLY OWNED AND OPERATED: You shall include the following language in all advertising: “Stores are independently owned and operated.”

12.10 GRAND OPENING: We will in Good Faith use the Franchise Grand Opening Fee to pay the costs of promoting the opening of the Restaurant.

12.11 RE-OPENING MARKETING FEE: If the Restaurant: (i) relocates; (ii) closes for any reason and re-opens; or (iii) a Transfer takes place in accordance with Paragraph 17.2, you must pay the appropriate Re-Opening Marketing Fee. You shall deposit the Re-Opening Marketing Fee with us on the date the Restaurant relocation is approved by us, when a re-opening date is submitted to us for our consent or when a Transfer is approved, as applicable. We will use the Re-Opening Marketing Fee on Marketing that is designed to promote the Restaurant.

12.12 SOCIAL MEDIA AND INTERNET MARKETING: The Manual will establish standards and specifications for your use of Social Media. You must strictly abide by these standards and specifications. Such standards and specifications may be changed from time to time.

You must obtain our prior written consent to use, register, maintain or sponsor any Social Media. You shall not allow your customers to view Social Media unless you have received advance written approval from us. You shall be responsible for any content you post to Social Media. We will be and at all times remain the sole owner of the copyrights for all materials which appear on Social Media.

12.13 GIFT CARD, LOYALTY & REWARD PROGRAMS: We may require you, at your own expense, to participate in and comply with the requirements of the Gift Card Program, which may require you to:

(a) Purchase the software, hardware, blank cards and other items needed for the Gift Card Program, from a Designated Supplier;

(b) Obtain additional equipment as part of your POS System or other Technology System from a Designated Supplier;

(c) Pay such monthly and per-swipe transaction fees as may be required by a Designated Supplier of the Gift Card Program; and

(d) Not sell, issue, utilize or redeem gift cards or certificates, loyalty cards or programs or rewards programs other than the Gift Card Program.

The Manual will establish any and all rules, guidelines, standards and specifications regarding your use, distribution and redemption of the Gift Card Program.

12.14 PROMOTIONAL PROGRAMS: You acknowledge that periodic rebates, giveaways and other promotions and programs are an integral part of the System. Accordingly, you may be required, at your sole cost and expense, from time to time, to issue and offer such rebates, giveaways and promotions in accordance with any reasonable advertising programs we establish. You will honor any rebates, giveaways and other promotions we issue, so long as none of the above violates regulations and laws of the appropriate governmental authorities.

If you offer any rebates, giveaways, or promotions, you shall not attempt to seek nor will we reimburse you for the cost of such rebates, giveaways, or promotions.

## 13. INSURANCE AND INDEMNIFICATION

13.1 INSURANCE COVERAGE: You shall at all times maintain the following insurance coverage:

(a) Workers' compensation and occupational disease insurance with minimum limits as prescribed by law and employer's liability of limits not less than bodily injury by accident of not less than $1,000,000.00; bodily injury by disease (each accident) of not less than $1,000,000.00; and bodily injury by disease (policy limit) of not less than $1,000,000.00 per employee with an alternate employer's endorsement;

(b) Comprehensive general liability insurance, including products liability coverage of not less than $1,000,000.00 per occurrence and $2,000,000.00 aggregate. This policy will provide a waiver of subrogation in our favor and be primary and non-contributory to any policy(ies) we might carry. Defense costs must not erode the policy limits;

(c) Automobile liability insurance for all owned, non-owned and hired vehicles not less than $1,000,000.00 per occurrence. Defense costs must not erode the policy limits;

(d) Business income and extra expense insurance with an extended period of indemnity of 180 days, with minimum amounts equal to actual loss sustained;

(e) Business property insurance, including equipment, furniture, fixtures and improvements and inventory at a minimum coverage of 100% of replacement cost;

(f) Employment practices liability insurance covering wrongful acts commonly arising from the employment process, including wrongful termination, discrimination, sexual harassment, retaliation, defamation, invasion of privacy, false imprisonment, breach of contract, emotional distress violations, including wage and hour defense coverage of $50,000.00, with a limit in an amount of not less than $500,000.00 in the aggregate, a retention or deductible of not more

than $10,000.00 and appropriate policy language or an endorsement providing third party coverage. This policy must also include us as co-defendant. Such coverage may be in a "claims made" form;

(g) Umbrella or excess liability insurance in an amount equal to $2,000,000.00 to be in excess of general liability, employer's liability, and auto liability; and

(h) Special loss "all risk" property coverage insurance for the restaurant build-out and contents for full replacement cost value.

(i) Other insurance as may be reasonably required by us.

13.2 INCREASE IN COVERAGE LIMIT: From time to time and in our sole discretion, we shall have the power to change the type of insurance coverage required and the limits, including increases to the coverage limit. We may inform you of such changes through changes in the Manual or otherwise.

13.3 PREMIUMS: All premiums for insurance described in this Paragraph 13 shall be paid by you.

13.4 POLICIES AND CARRIERS: All insurance policies and insurance carriers are subject to our reasonable approval, however, with not less than an A-XV rating by A.M. Best Company, Inc. Each Liability insurance policy (except for Employment Practices Liability) shall:

(a) Name us as an additional insured;

(b) Provide us with 30 days' notice prior to cancellation of such insurance coverage or policies;

(c) Give us the right but not the duty to pay any premium due to avoid cancellation of such insurance; and

(d) Contain a specific provision or endorsement that, although we are named as an additional insured on any general liability and property damage policies, we will be entitled to recover under such policies for any loss incurred by us, our employees or agents, by reason of the negligence of you or your employees and agents.

13.5 PROOF OF INSURANCE: Before you open for business and 30 days prior to any renewal or replacement, you shall furnish us with certificates of insurance, which evidence your compliance with the requirements of this Paragraph 13. In addition, you shall provide proof of insurance within 5 days of any request by us.

13.6 CONTINUED PAYMENTS DUE TO CASUALTY: You shall continue to pay the Recurring Fees even if the Restaurant is not doing business as a result of a Casualty.

13.7 RENEWAL OR REPLACEMENT POLICY: Prior to the expiration of any existing insurance policy, you shall provide proof of the renewal of such policy or the acquisition of a replacement or substitute policy.

13.813.9 INSURANCE FEE: If you do not fully comply with the requirements of this Paragraph 13, we may impose the Insurance Fee, which is paid by you to us, for each Accounting

Period or any fraction thereof until you have fully complied. The Insurance Fee shall be due 10 days after we issue an invoice for the Insurance Fee.

13.10 INSURANCE FROM A DESIGNATED SUPPLIER: We reserve the right and may require you to obtain casualty, liability, workers' compensation, non-owned auto and similar insurance from a Designated Supplier. We may inform you of such Designated Supplier through changes in the Manual or otherwise.

13.11 INDEMNIFICATION FOR LOSS OR DAMAGE DURING CONSTRUCTION AND OPERATION OF RESTAURANT: To the fullest extent permitted by law, you shall indemnify, defend, and hold harmless the Indemnified Parties from and against, and reimburse any one or more of the Indemnified Parties for, any and all Claims, except as specifically set forth below in this Paragraph.

Each Indemnified Party may at your expense defend and control the defense of any Claim against it that is subject to this indemnification, and you may not settle any Claim or take any other remedial, corrective, or similar actions relating to any Claim without the Indemnified Party's consent. This Paragraph will continue in full force and effect after and notwithstanding expiration or termination of this Agreement. An Indemnified Party need not seek recovery from an insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a Claim against you. Failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts an Indemnified Party may recover from you.

Notwithstanding the foregoing, you have no indemnification obligation under this Paragraph if a court of competent jurisdiction makes a final decision not subject to further appeal that we, our affiliates, or any of our or their respective employees directly engaged in willful misconduct or intentionally caused the property damage or bodily injury that is the subject of the Claim, so long as that Claim is not asserted on the basis of theories of vicarious liability (including agency, apparent agency, or employment), joint employer liability, or our failure to compel you to comply with this Agreement, which are Claim for which we are entitled to indemnification under this Paragraph.

Your obligations to indemnify, hold harmless and defend and provide notice of a Claim pursuant to this Paragraph 13.11 will survive the expiration or earlier termination of this Agreement.

13.12 NO LIMITATIONS OR ESTOPPEL: Your obligation to obtain and maintain the insurance specified by this Paragraph 13 will not reduce or relieve you of your indemnification obligation provided in Paragraph 13.11.

## 14. SERVICE MARKS AND TRADEMARKS

14.1 OWNERSHIP AND USAGE OF THE MARKS: You acknowledge that the names "Hungry Howie's"® and "Hungry Howie's® Flavored Crust® Pizza" as well as the following commercial symbols are Marks owned exclusively by us:

Substantial goodwill is associated with and attached to the Marks and the System. Any goodwill associated with the System and the Marks, including any goodwill that might be deemed

to have arisen through the activities of you or the Restaurant, will inure directly and exclusively to our benefit.

We and our licensees have the right to use the Marks. The Marks are licensed to you by us and you shall use the Marks only in the manner and to the extent specifically permitted by this Agreement. You do not acquire any ownership interest in the Marks as a result of this Agreement, as a result of our use of the Marks, or as a result of your use of the Marks. Any use by you of the Marks inures to our benefit. We reserve the right to modify or discontinue use of any of the Marks or use one or more additional or substitute names or marks if, in our sole discretion, it becomes advisable to do so. The System is identified by use of the Marks as currently designated, or as may be designated by us in the future.

14.2 EXCLUSIVITY OF THE USE OF THE MARKS: Your right to use the Marks is non-exclusive and we, in our sole discretion, have the right to grant similar rights to others under such terms and conditions as we deem fit, and to operate restaurants under the Marks, subject only to the provisions of this Agreement.

14.3 CONTESTING THE MARKS: During and after the Term, you shall not directly or indirectly contest or aid in contesting the validity or ownership of the Marks.

14.4 CLAIMS ARISING FROM THE MARKS: You shall promptly notify us of any claim, demand or suit against you or us, based upon or arising from the use or attempted use of any of the Marks and or any variation of the Marks by any other person or entity.

14.5 PROTECTION FROM INFRINGEMENT OF THE MARKS: You shall promptly advise us of any unauthorized use of the Marks by third parties of which you become aware. We have the sole right, but no obligation to take whatever action we may deem appropriate, in our sole discretion.

We shall defend you against any claim, demand or suit against you concerning the Marks, provided you use the Marks in accordance with the terms and conditions of this Agreement. However, we shall have the exclusive right and sole discretion regarding actions to be taken in response to such claims.

14.6 USE OF THE MARKS IN BUSINESS NAMES OR SALE: In no event shall you use, cause to be used or attempt to use the words “HUNGRY HOWIE’S”, “HUNGRY”, “HOWIE’S”, or the initials “H.H.”, as part of or as your business name, or as an assumed name unless it is in the form that we shall prescribe from time to time, or as part of a domain name, homepage, Electronic address or otherwise in connection with a website, without our express written consent. You may file an assumed name certificate in the state in which you do business that identifies the entity by store number. You shall not use the Marks in any public advertisements offering the Restaurant, the Restaurant Assets or any Ownership Interest for sale.

14.7 PURCHASE OF PROPERTY: You shall not purchase or acquire any property or incur any obligation or indebtedness under the name of “HUNGRY HOWIE’S” or any name other than your personal or approved business name.

14.8 NEW CONCEPTS: Any new concept, trademark, service mark, copyright, process, improvement, slogan or recipe developed in the operation of the Restaurant will become our property and we may utilize this information as we deem appropriate without compensation to you, including but not limited to disclosing it to other franchisees, filing for any trademark or service mark or

copyright registration in our name alone. If you develop any new concept, trademark, service mark, copyright, process, improvement, slogan or recipe in the operation of the Restaurant, you will promptly notify us and provide us with all reasonable documentation and information without compensation as we may require.

14.9 USE OF THE MARKS IN EMPLOYMENT-RELATED MATERIALS: You are not permitted to use any Mark in employment-related materials and must include clear language that you (and only you) are the employer of employees at the Restaurant and that Hungry Howie's, as the franchisor of Hungry Howie's Restaurants, is not their employer and does not engage in any employer-type activities for which only franchisees are responsible, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions.

## 15. THE MANUALS AND CONFIDENTIAL INFORMATION

15.1 ACCESS TO MANUAL: We shall provide you access to the Manual in a reasonable manner which we may designate from time to time, including a physical printed copy or access via a website or other Electronic media. The Manual shall, at all times, be on loan to you and shall remain our sole and exclusive property and shall be returned to us immediately upon request or access may be denied upon the termination or expiration of the Term. We have no obligation to protect your right to use the Manual, nor do we have any obligation to protect you against or prosecute claims on your behalf arising out of claims of infringement or unfair competition arising out of the use of the Manual by or third parties.

15.2 CONTENTS AND REVISIONS OF THE MANUALS: The Manual includes all additions, revisions, replacements and new volumes. At our discretion, we may periodically add, revise, replace, supplement and amend the Manual and convey these additions, revisions, replacements, supplements and amendments by any manner reasonably calculated by us to provide you adequate notice of these additions, revisions, replacements, supplements and amendments including publishing them in our newsletter, posting them on the Website, emails, text messages or otherwise announcing them. Any standard, specification, policy or procedure in the Manual may be modified by us unilaterally under any condition and to any extent that we deem necessary or advisable in our discretion to meet the competition, protect or enhance the Marks or the System, or to alter or amend the Menu Items, products or services of the System. In the event the Manual is posted to the Website, you shall access such site and shall continuously monitor the same for all additions, revisions, replacements, supplements and amendments. We shall not be required to provide specific formulations of ingredients that we deem to be a trade secret and may designate such ingredients in general terms.

15.3 CONFIDENTIAL INFORMATION: When you sign this Agreement, you and the Owners shall execute the Confidentiality Agreement in substantially the form attached as **Attachment J**. We may also require that your officers, members, managers, partners, directors, employees, contractors or suppliers execute the Confidentiality Agreement.

If you require your or the Restaurant's employees to execute a confidentiality or nondisclosure agreement, such confidentiality or nondisclosure agreement must name us as a third-party beneficiary and be approved in advance by us. Our approval is solely to ensure that you adequately protect our trade secrets, Confidential Information, knowledge, and know-how. Under no circumstances will we control the forms or terms of employment agreements you use with your or the Restaurant's employees or otherwise be responsible for your Employment

Practices. You are liable to us for any unauthorized disclosure by any of your directors, officers, employees, or agents.

15.4 AGREEMENT CONFIDENTIAL: Except as provided below, the terms of this Agreement and any exhibits, attachments, amendments, or addendums thereto, shall be confidential. You shall not divulge, disclose or discuss, directly or indirectly, the terms of this Agreement with any individual or entity, including, but not limited to, our franchisees. Your agreement to keep the terms of this Agreement confidential shall remain in force during and after the expiration of the Term including any extensions thereto. The above shall not be construed in any way as limiting your ability to discuss or provide for review this Agreement to your professional advisors including attorneys, accountants, counselors or employees for the purpose of providing you advice or guidance in evaluating this Agreement. You may also discuss or provide the terms of this Agreement to a potential Transferee, provided that you first provide 5 days advance written notice directed to Hungry Howie's "Development Department" and any potential Transferee and/or its officers, directors, shareholders, members, partners, managers and employees executes and delivers to us the Confidentiality Agreement.

## 16. COVENANTS

16.1 IN-TERM COVENANT: During the Term, neither you nor any Owner or Guarantor shall, directly or indirectly, through or on behalf of, or in conjunction with, any person or legal entity:

(a) Engage in any activity in competition with the System, including but not limited to involvement, whether as an owner, officer, director, employee, lender, advisor, consultant, recruiter or otherwise, of any business engaged in the retail sale of pizza, submarine sandwiches and other products similar to our designated menu items, other than at the Restaurant;

(c) Furnish or permit access to our Confidential Information to any person who is engaged or has arranged to become engaged in any activity in competition with the System, including but not limited to involvement, either as an owner, officer, director, employee, lender, advisor, consultant, recruiter or otherwise, of any business engaged in the sale of pizza other than at the Restaurant;

(d) Divert or attempt to divert any business or customer from Hungry Howie's or any Hungry Howie's Unit;

(e) Construct, equip, help, aid or assist any person or entity in the construction of or equipping of any premises incorporating our trade dress, distinctive features or equipment layout; or

(f) Solicit any franchise candidate to purchase or transfer the Restaurant or your rights to this Agreement or your Territory if you come into contact or communication with a prospective franchise candidate of Hungry Howie's, including but not limited to an instance in which you or your Owners are contacted by a prospective franchisee candidate during said candidate's validation process with Hungry Howie's.

If any court of competent jurisdiction determines that this covenant is unenforceable because it is too broad, the scope of this covenant shall be deemed to be automatically restricted to the extent necessary to be enforceable by such court.

16.2 POST-TERM COVENANT: Regardless of the cause (whether by expiration, termination or Transfer) and for a period of 12 months after the Term, neither you nor any Owner or Guarantor shall, directly or indirectly, through or on behalf of, or in conjunction with, any person or legal entity:

(a) Engage in the sale of pizza (i) at the former Restaurant; (ii) within 5 miles of the former Restaurant; or (iii) within 5 miles of any Hungry Howie's Unit;

(b) Divert or attempt to divert any business or customer from any Hungry Howie's Unit; or

(d) Construct, equip, help, aid or assist any person or entity in the construction or equipping of any premises incorporating the trade dress, distinctive features or equipment layout which we have originated and developed, and which are identifying characteristics of Hungry Howie's Units.

If you or any Owner or Guarantor does not begin to comply with the above-listed restrictions immediately, such 12 month period for such non-compliant person or entity shall not begin until the date on which such person begins to the comply with such restrictions (whether or not due to the entry of a court order enforcing this provision). The running of the 12-month period will be suspended whenever you or any Owner or Guarantor breaches this Paragraph 16.2 and will resume when such person or entity resumes compliance.

If any court of competent jurisdiction determines that this covenant is unenforceable because it is too broad, the scope of this covenant shall be deemed to be automatically restricted to the extent necessary to be enforceable by such court.

## 17. TRANSFER OF FRANCHISE

17.1 RIGHT OF FIRST REFUSAL: Prior to any Transfer, a Seller must first provide us a Right of First Refusal. Our Right of First Refusal shall be provided to us in accordance with the following terms and conditions:

(a) The Seller shall first obtain an Offer from a bona fide third party Transferee; then,

(b) The Seller shall forward a copy of the Offer to us; then,

(c) Within 10 days following receipt of the Offer, the Seller shall forward to us whatever information pertinent to the business and operations of the Restaurant that we may request to enable us to evaluate the Offer, including but not limited to, a Financial Statement and Financial Information as of the end of your most recent fiscal year and quarter; then,

(d) The Seller must warrant the accuracy of all such information concerning the business and operation of the Restaurant; and then,

(e) Within 30 days following the completion of Paragraph 17.1 (a), (b), (c) and (d) we have the right to accept the Offer upon the terms and conditions contained in the Offer.

(f) If we accept the Offer, we must do so in writing and consummate the Transfer upon substantially the same terms and conditions contained in the Offer;

(g) If we decline the Offer or fail to respond within 30 days as provided in Paragraph 17.1 (e), the Seller may accept the Offer and consummate the Transfer to the bona fide third party Transferee upon substantially the same terms and conditions as set forth in the Offer;

(h) If the Transfer to the bona fide third party Transferee is not consummated upon substantially the same terms and conditions as set forth in the Offer within 60 days after expiration of our Right of Refusal, then the Transfer shall again become subject to our Right of Refusal described in this Paragraph 17.1; and

(i) Notwithstanding anything in this Paragraph 17.1 to the contrary, all Transfers are subject to the provisions of Paragraph 17.2.

17.2 CONDITIONS OF TRANSFER: A Transfer of the Restaurant Assets or Ownership Interest shall only be effective with our prior written consent which shall not be unreasonably withheld or conditioned. Any Transfer shall, in addition to the Right of First Refusal described in Paragraph 17.1, be subject to all of the following terms and conditions, unless such terms and conditions are contrary to any applicable law which governs your right to a Transfer:

(a) The Transferee meets all of our then-current qualifications or standards;

(b) In our reasonable discretion, the Transferee has a satisfactory credit rating and sufficient financial resources to operate the Restaurant;

(c) In our reasonable discretion, the Transferee has the satisfactory business reputation, business experience and moral integrity to operate the Restaurant;

(d) The Transferee is not a competitor of ours or of any Hungry Howie's Unit;

(e) The Transferee has provided us with all completed applications and forms and other information required by us to make a determination if the Transferee meets our then-current qualifications or standards;

(f) The Transferee agrees in writing to accept all of the Seller's rights, obligations and liabilities under this Agreement;

(g) At our election, the Transferee executes the New Agreement;

(h) If the Transferee is not a natural person, all Owners of the Transferee must execute the Guaranty;

(i) The Transferee executes customary or appropriate sale, transfer or assignment documents and agreements containing terms and conditions reasonably satisfactory to us;

(j) The Seller or the Transferee pays all amounts due to us and our Designated Suppliers and cures any Franchisee Default through the date of the Transfer;

(k) The Seller or the Transferee pays all amounts due and owing for federal, state and local income, sales, use, service, payroll or other taxes due and owing as a result of the Restaurant's operations;

(l) The Seller and all of its Guarantors must execute the General Release;

(m) If the Transfer involves installment payments by the Transferee to the Seller, the Seller executes a subordination agreement under which the Seller subordinates the Transferee's right to receive any installment payments to our right to receive any and all amounts due to us under this Agreement or the New Agreement. The subordination agreement shall be on a document containing terms and conditions satisfactory to us in our reasonable discretion;

(n) The Seller or Transferee pays us the Transfer Fee;

(o) The Operator successfully completes the Operator Training Program prior to the consummation of the Transfer;

(p) The Designated Franchisee successfully completes the Designated Franchisee Training Program prior to the consummation of the Transfer;

(q) Although the Upgrades may not be required more frequently than every 5 years, the Transferee must complete the Upgrades to our then-current standards;

(r) The Transferee must spend the Re-Opening Marketing Fee in accordance with Paragraph 12.11;

(s) If there is a Transfer of more than 49.9% of any legal or beneficial Ownership Interest, whether such Transfer is in either a single transaction or series of transactions and regardless of the period of time during which the Transfer occurs, the Franchisee shall pay the Transfer Fee;

(t) Upon our request, the Transferee and its officers, directors, shareholders, members, partners and employees shall execute the Confidentiality Agreement; and

(u) Prior to the consummation of the Transfer, the Restaurant is continuously open and conducting business the ordinary course of business and in compliance with this Agreement.

17.3 DEATH, DISABILITY OR PERMANENT INCAPACITY: In the event of the death, disability or permanent incapacity of the Designated Franchisee, the Franchisee or his/her personal representative shall have 180 days to replace the Designated Franchisee and complete a Transfer in accordance with Paragraph 10.2 and Paragraph 17.2. If the Transfer is not complete within 180 days of the death, disability or permanent incapacity of the Operator, this Agreement shall automatically terminate. Subject to the provisions of Paragraph 17.2, this Agreement may be transferred to the spouse or heirs of the deceased, or permanently disabled or incapacitated individual.

17.4 SALE OF SECURITIES: Any Securities Offering must first be approved in principle by us. You shall submit to us for our review all Securities Offering Documents. You shall give us written notice at least 60 days prior to the date of commencement of any Securities Offering. For each Securities Offering, you shall reimburse us for our out-of-pocket costs and expenses,

including the cost of outside or in-house counsel to review the Securities Offering or Securities Offering Documents and to render a legal opinion on our behalf as we deem necessary. Prior to and during our review of the Securities Offering Documents we shall require you, from time to time, to pay us a sum of money that we shall reasonably deem sufficient to cover our out-of-pocket costs and expenses. If, after the review, there shall be any deficiency in the amount of money you paid to us and our out of pocket expenses you shall reimburse us as provided in Paragraph 6.2. If after the review, there shall be excess monies from the amount of money you paid to us and our out of pocket expenses we shall reimburse you within 10 days. Your obligation to pay us our out of pocket expenses is not dependent on us providing you our written approval as provided below.

The Securities Offering Documents shall not be submitted to a government agency or to prospective investors until we have furnished our written approval. No Securities Offering Documents shall imply, by use of the Marks or otherwise, that: (i) we are participating as an underwriter, issuer or offeror of the Securities Offering; (ii) we are participating as an underwriter, issuer or offeror or our own securities; (iii) we have approved the Securities Offering Documents; or (iv) we have approved any other aspect of the Securities Offering. Any review by us of the Securities Offering or Securities Offering Documents shall be conducted solely for our benefit to determine its conformance with our internal policies, and not to benefit or protect any other person or entity. No investor should interpret such review by us, nor shall you or anyone acting on your behalf suggest, that our review constitutes an approval, endorsement, acceptance, or adoption of any representation, warranty, covenant, or projection contained in Securities Offering or Securities Offering Documents. The Securities Offering Documents shall clearly be marked with a disclaimer or statement in a form and manner specified by us. If we object, the Securities Offering Documents shall not be used unless we withdraw our objections. You and others participating in the Securities Offering, must agree to indemnify, hold harmless and defend us consistent with the provisions of Paragraph 13.11. You and others participating in the Securities Offering must also execute and deliver to us any documents that we may reasonably require to evidence the above obligation to indemnify, hold harmless and defend. Any Securities Offering shall be subject to our Right of First Refusal as provided in Paragraph 17.1 all of terms and conditions of Paragraph 17.2.

17.5 OWNERSHIP IDENTIFICATION: Within 7 days of our written request, you shall furnish us with a sworn affidavit under penalties of perjury that sets forth: (i) the name of each Owner; (ii) the number of shares and class of shares owned by each Owner if you are a corporation; (iii) the percentage of membership interest, ownership and class of interest if you are a limited liability company or partnership; (iv) your officers and directors if you are a corporation; (v) such other information necessary to identify ownership and control of the Franchisee; and (vi) if you are a corporation, partnership or limited liability company, the affidavit shall be accompanied by a certificate of good standing from your state of organization.

17.6 TRANSFER BY US: We shall have the right to sell, transfer or assign all or any part of our rights or obligations under this Agreement to any person or legal entity. With respect to any assignment which results in the subsequent performance by the assignee of all of our obligations under this Agreement, the assignee shall expressly assume and agree to perform such obligations, and shall become solely responsible for all of our obligations under this Agreement from the date of assignment. In addition, and without limitation to the foregoing, you expressly affirm and agree that we may sell our assets, Marks or the System; and may sell our securities in a public offering or in a private placement; and we may merge, acquire other corporations or be acquired by another corporation; and may undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring.

## 18. DEFAULT AND TERMINATION

18.1 FRANCHISOR DEFAULT: If you believe we have committed a Franchisor Default, you are required to provide us a Default Notice and a 60-day opportunity to cure the Franchisor Default. If we fail to effectuate a cure of the Franchisor Default within 60 days, you will have the right to terminate this Agreement by giving us an additional 30 days written notice of your election to terminate this Agreement.

18.2 FAILURE TO OPEN - OPTION TO TERMINATE: If the Restaurant is not open for business within 1 year after the Effective Date, this Agreement may be terminated at our option by providing you a Default Notice. The Default Notice will provide you 60 days from the date of the Default Notice to open the Restaurant for business. If the Restaurant is not open for business within such 60-day period, no further Default Notice will be required and we shall keep the Franchise Fee paid by you. You must meet all other requirements to open for business as required by this Agreement.

18.3 FAILURE TO OPEN - AUTOMATIC TERMINATION: If the Restaurant is not open for business within 2 years after the Effective Date, this Agreement shall automatically terminate without the need for a Default Notice and we shall be entitled to keep the any fees paid by you.

18.4 TERMINATION DUE TO CASUALTY: If there is a Casualty such that you cannot open the Restaurant for business for 3 or more consecutive days, you must notify us in writing within 10 days after the Casualty. You must make best efforts to rebuild, open the Restaurant for business in the manner prescribed in Paragraph 3 within 180 days of the casualty. If after making such best efforts, you cannot open for business in the manner prescribed in Paragraph 3 or you have less than 18 months remaining on your Lease as of the date of the Casualty, you may elect to terminate this Agreement. If you make this election, this Agreement shall automatically and immediately terminate without the need for further notice required by either you or us. Upon termination, you shall be subject to all of the provisions in this Agreement including those contained in Paragraph 18.13.

18.5 FRANCHISEE DEFAULT: You shall be in default under this Agreement upon the occurrence of any of the following events ("Franchisee Default"):

(a) You fail to pay to us any Recurring Fees, Other Fees or any other amounts due us;

(b) You fail to furnish Financial Statements and/or Financial Information required by Paragraph 7.2;

(c) You fail to use a Designated Supplier or pay any amount owed a Designated Supplier;

(d) You operate the Restaurant under any name other than "Hungry Howie's®" or "Hungry Howie's® Flavored Crust® Pizza", in violation of Paragraph 10.1;

(e) You fail to continuously operate the Restaurant in violation of Paragraph 10.4;

(f) You fail to maintain insurance, provide us proof of insurance, provide us notice of a Claim, fail to indemnify, hold harmless or defend a Claim or you fail to abide by any other obligation as required by Paragraph 13;

(g) You use or take action against the Marks in violation of Paragraph 14;

(h) You use or disclose our confidential or proprietary information in violation of the Confidentiality Agreement in Paragraph 15.4;

(i) Any violation of the covenants in Paragraph 16.1;

(j) A Transfer in violation of Paragraph 17;

(k) Within 90 days after curing any Franchisee Default during any prescribed cure period under Paragraphs 18.7 or Paragraph 18.8, there is a subsequent Franchisee Default which is substantially the type of Franchisee Default cured during the prescribed cure period, without regard to whether the subsequent Franchisee Default is cured following a Default Notice to you. In such instance, you agree that by the nature of such Franchisee Default no cure can be effectuated;

(l) There have been 3 or more Franchisee Defaults during the Term of this Agreement, without regard to whether any previous or current Franchisee Default has been cured following notice to you by us. In such instance, you agree that that by the nature of such Franchisee Default no cure can be effectuated;

(m) You, an Owner or a Guarantor make a material misrepresentation in connection with your acquisition of the Franchise inducing us to enter into this Agreement with you. In such instance, you agree that that by the nature of such Franchisee Default no cure can be effectuated;

(n) Any conduct by you, an Owner or any Guarantor which reflects materially and unfavorably upon the operation or reputation of the System and which by its nature cannot be reasonably cured;

(o) A conviction, guilty plea or plea of no contest to a felony, or other criminal offense relevant to the operation of the Franchise by you, an Owner or any Guarantor. In such instance, you agree that that by the nature of such Franchisee Default no cure can be effectuated;

(p) Any conduct by you, an Owner or any Guarantor related to the Restaurant that we reasonably determine may constitute an imminent danger to public health or safety. In such instance, you agree that that by the nature of such Franchisee Default no cure can be effectuated;

(q) Any dissolution, merger or reorganization by you, an Owner or any Guarantor. In such instance, you agree that that by the nature of such Franchisee Default no cure can be effectuated;

(r) Insolvency or the commencement of any proceedings under any federal bankruptcy or state insolvency law, the assignment of assets for the benefit of creditors, or the appointment of a receiver, trustee or similar person to oversee your business, affairs or assets or

those of an Owner or any Guarantor. In such instance, you agree that that by the nature of such Franchisee Default no cure can be effectuated;

(s) The entry of any judgment against you, an Owner or any Guarantor, or any judgment which affects any of your assets, the Restaurant Assets, Ownership Interest or the operation of the Restaurant, that is not satisfied or indemnified against to our satisfaction within 10 days of its entry;

(t) Any default by you, an Owner or any Guarantor, which is not cured within any applicable cure period, of any other agreement executed in connection with another Hungry Howie's Unit which is under the common control or ownership of you, an Owner or Guarantor, whether under a franchise agreement or other agreement with us. In such instance, you agree that that by the nature of such Franchisee Default no cure can be effectuated; or

(u) You, an Owner or any Guarantor commits any other material breach of any of the terms of this Agreement not described in Paragraph 18.5(a) through 18.5(t).

18.6 TERMINATION WITHOUT THE OPPORTUNITY TO CURE: Upon any Franchisee Default described in Paragraph 18.5(h) through Paragraph 18.5(t), we may elect to terminate this Agreement at any time, immediately after providing you a Default Notice and without providing you an opportunity to cure.

18.7 TERMINATION AFTER 7 DAYS NOTICE: Upon any Franchisee Default described in Paragraph 18.5(a) through Paragraph 18.5(g), we may elect to terminate this Agreement at any time upon providing you a Default Notice and a 7 day opportunity to cure the Franchisee Default.

18.8 TERMINATION AFTER 30 DAYS NOTICE: Upon any Franchisee Default described in Paragraph 18.5(u), we may elect to terminate this Agreement at any time upon providing you a Default Notice and a 30 day opportunity to cure the Franchisee Default.

18.9 NO FURTHER NOTICE: If we provide a Default Notice pursuant to Paragraph 18.6, Paragraph 18.7 or Paragraph 18.8 and you fail to effectuate a cure in the in period provided, if applicable, we will have the right to terminate this Agreement without the need to provide you any further notice.

18.10 RIGHT TO OTHER REMEDIES: If we elect to terminate this Agreement as provided in this Paragraph 18, we shall not be prevented or limited from recovering money damages from you or from obtaining an injunction or other legal or equitable remedies.

18.11 REMEDIES OTHER THAN TERMINATION: Prior to exercising any other remedies available to us, including termination of this Agreement, if you are in a Franchisee Default for any reason listed in Paragraph 18.5, then in addition to any right we may have to terminate this Agreement, bring a claim for money damages or injunctive relief, we shall, in our sole discretion, have the power to do any or all of the following:

(a) Suspend the listing of the Restaurant from all Marketing published or approved by us, including but not limited to print, the Website, Internet, online ordering or any form of Social Media;

(b) Prohibit you or your Owners from attending any meetings or seminars held, or sponsored by us;

(c) Suspend access to any computer, inventory control, enterprise reporting program, point of sale, online ordering, or a related or similar system provided to you by us;

(d) Direct any Designated Supplier to discontinue the sale of products and services to you;

(e) Suspend any or all services or approvals provided to you under this Agreement or otherwise, including, but not limited to, inspections, training, Marketing and operational assistance;

(f) Suspend or not permit you or your Owners to vote, cast a ballot or otherwise participate in decisions with respect to the Marketing Funds; or

(g) Assess a reasonable Administrative Fee, which we may periodically revise or amend by publication in the Manual or otherwise, but in no event will such Administrative Fee be less than $50.00 or more than $500.00 for each event in which the Administrative Fee would be payable by you to us.

The actions we have outlined in this Paragraph 18.11 may continue until you have cured any Franchisee Default and complied with our requirements, and we have acknowledged the same in writing. The taking of any of the actions permitted in this Paragraph 18.11 shall not suspend or release you, an Owner or any Guarantor from any obligation that would otherwise be owed to us or our affiliates under the terms of this Agreement or otherwise, nor shall it preclude us from exercising any other right or remedy available to us, including specific enforcement or termination of this Agreement. Our election to not impose any of the actions available in this Paragraph 18.11 shall not waive or limit our right to impose any of those actions in the future. Should we suspend or terminate any benefit to you under this Paragraph 18.11, we shall have reasonable opportunity and time to reinstate any benefit to you if you have cured any Franchisee Default and provide us satisfactory proof of such cure.

18.12 FORCE MAJEURE: Neither we nor you shall be in default under this Agreement or liable for any delay or loss in the performance, failure to perform or interruption of any obligation under this Agreement resulting from a Force Majeure. Upon a Force Majeure, performance by the party affected by the Force Majeure shall be excused until the cause for the delay has been removed and the party delayed has had a reasonable time to again perform hereunder. Nothing in the foregoing sentence shall operate to delay your obligation to pay us all Recurring Fees or Other Fees due under this Agreement.

18.13 POST-TERMINATION OBLIGATIONS: Upon the termination of this Agreement or expiration of the Term:

(a) The Franchise and any rights you have under this Agreement shall terminate and you shall immediately cease to be a licensee of ours;

(b) You shall pay to us within 15 days after this Agreement expires or is terminated, or on any later date we determine the amounts due and owed to us, (and/or our affiliates or Designated Suppliers) including the Royalties, Marketing Fee, Late Fees and Interest that are then-unpaid;

(c) All property of ours in your possession must be promptly returned to us, including but not limited to the Manual;

(d) You must cease using the Marks and any variations thereof by which the public could be confused, deceived or misled and immediately remove any trade dress, distinctive features or equipment layout which we have originated and developed and which are identifying characteristics of the premises operated by you. These include:

(1) Exterior signage bearing the Marks;

(2) Marketing materials including posters, signboards, menu boards, decals, and promotional materials and images; and

(3) The distinctive colors and design elements associated with the trade dress of the System.

You agree to provide us photographic evidence which we may reasonably require to prove that you have complied with this Paragraph 18.13(d).

(e) You shall immediately cease using the telephone or facsimile number or numbers identified with or assigned to the Restaurant and shall assign such telephone or facsimile numbers to us. We shall have the power to use the Assignment of Telephone Numbers (**Attachment E**) for all purposes;

(f) We or our agents may enter the Restaurant and remove or permanently cover all signs or advertising identifiable in any way with our image or System without being deemed guilty of a trespass;

(g) In the case of the termination of this Agreement following a Franchisee Default, we shall have the option to acquire any or all of the Restaurant Assets, upon the terms and conditions of this Paragraph 18.13(g). The purchase price for the Restaurant Assets shall be their fair market value, assuming use in a fast food pizza business similar to the business conducted prior to the termination of this Agreement. There shall be no allowance for goodwill or other similar intangible asset. If your interest in the Restaurant Assets is a leasehold interest, the consideration for the assignment of the lease shall be limited to the assumption by us of your obligations under the lease with respect to the period of time commencing on the date of the lease assignment.

If we exercise this option, we shall notify you in writing within 45 days following the termination of this Agreement. In such notice, we shall set forth its estimate of the fair market value of the assets that we desire to purchase. If you and us cannot agree upon the fair market value of the assets that we desire to purchase, either we or you may request the American Arbitration Association pursuant to their Arbitration Guidelines to select a sole arbitrator, who in turn shall appoint an independent appraiser to determine the fair market value of such assets. This determination shall be binding upon the parties, except that we shall have 10 days to decline to purchase such assets for the value determined by the appraiser, by written notice to you. This manner of determining the fair market value of the Restaurant Assets shall be determined without regard to our desire to continue to operate the Restaurant or occupy the Restaurant premises. We and you shall each bear 50% of the cost of such arbitration.

In connection with the purchase of any Restaurant Assets pursuant to this Paragraph 18.13(g), we may Audit the books and records of the Restaurant, and solicit all known creditors and suppliers to determine the balance due and owing to them, if any, from you. We may then advise you as to any amounts due and owing to creditors and suppliers. If we determine that there are such creditors, you shall promptly furnish adequate evidence that such creditors have been paid in full. If any such amounts remain unpaid, we may pay the amounts due such creditors and deduct such amounts from the purchase price for the Assets otherwise due to you under this Paragraph 18.13. The balance of the purchase price, if any, shall be paid to you at the closing. The closing shall take place within 10 days following the agreement of us and you regarding the fair market value of the Assets to be purchased, or, if the fair market value of the assets is determined by an independent appraiser, within 10 days following the expiration of the 10 day period during which we may decline to purchase the assets at the appraised value.

(h) You shall fully abide by the covenants contained in Paragraph 16.2 which shall survive the expiration or termination of this Agreement; and

(i) In the event of the termination of this Agreement following a Franchisee Default, or if you terminate this Agreement without cause, you shall be liable to us for damages suffered by us, including lost future Royalty Fees to which we would have been entitled, but for the termination, had you operated the Restaurant for the remainder of the Term in compliance with this Agreement. Therefore, as to lost future Royalties, but not for any other damages suffered by Hungry Howie's, you shall pay us, within 60 days after termination, an amount equal to the minimum Royalty Fee for each Reporting Period for the remainder of the Term as if this Agreement had not terminated.

If any court or arbitration tribunal interprets the payment required under this Paragraph 18.13(i) not to be liquidated damages and determines the same to be invalid or unenforceable, because it is found to be either a penalty or not a reasonable estimate of actual damages, the amount of such payment shall be automatically amended to the extent necessary to be valid and enforceable by such court or arbitration tribunal.

The list of consequences of termination of this Agreement set forth in this Paragraph 18.13 is not intended to limit, exclude or act as a waiver of any other rights or remedies available to us, including the recovery of damages or equitable relief.

## 19. SECURITY INTEREST AND GUARANTY

19.1 SECURITY INTEREST AND COLLATERAL: You grant us a Security Interest in all of the Collateral to secure payment of any Indebtedness.

(a) ADDITIONAL DOCUMENTS: You will from time to time as required by us, execute any additional documents necessary for us to prefect our Security Interest in the Collateral (and any assignments, extensions or modifications thereof) in a form satisfactory to us.

(b) POSSESSION OF COLLATERAL: Upon Franchisee Default and termination of your rights under this Agreement, we shall have the immediate right to possession and use of the Collateral.

(c) REMEDIES: Upon the occurrence of a Franchisee Default, the full Indebtedness shall, at our option and without notice (unless required by applicable law), become due and payable immediately, and we shall then have the rights, options, duties and remedies of

a secured party under, and you shall have the rights and duties of a debtor under, the UCC of the state in which the Restaurant is located, including, without limitation, our right to take possession of the Collateral and without legal process to enter any premises where the Collateral is located. We may conduct a sale of the Collateral in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to you pursuant to the notice provisions set forth below in this Agreement.

(d) FINANCING STATEMENTS: This Agreement shall be deemed a Security Agreement and a Financing Statement. This Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated and/or may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined in or subject to the applicable provisions of the UCC as in effect in the appropriate jurisdiction. You hereby authorize us to file and record such Financing Statements and related documents, in such locations, and with such persons and governmental offices as we deem appropriate, desirable, or necessary to perfect, effectuate, complete, preserve, and/or continue our Security Interest in the Collateral. You hereby irrevocably appoint us, our agents and employees, as your lawful attorney-in-fact and agent with full power, authority and right to execute and file the Financing Statements, upon written notice to you, in your name and on behalf of you. Except as specifically provided herein, this Power of Attorney is irrevocable continuing and coupled with an interest.

19.2 GUARANTY: If you are not an individual, each Owner must execute the Guaranty at the time this Agreement or a New Agreement is signed. If there is a Transfer to a corporation, partnership or limited liability company, the individuals having an Ownership Interest in the Transferee must execute the Guaranty at the time the Transfer is consummated. Any individual who acquires an Ownership Interest in you after this Agreement is signed must execute the Guaranty at the time such Ownership Interest is acquired. Only Hungry Howie's may release a Guarantor from his obligations under the Guaranty.

## 20. RELATIONSHIP OF THE PARTIES

20.1 NO FIDUCIARY RELATIONSHIP: Nothing in this Agreement shall be construed so as to create a partnership, joint venture, agency (including general, special, limited and secret), fiduciary, trust or similar obligation or relationship between you and us.

20.2 YOU ARE AN INDEPENDENT CONTRACTOR: You are and shall be an independent contractor. None of your employees shall be deemed employees or joint employees of ours. You shall not obligate Hungry Howie's for any expenses, liabilities or other obligations. Only you have and shall exercise day-to-day control over all operations of the Restaurant. You acknowledge that we do not have day-to-day control over the operation of the Restaurant. We shall not exercise direct control over your Employment Practices. We shall not exercise indirect control over your Employment Practices except to the extent such indirect control is related to our legitimate interest in protecting the quality of the Products, service, the System or the Marks.

20.3 INDEPENDENT STATUS OF AGREEMENTS: You and we are entering into this Agreement independently and separately from any other Franchise Agreement or license that we may grant to any other person or entity. The terms of any franchise agreements or licenses with third parties, now and in the future, may be materially different with respect to any terms and conditions of this Agreement, including but not limited to Recurring Fees or Others Fees (such as royalty fees, advertising fees, technology fees or transfer fees), territorial exclusivity, renewals and training.

We may at our discretion enforce any covenant or provision of any other franchise agreement or license that we may grant to any other person or entity, and/or compromise, forgive or settle any amounts, claims or disputes with or against other franchisees or third persons. You cannot require us to disclose or grant to you a like or similar compromise, forgiveness or settlement any amounts, claims or disputes.

We may, in our sole discretion, vary the terms of, alter, amend or terminate any Franchise Agreement, license or other agreement with any third party. You are not entering into this Agreement in reliance on or because of any other agreement that we may have entered into with a third party.

## 21. NOTICES

21.1 DEFAULT NOTICES: Any Default Notice or Renewal Notice shall be in writing and delivered personally, Electronically, mailed via registered or certified mail return receipt requested, or sent by another means that affords the sender written evidence of delivery or attempted delivery. Any Default Notice or Renewal Notice sent by a means that affords the sender evidence of delivery or attempted delivery will be deemed to have been given and received on the date and time of receipt or attempted delivery. Default Notices and Renewal Notices shall be delivered to the respective parties at the addresses set forth on **Attachment B**, unless and until a different address has been designated by written notice to the other party. The time to deliver such notice and the delivery method specified shall be considered a material provision of this Agreement.

21.2 OTHER NOTICES: Unless prohibited by law, all other notices and/or correspondence made in the ordinary course of business will be conducted by then-current Electronic means as stated in the Manual and which may be revised, from time to time, by us in our sole discretion. The current form of Electronic means will be via the email address as set forth on **Attachment B**, unless and until (i) a different email address is designated by written notice to the other party; or (ii) another Electronic means is designated in the Manual, in which case each party will provide written notice of its contact information to the other party. If so prohibited by law, other notices and/or correspondence made in the ordinary course of business will be by first class mail to the address set forth on **Attachment B** unless and until a different address has been designated by written notice to the other party or by other means designated in this Agreement.

21.3 GUARANTOR NOTICES: Default Notices and other notices and/or correspondence made in the ordinary course of business as provided in this Paragraph 21 shall be deemed to have been provided to all Guarantors and we shall have no obligation to send a Default Notice or other notices and/or correspondence made in the ordinary course of business to Guarantors or any other person or entity.

## 22. APPROVAL, WAIVER AND MODIFICATION

22.1 APPROVAL: Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us, unless otherwise provided in this Agreement.

Unless otherwise provided in this Agreement or the Manual, no fee is paid directly to us to secure any approval. Unless otherwise provided in this Agreement or the Manual, there is no procedure to revoke a previously provided approval.

22.2 WAIVER: If we fail to (i) take any action or enforce any rights we may have as the result of a Franchisee Default, or (ii) insist upon the full performance of any term, covenant, condition or obligation of this Agreement, the foregoing shall not be considered a waiver by us of any Franchisee Default or of any term, covenant, condition or obligation of this Agreement, or of our right to insist upon the full performance of any term, covenant, condition or obligation of this Agreement in the future. If we waive a Franchisee Default or any term, covenant, condition or obligation of this Agreement, such waiver must be in writing and signed by an officer of Hungry Howie's to be enforceable.

22.3 MODIFICATION OF THIS AGREEMENT: No amendment, modification, variance or change from or to this Agreement will be effective unless signed by us and you.

## 23. APPLICABLE LAW, REMEDIES AND ENFORCEMENT OF THIS AGREEMENT

23.1 HEADINGS AND CONSTRUCTION: Any reference in this Agreement to the neuter or masculine gender shall be construed to refer to any or all of the neuter, masculine and feminine genders, and, where appropriate under the context, any references to the singular shall be construed to refer to the plural and the plural to the singular. References to paragraphs, sections, sub-paragraphs and sub-sections shall be for convenience and ease of reference and shall have no legal effect with respect to the rights and obligations of any party or the construction of such paragraph, section, sub-paragraph or sub-section.

23.2 INVALIDITY: If any portion of this Agreement is for any reason declared invalid or unenforceable, the validity of the remaining portions of this Agreement shall not be affected, and such remaining portions shall remain in full force and effect as if this Agreement had been executed without the invalid portion.

23.3 CHOICE OF LAW: This Agreement shall be interpreted and construed according to the laws of the State of Michigan, except for matters relating to arbitration, which shall be governed by the Federal Arbitration Act (9 USC Sec. 1 et. seq.) and matters concerning the Marks, which shall be governed by the United States Trademark Act of 1946 (Lanham Act, 15 USC Sections 1051 et. seq.). The State of Michigan currently has or may have in the future franchise or similar laws or regulations that govern franchise disclosure and relationships in the State of Michigan. Nothing in this Paragraph 23.3 is intended by the parties to subject this Agreement to any such franchise or similar law rule, or regulation of the State of Michigan to which it would not otherwise be subject. If, however, any provision of this Agreement would not be enforceable under the laws of Michigan, and if the Restaurant is located outside of Michigan and such provision would be enforceable under the laws of the state in which the Restaurant is located, then such provision shall be interpreted and construed under the laws of that state.

23.4 CHOICE OF VENUE: To the extent that it does not conflict with Paragraphs 23.3 and 23.5, the parties shall bring any action or proceeding against us, whether arising out of this Agreement or otherwise, in the state or federal judicial district in which the Restaurant is located and not in any other state or federal court in the United States of America or any court in any other country.

(a) You consent to the exclusive jurisdiction and venue of such courts for the purpose of any action or proceeding arising out of or relating in any way to this Agreement, including without limitation actions challenging the legal validity or enforceability thereof.

(b) You hereby waive all questions, pleadings and/or claims of personal jurisdiction or venue for the purpose of carrying out this Paragraph, and you shall not plead or make any claim that the state or federal judicial district in which we have our principal place of business is in an improper or otherwise inconvenient forum.

23.5 ARBITRATION: All disputes, claims or controversies arising out of or relating to this Agreement, the breach thereof, or the scope or validity of this Agreement shall be submitted and settled by final and binding arbitration. The validity and scope of the arbitration obligation under this Paragraph 23.5 shall also be determined by an arbitrator, not a court. This Paragraph 23.5 is separate from this Agreement and effective whether this Agreement is in force, expired, terminated, or rescinded. This Paragraph 23.5 is intended to benefit and bind certain third-party non-signatories and will continue in full force and effect after and notwithstanding expiration, termination, rescission, or Transfer of this Agreement. Arbitration shall be governed by the rules of the American Arbitration Association pursuant to the Arbitration Guidelines governing arbitration and shall be conducted in the State of Michigan, Oakland County, Michigan, unless applicable law requires an alternate venue.

(a) We and you agree that arbitration will be conducted on an individual, not a class-wide, basis, that only we (and our affiliates and our and their respective owners, officers, directors, agents, and employees, as applicable) and you (and your affiliates and your and their respective owners, officers, and directors, as applicable) may be the parties to any arbitration proceeding described in this Paragraph 23.5, and that no such arbitration proceeding may be consolidated or joined with another arbitration proceeding involving us and/or any other person. Despite the foregoing or anything to the contrary in this Paragraph 23.5, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Paragraph 23.5, then we and you agree that this arbitration clause will not apply to that dispute, and such dispute will be resolved in a judicial proceeding in accordance with this Paragraph 23 (excluding this Paragraph 23.5(a)).

(b) We and you shall be bound by the decision of the arbitrator and consent to the immediate entry of judgment upon such award in a court of competent jurisdiction.

23.6 INJUNCTIVE RELIEF: Nothing contained in Paragraph 23.5 shall limit or deprive either party of its right to apply for temporary injunctive relief from a court of competent jurisdiction against actual or threatened conduct which will cause irreparable injury, loss or damage or in matters concerning the health, safety or welfare of the general public.

23.7 WARRANTIES AND LIMITATION OF LIABILITIES: EXCEPT FOR THOSE EXPRESS WARRANTIES MADE IN THIS AGREEMENT, WE DISCLAIM ALL WARRANTIES, INCLUDING, WITHOUT LIMITATION, ANY EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. YOU HEREBY ACKNOWLEDGE THAT THERE ARE RISKS ASSOCIATED WITH THIS FRANCHISE AND YOU HEREBY ASSUME ALL SUCH RISKS EXCEPT AS MAY BE EXPRESSLY SET FORTH HEREIN.

WITHOUT LIMITING THE FOREGOING, WE SHALL NOT BE LIABLE TO YOU FOR LOST PROFITS, LOST BUSINESS OR ANY INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES (WHETHER OR NOT ARISING OUT OF CIRCUMSTANCES KNOWN OR FORESEEABLE BY US) SUFFERED BY YOU, YOUR CUSTOMERS OR ANY THIRD PARTY IN CONNECTION WITH THE OPERATION OF THE RESTAURANT OR THIS AGREEMENT. IN NO EVENT SHALL WE BE LIABLE FOR ANY DAMAGES OR LOSSES THAT

ARE WHOLLY OR PARTIALLY CAUSED BY YOU, OR YOUR EMPLOYEES, AGENTS OR CONTRACTORS. OUR LIABILITY RELATED TO OR ARISING OUT OF THIS AGREEMENT SHALL IN NO EVENT EXCEED AN AMOUNT EQUAL TO THE LESSER OF (i) ACTUAL MONETARY DAMAGES INCURRED BY YOU OR (ii) RECURRING FEES PAID TO AND RETAINED BY US FOR THE 12 CALENDAR MONTHS IMMEDIATELY PRECEDING THE DATE ON WHICH WE RECEIVED A WRITTEN NOTICE FROM YOU DETAILING OUR MATERIAL BREACH OR DEFAULT UNDER THIS AGREEMENT.

23.8 CUMULATIVE REMEDIES: All of our rights and remedies hereunder shall be cumulative and none shall be exclusive of any other rights allowed by law.

23.9 STATUTE OF LIMITATIONS: Except for payments owed by you to us and unless prohibited by applicable law, any and all claims and actions arising out of or relating to this Agreement shall be commenced within 1 year after the cause of action arose, or such claim or action shall be barred.

23.10 WAIVER OF JURY TRIAL: We and you acknowledge that the right to trial by jury is a constitutional one, but that it may be waived. Each party, after consulting (or having had the opportunity to consult) with counsel of its choice, knowingly and voluntarily, waives any right to trial by jury in the event of litigation regarding the performance or enforcement of, or in any way related to, this Agreement.

23.11 CLASS ACTION SUITS: You waive, to the fullest extent permitted by law, the right to bring, or be a class member in, any class action suit relating to any dispute, controversy or claim arising out of or related to this Agreement or arising out of any breach or alleged breach of this Agreement.

23.12 ATTORNEYS' FEES: Should we incur attorneys' fees, costs and expenses in order to enforce the terms and conditions of the Agreement, whether in a court or an arbitration proceeding, regardless of which party files first, or whether it is a claim, counterclaim or defense, if we prevail, you shall reimburse us for such reasonable attorneys' fees, costs and expenses.

## 24. GENERAL PROVISIONS

24.1 BENEFIT: This Agreement shall inure to the benefit of Hungry Howie's and its successors and assigns. All or parts of our rights under this Agreement are fully assignable. The Franchise or this Agreement may not be transferred or assigned by you in whole or in part, except as specifically permitted in this Agreement. Unless specifically provided for under this Agreement, this Agreement shall not confer any rights upon any party other than you and Hungry Howie's.

24.2 ENTIRE AGREEMENT: This Agreement and any attachments, addenda, exhibits, schedules or any other documents referred to this Agreement, including but not limited to the Manual, and any ancillary agreements signed at the same time as this Agreement will:

(a) Constitute the entire agreement between you and us;

(b) Contain all of the agreements, covenants, promises, representations, warranties or guaranties of the parties with respect to this subject matter;

(c) Supersede any and all prior or contemporaneous agreements, covenants, promises, representations, warranties, or guaranties of the parties, whether oral, written, express or implied, between the parties with respect to this subject matter; and

(d) Be binding on you and us.

In addition, as provided in Paragraph 15, the standards and policies periodically established or revised by us, as set forth in the Manual or otherwise, shall be binding upon you and shall be considered part of this Agreement.

Nothing in this or in any related agreement is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

24.3 SURVIVAL: The continuing obligations of you, the Owners and the Guarantors shall survive the termination of this Agreement.

## 25. SMALL BUSINESS ADMINISTRATION LOANS

THIS SECTION IS RESERVED.

## 26. YOUR REPRESENTATIONS TO US

In connection with the execution and evaluation of this Agreement, you acknowledge that we would not enter into this Agreement with you if you did not provide to us the representations and warranties in this Paragraph 26, and that the representations and warranties are true, correct and accurate in all respects at the time you sign this Agreement. The acknowledgments in clauses (c) through (g) below apply to all franchisees and franchises except not to any franchiaees and franchise that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Daokta, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin. As such, you represent and warrant to us as follows:

(a) DELIVERY OF DISCLOSURE DOCUMENT: You received a copy of Hungry Howie's Franchise Disclosure Document at least 14 calendar days before signing this Agreement, or any related agreement.

(fb EXISTENCE OF OTHER FRANCHISE AGREEMENTS: You acknowledge that Hungry Howie's may have entered into franchise agreements with provisions different than those in this Agreement and may enter into franchise agreements in the future with provisions different than those in this Agreement.

(c) ACKNOWLEDGMENT OF RISK: You acknowledge that the business you will operate under this Agreement involves risk and that any success or failure will be substantially influenced by the ability and efforts of you, the Operator(s), the visibility of the Restaurant's location, and the number and strength of competitors.

(d NO EARNINGS CLAIMS: Except as provided in the Franchise Disclosure Document provided to you, prior to execution of this Agreement, neither Hungry Howie's nor any of its representatives has either orally or in writing, represented, estimated or projected any

specified level of sales, costs or profits for the Restaurant, nor represented the sales, costs or profit level of any other Hungry Howie's Unit.

€ OPPORTUNITY TO CONSULT: You have consulted with or had ample opportunity to consult with independent professional advisors, including attorneys, accountants, and real estate and other advisors of your choosing, in connection with your decision to enter into this Agreement and, on the basis of such consultation, represent that you are financially and otherwise able to accept the risks associated with the Restaurant and this Agreement.

(f) ADEQUATE FUNDING: You have, or have secured access to, adequate funds, and have otherwise made complete and adequate preparations to open and operate the Restaurant for business.

(g) INDEPENDENT INVESTIGATION: You have conducted your own independent investigation of Hungry Howie's, the System, and the risks, burdens and nature of the business you will operate under this Agreement.

(h) NO STATEMENT, QUESTIONNAIRE, OR ACKNOWLEDGEMENT: No statement, questionnaire, or acknowledgement 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.

(i) ANTI-TERRORISM LAWS: You, the Owners and their respective officers, directors and agents, certify, represent and warrant to Hungry Howie's that neither they, nor any of their properties or interests are subject to being blocked under, have not violated any and shall not violate any Anti-Terrorism Laws.

IN WITNESS WHEREOF, the parties have signed this Agreement on the day and year set forth below.

**[SIGNATURES ON THE FOLLOWING PAGE]**

**[SIGNATURE PAGE OF THE FRANCHISE AGREEMENT]**

FRANCHISOR:

HUNGRY HOWIE'S PIZZA & SUBS, INC.

Dated: _____

By:_____
STEVEN E. JACKSON
Its: President

YOU:

Dated: _____

By:_____
[Name]
Its: _____

## STATE SPECIFIC ADDENDUM TO FRANCHISE AGREEMENT

NO WAIVER OR DISCLAIMER OR RELIANCE IN CERTAIN SATES

The following provision applies only to franhcisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota ,Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

No statement, questionnaire, or acknowledgement 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.

## ATTACHMENT A

INITIAL FRANCHISE FEE,
GEOGRAPHIC AREA IN WHICH
RESTAURANT WILL BE LOCATED

1. FRANCHISE FEE

In accordance with Paragraph 5 the following represents the initial franchise fee which is to paid to us upon execution of this Agreement by you: $_____.

2. LOCATION OF RESTAURANT

In accordance with Paragraph 3.1 the location of the Restaurant shall be in the geographic area described as:

_____

ATTACHMENT B

YOUR INFORMATION

**1. Your Information:**

(a) If you are individuals, the names and percentage of ownership of each individual is as follows:

| Your Names | Percentage of Ownership Interest |
|---|---|
| | |
| | |
| | |

(b) If you are a corporation, limited liability company, or partnership:
Your legal name is: _____.

You were incorporated, organized or formed on _____
under the laws of the State of _____.

A copy of your Articles of Incorporation/Articles of Organization/Certificate of Partnership is attached as **Attachment C**.

The names and percentage of ownership of each stockholder, member or partner of you is as follows:

| Owner's Name | Percentage of Ownership Interest |
|---|---|
| | |
| | |
| | |
| | |

The following is a list of your directors, if applicable:

| Director Name |
|---|
| |
| |
| |
| |

The following is a list of your officers, if applicable:

| Officer Name | Officer Title |
|---|---|
| | |
| | |
| | |
| | |

**2. Notice Information.** The name of the Designated Franchisee is: _____.

Notice to the Designated Franchisee, as provided in Paragraph 21 of the Franchise Agreement, at the following address:

Email:_____
Mobile/Text Message Number:_____
Address:_____

**3. Identification of Operator.** The Operator who will be involved in the conduct and operation of the Restaurant pursuant to Paragraph 10.3 of the Franchise Agreement and whose identity and/or information cannot be changed without our prior written approval is: _____ _____.

Email:_____
Mobile/Text Message Number:_____
Address:_____

*May not be changed without prior written notice to Hungry Howie's.

You certify that the information contained in this **Attachment B** is true and correct.

YOU:
(SOLE PROPRIETOR) or (CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP):

Dated:_____
By:_____
Title:_____

## ATTACHMENT C

ARTICLES OF INCORPORATION/ORGANIZATION OR CERTIFICATE OF PARTNERSHIP

[TO BE ATTACHED BY YOU]

## ATTACHMENT D

GUARANTY

RECITALS:

A. The undersigned individuals (the "Owners") are the [stockholders] [partners] [members] of _____, [a] [an] _____ [corporation] [partnership] [limited liability company] ("Franchisee").

B. Franchisee and HUNGRY HOWIE'S PIZZA & SUBS, INC., a Michigan corporation ("Hungry Howie's") are parties to a Franchise Agreement, dated _____ (the "Franchise Agreement").

C. To induce Hungry Howie's to [enter into the Franchise Agreement] [to consent to an assignment of the Franchise Agreement to you] [to consent to purchase of an ownership interest in Franchisee] and as security for Franchisee's performance of the Franchise Agreement, the Owners are executing this Guaranty.

NOW, THEREFORE, the Owners hereby agree as follows:

1. For value received, the Owners hereby jointly and severally guaranty the payment of any and all amounts, and the performance of any and all other actions, which Franchisee is or may become liable to pay or perform under the Franchise Agreement (the "Obligations"). If Franchisee fails to pay or perform any Obligation when due, the Owners, jointly and severally, shall pay or perform such Obligation immediately upon demand by Hungry Howie's. The liability of the Owners under this Guaranty shall be absolute, unconditional, irrevocable and continuing.

2. Hungry Howie's shall not be required to pursue or exhaust any of its rights or remedies against Franchisee or any other person for the collection or performance of any Obligation prior to demanding payment or performance from the Owners under this Guaranty.

3. The Owners hereby consent to the following, which shall not affect or discharge any of their obligations under this Guaranty:

(a) The extension of time for payment or performance of any Obligation;

(b) The change in any term of the Franchise Agreement;

(c) The acceptance by Hungry Howie's of any Promissory Note or security of any kind with respect to any Obligation;

(d) The surrender, release, exchange or alteration of any collateral or other security held by Hungry Howie's with respect to any Obligation; and

(e) Any requirement that Hungry Howie's protect, secure, perfect or insure any security interest or lien or any property subject thereto, or exhaust any right or take any action against the Debtor or any other person or entity or any collateral.

4. The Owners hereby waive notice of all the following:

(a) Acceptance of this Guaranty by Hungry Howie's;

(b) The sale and delivery of any portion of any collateral held by Hungry Howie's with respect to any Obligation, to the extent allowed by law;

(c) The amount of the Obligations;

(d) Any extension of time for the payment or performance of any Obligation; and,

(e) Demand for payment, default, non-payment, presentment and protest as to any Obligation.

5. This Guaranty shall continue in effect until all Obligations are paid or performed in full, and shall be binding upon the heirs, personal representatives, successors and assigns of the Owners.

6. The Owners shall pay or reimburse Hungry Howie's for any and all expenses incurred by Hungry Howie's in enforcing this Guaranty, including reasonable attorney's fees.

7. The Owners shall be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Agreement including, but not limited to, the terms of the covenants not to compete contained Paragraph 16, Hungry Howie's right of first refusal and restrictions on Transfers contained in Paragraph 17, the post termination obligations contained in Paragraph 18 and the mandatory arbitration provisions in Paragraph 23.5.

8. The Owners acknowledge that notices will be sent only as set forth in Paragraph 21 of the Franchise Agreement.

9. This Guaranty shall be deemed to have been entered into in the State of Michigan and shall be construed according to the laws of the State of Michigan. Any reference in this Guaranty to the neuter or masculine gender shall be construed to refer to any or all of the neuter, masculine and feminine genders, and any references to the singular shall also be construed to refer to the plural, where appropriate under the context.

10. Any action involving this Guaranty or any of the terms or obligations hereof shall be commenced in the State of Michigan and subject to the arbitration provisions contained in Paragraph 23.5.

11. Hungry Howie's and the Owners waive, to the fullest extent permitted by law, the right to trial by jury.

12. Except for payments owed by the Owners to Hungry Howie's and unless prohibited by applicable law, any and all claims and actions arising out of or relating to this Guaranty shall be commenced within 1 year from the discovery of facts giving rise to any such claim or action, or such claim or action shall be barred.

13. The Owners waive, to the fullest extent permitted by law, the right to bring, or be a class member in, any class action suit relating to any dispute, controversy or claim arising out of or related to this Guaranty or arising out of any breach or alleged breach of this Guaranty.

14. If any portion of this Guaranty is for any reason declared invalid or unenforceable, the validity of the remaining portions of this Guaranty shall not be affected, and such remaining portions shall remain in full force and effect as if this Guaranty had been executed without the invalid portion.

**[SIGNATURES ON THE FOLLOWING PAGE]**

## SIGNATURE PAGE FOR ATTACHMENT D: GUARANTY

Dated: _____ _____

Dated: _____ _____

Dated: _____ _____

## ATTACHMENT E

ASSIGNMENT OF TELEPHONE NUMBERS

The undersigned hereby assigns to Hungry Howie's Pizza & Subs, Inc. ("Hungry Howie's") the telephone number or numbers and fax numbers which shall be used in connection with the operation of Hungry Howie's No. _____ located at _____ (the "Numbers").

In addition, the undersigned hereby authorizes and directs the telephone company which issued and/or services the Numbers to transfer the Numbers to Hungry Howie's or as directed by Hungry Howie's.

The undersigned shall sign any further documentation requested by Hungry Howie's or the telephone company which issued and/or services the Numbers to implement the forgoing.

FRANCHISEE:

Dated:_____

By:_____
Name
Its:_____

## ATTACHMENT F

**(This Franchisee Disclosure Questionnaire will not be used if the franchise is to be operated in, or you are a resident of, California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin)**

**DO NOT SIGN THIS FRANCHISEE DISCLOSURE QUESTIONNAIRE IF THE FRANCHISE IS TO BE OPERATED IN, OR YOU ARE A RESIDENT OF, CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.**

PRE-SIGNING QUESTIONNAIRE

You and Hungry Howie's are entering into this Agreement or Guaranty, and we require that you and all Owners signing the Guaranty complete and make the acknowledgements and representations contained in this questionnaire. In this Attachment F "you" or "your" shall mean either the Franchisee or the Guarantor. Capitalized terms are as defined in the Franchise Agreement.

Hungry Howie's takes its disclosure obligations to you seriously. It is important that your decision to establish, own and operate the Restaurant is based upon information disclosed to you in the Franchise Disclosure Document (the "FDD") and your own independent investigation of the Hungry Howie's System. If you have been provided any information in addition to or which contradicts the information disclosed in the FDD, please advise Hungry Howie's so that it may take appropriate action. Please review each of the following questions carefully and provide honest and complete responses to each question. If you need additional space to respond to any questions, please attach an additional sheet.

Acknowledgements and Representations

1. Did you receive the FDD (and all Exhibits and any attachments thereto) at least 14 calendar days prior to signing the Franchise Agreement and any related agreements and documents?

   Check one: Yes [_____] No [_____]

   If No, please explain: _____

   _____

2. Have you read and reviewed the FDD, the Franchise Agreement and all other related agreements and documents you will be signing?

   Check one: Yes [_____] No [_____]

   If No, please explain: _____

   _____

3. Do you understand the FDD, the Franchise Agreement and all other related agreements and documents you will be signing?

   Check one: Yes [_____] No [_____]

   If No, please explain: _____

   _____

4. Have you had the opportunity to consult with advisors of your choosing, including attorneys, accountants, real estate and other advisors?

   Check one: Yes [_____] No [_____]

   If No, please explain: _____

5. Were any claims, promises, agreements, understandings, or statements made to you which are inconsistent with the FDD, the Franchise Agreement and all other related agreements and documents you will be signing?

   Check one: Yes [_____] No [_____]

   If Yes, please explain and identify the person who made the statement: _____

6. Excluding any rights granted to you pursuant to an Area Developer Multiple Unit Agreement, did Hungry Howie's promise that you will have future Development Rights or a right of first refusal or option rights to any area or location other than the location of the Restaurant?

   Check one: Yes [_____] No [_____]
   If Yes, please explain and identify the person who made the statement: _____

7. Did Hungry Howie's make any promises or guarantees regarding the value, purchase, sale, repurchase or resale of the Restaurant or any other Hungry Howie's Unit?

   Check one: Yes [_____] No [_____]

   If Yes, please explain and identify the person who made the statement: _____

8. Except as stated in Item 19 of the FDD, did anyone associated with Hungry Howie's make statements inconsistent with Item 19 concerning the sales, earnings or expenses relating to a Hungry Howie's restaurant?

   Check one: Yes [_____] No [_____]

   If Yes, please explain and identify the person who made the statement: _____

9. Excluding any rights granted to you pursuant to an Area Developer Multiple Unit Agreement, do you understand that the franchise is granted to you for the right to establish a Restaurant in the geographic area set forth on Attachment A of the Franchise Agreement, and that your Territory will be a 1 mile radius around the Restaurant?

   Check one: Yes [_____] No [_____]

   If No, please explain: _____

10. Do you understand that Hungry Howie's may establish, operate or enfranchise a Non-Traditional Restaurant, described in Paragraph 3.14 of the Franchise Agreement within your Territory; that the Franchise Agreement does not prohibit any other franchisees from making deliveries into your Territory; that there are no restrictions on Hungry Howie's or other franchisees from soliciting or accepting orders from consumers in your Territory, including the use of channels of distribution, such as the Internet, telemarketing or other direct marketing, and to make sales to consumers, in your Territory?

Check one: Yes [_____] No [_____]

If No, please explain: _____

_____

11. Do you understand that you are required to operate the Restaurant according to the Hungry Howie's System, including the Manual and all standards, policies and specifications which will be periodically established or revised by Hungry Howie's?

Check one: Yes [_____] No [_____]

If No, please explain: _____

_____

12. Do you understand that during the first year of operation of the Restaurant, Hungry Howie's will designate an accountant for the preparation of the income statements and balance sheets required to be submitted to Hungry Howie's after each group of 4 weekly reporting periods?

Check one: Yes [_____] No [_____]

If No, please explain: _____

_____

13. Do you understand that at any time during the Term of this Agreement, Hungry Howie's has the right to name one or more Designated Suppliers and you are required to utilize such Designated Suppliers for products and service used for the Restaurant including accounting services, architectural services, equipment and fixtures, ingredients and supplies, beverages, uniforms, insurance, and other products and services for the Restaurant?

Check one: Yes [_____] No [_____]

If No, please explain: _____

_____

14. Do you understand that you (or in the event of a proposed Transfer, the Transferee) might be required to deposit money for grand opening marketing and initial marketing in escrow with Hungry Howie's, as follows: (i) $15,000.00 due on the date the Restaurant location is submitted to Hungry Howie's for its consent, or (ii) $15,000.00 as a condition to relocating or closing and re-opening the Restaurant, or (iii) $15,000.00 as a condition to a Transfer?

Check one: Yes [_____] No [_____]

If No, please explain: _____

_____

15. Have you conducted your own independent investigation of the Hungry Howie's System, the risks, burdens and nature of the business you will operate under the Franchise Agreement?

Check one: Yes [_____] No [_____]

If No, please explain: _____

_____

16. Do you understand that the business you will operate under the Franchise Agreement involves risk and that any success or failure will be substantially influenced by, among other things, your ability and efforts, the Owner Operator(s), and the visibility of the Restaurant's location and the number and strength of competitors?

Check one: Yes [_____] No [_____]

If No, please explain: _____

_____

17. Do you understand that Hungry Howie's may have entered into Franchise Agreements with provisions different than those in the Agreement and that Hungry Howie's may enter into Franchise Agreements in the future with provisions different than those in this Agreement?

Check one: Yes [_____] No [_____]

If No, please explain: _____

_____

18. Do you understand that you and your Owners are bound by the in-Term and post-Term non-compete, non-solicitation and other covenants contained in Paragraph 16 of the Franchise Agreement and that any violation of the covenants is a default under the and may result in termination of the Agreement and/or injunction?

Check one: Yes [_____] No [_____]

If No, please explain: _____

_____

19. Were the names of all franchise sellers involved in this franchise sales process identified on the FDD Receipt?

Check one: Yes [_____] No [_____]

If No, please identify any additional franchise sellers involved in this franchise sales process: _____

_____

20. You further acknowledge that the President of the United States of America has issued Executive Order 13224 (the “Executive Order”) prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the “Anti-Terrorism Measures”). Hungry Howie’s therefore requires certain certifications that the parties with whom it deals are not directly or indirectly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with you, is:

a. a person or entity listed in the Annex to the Executive Order;
b. a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;
c. a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or
d. owned or controlled by terrorists or sponsors of terrorism.

Check one: Yes [_____] No [_____]

If No, please explain: _____

_____

YOU ACKNOWLEDGE AND UNDERSTAND THAT HUNGRY HOWIE'S WILL RELY ON THE STATEMENTS, REPRESENTATIONS AND ANSWERS TO THIS QUESTIONNAIRE. BY SIGNING THIS QUESTIONNAIRE, YOU ARE CERTIFYING AND REPRESENTING THAT YOU HAVE REVIEWED EACH QUESTION AND RESPONDED TRUTHFULLY AND THOROUGHLY.

YOU:

Dated:_____

By:_____
Name:

Its:_____

State of _____
County of _____

On _____, before me, a Notary Public, in and for the said County and State, to me personally known, who, being by me sworn did say that _____ as an officer of _____ and individually, did execute the above said document of his/her own free act and deed.

Subscribed and sworn before me this _____ day of _____, 20____, in _____ County, Michigan.

_____
Notary Public of _____ County, _____
acting in _____ County, _____
My Commission Expires: _____
SEAL

## ATTACHMENT G

## AREA DEVELOPER MULTIPLE UNIT ADDENDUM

**[ADMUA IS TO BE ATTACHED HERE IF APPLICABLE; SEE EXHIBIT F TO FDD]**

## ATTACHMENT H

**[STANDARD LEASE RIDER IS TO BE ATTACHED HERE; SEE EXHIBIT G TO FDD]**

## ATTACHMENT I

**[GENERAL RELEASE IS TO BE ATTACHED HERE, IF APPLICABLE;
SEE EXHIBIT H TO FDD]**

## ATTACHMENT J

**[CONFIDENTIALITY AGREEMENT IS TO BE ATTACHED HERE; SEE EXHIBIT I TO FDD]**

**Exhibit F:**
**Area Developer Multiple Unit Addendum**

THIS AREA DEVELOPER MULTIPLE UNIT ADDENDUM (this "Addendum") is made and entered into by and between the undersigned franchisee ("you" or "your") and HUNGRY HOWIE'S PIZZA & SUBS, INC., a Michigan corporation ("Hungry Howie's", "our", "us" or "we"), with offices located at 30300 Stephenson Highway, Suite 200, Madison Heights, Michigan 48071 as of the date it is signed by an authorized representative of Hungry Howie's.

## RECITALS

A. Hungry Howie's and you entered into a Franchise Agreement dated the same date as this Addendum (the "Franchise Agreement").

B. Hungry Howie's and you desire to enter into this Addendum in order to provide you the right to establish other Hungry Howie's Restaurants in a specified area in a limited period of time.

NOW, THEREFORE, the parties agree as follows:

## 1. GRANT OF DEVELOPMENT RIGHTS

1.1 YOUR DEVELOPMENT RIGHTS: Subject to the terms of this Addendum, we grant you Development Rights. The specified additional number of Hungry Howie's Units is described in **Exhibit A Part 1** and includes the Restaurant (the "Scheduled Units"). The geographic area(s) for such Development Rights are described in **Exhibit A Part 2** (the "Development Area"). The mandatory time schedule is described in **Exhibit A Part 3** (the "Development Schedule").

1.2 OUR OBLIGATIONS TO YOU: Subject to any other rights we reserve under Paragraph 3.16 of the Franchise Agreement, and provided you are in strict compliance with this Addendum, the Franchise Agreement and all New Agreements, we will not establish or franchise any other Hungry Howie's Units having their physical locations within the Development Area (as defined in Exhibit A Part 2). Hungry Howie's reserves the right to establish or franchise other Hungry Howie's Units having their physical locations outside of any Development Area.

1.3 NO RESTRICTIONS ON OTHER ACTIVITIES: Except for the restrictions in this Paragraph 1, this Addendum imposes no restrictions on our (and our affiliates') activities within the Development Zone during this Addendum's term. You acknowledge and agree that we and our affiliates have the right to engage, and grant to others the right to engage, in any other activities of any nature whatsoever within the Development Zone. After this Addendum expires or is terminated (regardless of the reason for termination), we and our affiliates have the right without any restrictions whatsoever to establish, and grant to others the right to establish, Hungry Howie's Units that have their physical locations within the Development Zone and to continue to engage, and grant to others the right to engage, in any other activities we (and they) desire within the Development Zone.

YOU ACKNOWLEDGE AND AGREE THAT TIME IS OF THE ESSENCE UNDER THIS ADDENDUM AND YOUR RIGHTS UNDER THIS ADDENDUM ARE SUBJECT TO TERMINATION (WITHOUT ANY CURE OPPORTUNITY) IF YOU DO NOT COMPLY STRICTLY

WITH THE DEVELOPMENT OBLIGATIONS PROVIDED IN THE DEVELOPMENT SCHEDULE. WE MAY ENFORCE THIS ADDENDUM STRICTLY.

## 2. LOCATION SUBMISSIONS AND APPROVALS

2.1 LOCATION SELECTION: We may provide lesser degrees of advice, guidance and assistance to you, as may be described in Paragraph 3 or elsewhere in the New Agreement (or similar provision governing location selection and approval in a New Agreement), for the Scheduled Units, based on our determination of your need for our advice, guidance and assistance. In granting you the Development Rights, we are relying on your knowledge of the real estate market and your ability to locate and access locations within the Development Zone.

2.2 LOCATION APPROVAL OF SCHEDULED UNITS: You shall submit to us for our approval a proposed location for each Scheduled Unit you wish to develop under your Development Rights, in accordance with Paragraph 3 of the Franchise Agreement or a similar provision governing location approval in a New Agreement.

2.3 SEPARATE APPLICATION FOR EACH SCHEDULED UNIT: At the time you submit to us a proposed location, you must send us a separate application for each Scheduled Unit you wish to develop under your Development Rights, along with any other information or materials we reasonably request.

## 3. DEVELOPMENT OBLIGATIONS

3.1 SCHEDULED UNITS TO OPERATE UNDER SEPARATE NEW AGREEMENTS: You will operate each Scheduled Unit under a separate New Agreement with us. Once executed, the New Agreement and any other related documents shall be the effective documents governing such Scheduled Unit. Notwithstanding anything to the contrary contained in the Franchise Agreement or a New Agreement, the Scheduled Units must be open and operating no later than the dates specified in the Development Schedule.

3.2 TIMING OF NEW AGREEMENT EXECUTION: You must execute a New Agreement and any other related documents with us for each Scheduled Unit no later than whichever of the following events is first in time:

(1) 30 days after a location for a Scheduled Unit is approved by us; or

(2) The date specified in the Development Schedule.

3.3 CONTINUOUS OPERATION: Each of the Scheduled Units must operate continuously throughout the term of this Addendum.

3.4 COMPLIANCE WITH NEW AGREEMENTS: Each of the Scheduled Units must be in compliance with its respective New Agreement and related documents throughout the term of this Addendum.

## 4. NO GRANT OF SUB-FRANCHISING RIGHTS OR RIGHTS TO THE MARKS

This Addendum does not give you any right to franchise, license, sub-franchise, or sublicense others to develop and operate Hungry Howie's Units. This Addendum also does not give you any right to use the Marks. The right to use the Marks arises only under franchise

agreements signed directly with us. Only you (and/or approved Affiliated Entities) may develop, open, and operate Hungry Howie's Units pursuant to this Addendum. This Addendum only grants you potential Development Rights if you strictly comply with its terms.

## 5. DEVELOPMENT FEE

5.1 PAYMENT OF THE DEVELOPMENT FEE: Upon execution of this Addendum you shall pay to us in a lump sum the amount specified on **Exhibit A Part 4** (the "Development Fee"). The Development Fee equals the Franchise Fee due under the Franchise Agreement plus any deposit as may be specified on **Exhibit A Part 4** for each Scheduled Unit you agree to develop under the Development Schedule. The Development Fee is in consideration for the rights we grant you in this Addendum and for reserving the Development Zone for you to the exclusion of others and is fully earned by us when we and you sign this Addendum. The Development Fee is considered fully earned and no portion of the Development Fee is refundable under any circumstances, even if you do not comply or attempt to comply with the Development Schedule and we then terminate this Addendum for that reason. All fees are non-refundable. The balance of the initial Franchise Fee for each Scheduled Unit shall be paid at the time the New Agreement for the Scheduled Unit is signed.

5.2 INITIAL FRANCHISE FEES FOR SCHEDULED UNITS: While the Development Fee is not refundable under any circumstances, when you (or your Affiliated Entity) sign a New Agreement for each Scheduled Unit, we will apply a portion of the Development Fee toward the initial franchise fee due for that Scheduled Unit, in accordance with Exhibit A to this Addendum. Any balance of the initial Franchise Fee for each Scheduled Unit must be paid at the time the New Agreement is signed.

## 6. TERMINATION

6.1 TERMINABLE EVENTS: This Addendum, including all of your current or future Development Rights terminate, effective upon our written notice to you and without the need for further notice, upon the occurrence of any of the following events:

(a) Your failure to establish, open and operate any of the Scheduled Units in the Development Zone according to the Development Schedule, or your failure to otherwise satisfy any of your obligations under this Addendum; or

(b) The Franchise Agreement or a New Agreement for a Scheduled Unit is terminated (1) by us in compliance with such agreement's terms or (2) by you for any reason; or

(c) Your failure to cure any Franchisee Default, within any applicable cure period, under the Franchise Agreement or any New Agreement executed by you pursuant to your Development Rights, regardless of whether or not such agreement is terminated; or

(d) a Transfer of the Franchise Agreement or any or all New Agreements prior to the completion of the Development Schedule.

6.2 TERMINATION OF ADDENDUM DOES NOT AFFECT OTHER FRANCHISE AGREEMENTS: The expiration or termination of this Addendum shall not affect the obligations of the parties under the Franchise Agreement or any New Agreement that has been executed in connection with a Scheduled Unit.

6.3 TERMINATION OF ADDENDUM IS NOT A TERMINATION OF FRANCHISE RIGHTS: The expiration or termination of this Addendum shall not be deemed to terminate any franchise rights because no franchise rights are granted under this Addendum and franchise rights arise only under franchise agreements signed directly with us.

6.4 RETENTION OF DEVELOPMENT FEE & DAMAGES: If the Addendum terminates or expires pursuant to Paragraphs 6.1(a), (b), (c), or (d) of this Addendum, we will be entitled to keep the Development Fee (which are non-refundable). We may seek damages under the Franchise Agreement or any New Agreements that have been executed; however, we will not be entitled to recover any damages from you due solely to your failure to comply with the Development Schedule.

## 7. ASSIGNMENT

7.1 DEVELOPMENT RIGHTS ARE NOT ASSIGNABLE: Your Development Rights under this Addendum are not assignable at all. This means we will not under any circumstances allow the Development Rights to be transferred. A transfer of the Development Rights would be deemed to occur (and would be prohibited) if there is an assignment of the Franchise Agreement, a transfer of a controlling Ownership Interest, a transfer of this Addendum separate and apart from the Franchise Agreement, or any other event attempting to assign the Development Rights.

7.2 TRANSFER OF A NON-CONTROLLING OWNERSHIP INTEREST: Only a Transfer of a non-controlling Ownership Interest (49.9% or less) is permitted (and would not be deemed to be a transfer of your Development Rights), subject to the terms and conditions of Paragraph 17 of the Franchise Agreement or a similar provision in a New Agreement.

## 8. MISCELLANEOUS

8.1 CAPITALIZED TERMS: All capitalized terms shall be as defined in the Franchise Agreement unless otherwise defined in this Addendum.

8.2 ADDENDUM CONTROLS: To the extent that any provisions of this Addendum conflict with the Franchise Agreement or any New Agreement or any other related documents to be executed pursuant to a Scheduled Unit, the provisions of this Addendum shall control. Otherwise all terms and conditions of the Franchise Agreement and/or New Agreement shall still apply.

8.3 COMPLIANCE WITH LAWS: The parties shall comply with all federal, state, and local laws related to the sale of each New Agreement or any other related documents to be executed by the parties in accordance with this Addendum.

**[SIGNATURES ON THE FOLLOWING PAGE]**

**[SIGNATURE PAGE TO THE AREA DEVELOPER MULTIPLE UNIT ADDENDUM]**

IN WITNESS WHEREOF, the parties have signed this Addendum on the date set forth below.

FRANCHISOR:

HUNGRY HOWIE'S PIZZA & SUBS, INC.
a Michigan Corporation

Dated:_____ By:_____
STEVEN E. JACKSON
Its: President

YOU:

Dated:_____ By:_____
Name

Its:_____

**EXHIBIT A**
**TO AREA DEVELOPER MULTIPLE UNIT ADDENDUM**

1.1 YOUR DEVELOPMENT RIGHTS: Subject to the terms of this Addendum, we grant you Development Rights. The specified additional number of Hungry Howie's Units is described in **Exhibit A Part 1** and includes the Restaurant (the "Scheduled Units"). The geographic areas for such Development Rights are described in **Exhibit A Part 2** (referred to as the "Development Zone"). The mandatory time schedule is described in **Exhibit A Part 3** (the "Development Schedule").

**Part 1: SCHEDULED UNITS**

You will develop a total number of _____ Scheduled Units, which includes the Restaurant (No._____).

**Part 2: DEVELOPMENT ZONES**

The table and maps below identify the Development Zone, which consists of [__] individual development areas that are outlined within the black lines (including the black lines). Each shall be considered a "Development Area". Any area outside of a Development Area shall not be considered part of the Development Zone. The Development Zone is located in the [_____] DMA.

shall submit a proposed location within a Development Area in accordance with Paragraph 2.2 of the Addendum. Once a location is approved and a lease is fully executed for a Scheduled Unit in a Development Area, such Development Area is no longer part of the Development Zone and you are not permitted to put an additional Scheduled Unit in such Development Area.

| Latitude, Longitude | City |
|---|---|
| | |
| | |
| | |

Each pin point on the map below represents a latitudinal/longitudinal point in the table above with a two-mile radius around such point. In the event of a conflict between a table and the image, the table shall control.

[INSERT MAP HERE]

**Part 3: DEVELOPMENT SCHEDULE**

You will develop the __ Scheduled Units within the Development Zone according to the following Development Schedule:

| Scheduled Unit Number | Date by which Franchise Agreement/ New Agreement Must be Signed | Date by which Scheduled Unit Must be Opened | Amount of Development Fee to be Paid when Franchise Agreement is Signed | Additional Amount to be Paid when New Agreement is Signed | Cumulative Number of Scheduled Units to Be Open and Operating in the Development Zone No Later than the Date by which Scheduled Unit Must be Opened |
|---|---|---|---|---|---|
| 1 | Concurrently with this Addendum | | $25,000.00 | $0.00 | 1 |
| 2 | | | | | 2 |
| 3 | | | | | 3 |
| 4 | | | | | 4 |
| 5 | | | | | 5 |

**Part 4: DEVELOPMENT FEE**

The Development Fee is a non-refundable lump sum amount of $_____. If the Development Schedule is completed, the total due and payable under this Addendum is $_____. As stated in Paragraph 5.1 of the Addendum, the Development Fee equals the Franchise Fee due under the Franchise Agreement plus $_____ for each Scheduled Unit you agree to develop under the Development Schedule. At the time a New Agreement is signed for each Scheduled Unit, a remaining balance of $_____ is due for such Scheduled Unit.

You must pay the Franchise Agreement Opening Fee for each Scheduled Unit on the due date stated in the Franchise Agreement or New Agreement. No amounts due under this Addendum include the Franchise Grand Opening Fee of $15,000.00 (or the then-current amount as listed in the New Agreement).

ACKNOWLEDGED AND AGREED TO:

HUNGRY HOWIE'S

By:_____
[Name]
Its:_____

YOU:

By:_____
[Name]
Its:_____

**EXHIBIT B**
**STATE SPECIFIC ADDENDUM TO THE**
**AREA DEVELOPER MULTIPLE UNIT ADDENDUM**

1. With respect to franchises governed by Washington law:

a. The state of Washington has a statute, RCW 19.100.180, which 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.

b. In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in Washington or in a place as mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

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

d. A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act 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.

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

The franchisor and the franchisee shall sign and date an addendum which incorporates the language in Paragraphs 2a through 2e at the time the Area Developer Multiple Unit Addendum is signed.

**[SIGNATURES ON THE FOLLOWING PAGE]**

**[SIGNATURE PAGE TO EXHIBIT B STATE SPECIFIC ADDENDUM TO THE AREA DEVELOPER MULTIPLE UNIT ADDENDUM]**

FRANCHISOR:

HUNGRY HOWIE'S PIZZA & SUBS, INC.

Dated: _____

By:_____
STEVEN E. JACKSON

Its: President

FRANCHISEE:

Dated: _____

By:_____
Name

Its: _____

**Exhibit G:**
**Standard Lease Rider**

THIS STANDARD LEASE RIDER (this "Rider") is attached to and part of a Lease dated _____, between _____ (the "Landlord") and _____ (the "Tenant") concerning the restaurant located at _____ (the "Restaurant").

1. The Tenant shall have the right to use the Premises for the purposes of an eat-in, carry-out and delivery restaurant selling pizza, salads, calzones, and other approved products permitted to be sold in accordance with the Tenant's Hungry Howie's franchise agreement along and other ancillary purposes associated therewith. The Tenant may to use any outdoor eating area adjacent to the Premises, if available, and as long as such use complies with local zoning codes and ordinances. The Tenant may serve samples in the common areas adjacent to the Premises. In conjunction with the operation of the Tenant's business, the Tenant may co-brand its business or operate with another business, concessionaire, or licensee in or from the Premises provided it is in conjunction with the Tenant's operation of the Restaurant and so long as the Tenant remains liable to the Landlord for all rent and additional rent under the Lease.

2. Throughout the term of the Lease, and as it may be extended, the Tenant shall have the exclusive right in the shopping center in which the Premises our located to engage in the sale of pizza (excluding the sale of pizza in grocery stores). The Landlord shall not allow any other tenant in the shopping center to violate the terms or spirit of this exclusivity agreement. If a violation occurs, in addition to any other remedies the Tenant may have at law or in equity, the Tenant may demand and receive an abatement of rent equal to 50% of the base rent. If the Landlord is unwilling or unable to cure such violation within 6 months, the Tenant shall have the right to terminate this Lease after providing the Landlord 30 days written notice and an opportunity to cure. If the Restaurant is located in a shopping center, the Landlord shall not lease any space in the shopping center, or any adjacent or neighboring property that may appear to the general public on account of proximity, architecture, shared parking or other amenities, or otherwise, to constitute a part of the shopping center, to any other person or entity engaged in the sale of pizza and similar items for either on or off premises consumption.

3. The Tenant may assign or sublease the Restaurant upon the Landlord's prior written consent, which shall not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, the Tenant may assign the Lease or sublease the Restaurant, without the Landlord's consent, to Hungry Howie's or to a Hungry Howie's franchisee with the approval of Hungry Howie's and the Franchisee shall be released from any further Lease obligations.

4. The Landlord shall furnish Hungry Howie's with 30 days prior written notice of (i) the cancellation or termination of the Lease; (ii) an assignment/sublease or an attempted assignment/sublease; (iii) any modification, renewal or new lease; or (iv) any legal action instituted by the Landlord or the Tenant.

5. Hungry Howie's, or its designated agent, shall have the right to enter the Restaurant upon expiration or termination of its Franchise Agreement with the Tenant to remove signage and other items bearing the Hungry Howie's trademarks, service marks and other commercial symbols, provided Hungry Howie's repairs any damages to the premises caused by the removal of such signage and other items.

6. The Landlord represents, covenants and warrants: (i) that it has lawful title to the shopping center and has full right, power and authority to enter into this Lease; (ii) that the shopping center is in compliance with the ADA; (iii) that it has a sufficient number of parking spaces for the Tenant's permitted use; and (iv) that it currently maintains all risk of physical loss coverage for the full replacement cost of the shopping center and general liability insurance maintain consistent with that being maintained from time to time by reasonably prudent owners of properties similar to the shopping center in the same area throughout the term of this Lease.

7. The Landlord represents and warrants that the Premises are free of all asbestos, asbestos containing materials and other hazardous or toxic materials (collectively, "Hazardous Materials"). The Tenant shall have no obligation to make any repairs, alterations or improvements to the Premises or incur any costs or expenses whatsoever as a result of Hazardous Materials in or about the shopping center, building or the Premises, other than those Hazardous Materials brought onto such areas by the Tenant. The Landlord shall be solely responsible for any changes to the Premises relating to Hazardous Materials (at the Landlord's expense and not as a charge to the Tenant's build out allowance), unless those Hazardous Materials were brought onto the Premises by the Tenant. The Landlord shall indemnify and hold the Tenant harmless from and against all liabilities, costs, damages and expenses which the Tenant may incur (including reasonable attorney's fees) as a result of a breach of the Landlord's representation and warranty set forth in this paragraph or the presence of Hazardous Materials in or about the shopping center, building or the Premises, unless those Hazardous Materials were brought onto such areas by the Tenant.

8. With respect to the above provisions in this Rider, Hungry Howie's shall be deemed a third party beneficiary of the Lease.

9. All notices sent to Hungry Howie's pursuant to this Rider shall be sent by certified or registered mail, return receipt requested, to the following address, or to such other address as to which Hungry Howie's has notified the Landlord and the Tenant:

Attn: Steven E. Jackson
Hungry Howie's Pizza & Subs, Inc.
30300 Stephenson Highway, Suite 200
Madison Heights, Michigan 48071

LANDLORD:

Dated: _____ _____

TENANT:

Dated: _____ _____

**Exhibit H:**
**General Release**

The undersigned, for and in consideration of Hungry Howie's Pizza & Subs, Inc. ("Hungry Howie's") consenting to the transfer by the undersigned of its Hungry Howie's franchise agreement to a third party does hereby release and forever discharge Hungry Howie's and its affiliates and their respective past and present shareholders, directors, officers, employees and agents (collectively, the "Releasees"), of and from any and all claims, liabilities, demands, rights and causes of action, suits, debts, contracts, controversies and damages of every nature and description whether in law or in equity (collectively "Claims"), the undersigned now has or may hereafter have against Releasees in respect of or arising out of transactions or events occurring on or before the date hereof.

The undersigned represents and warrants to the Releasees that it has full legal right to execute this General Release and has made no assignment or transfer of any Claims.

The undersigned shall indemnify, defend and hold Releasees harmless from any Claim made against or demand upon Releasees from anyone claiming to have any rights in the Claims.

Witnessed By:

_____

FRANCHISEE OR INDIVIDUAL NAME

_____
(Signature)

_____
(Print Name and Title)

_____
(Date)

**Exhibit I:**
**Confidentiality Agreement**

I understand that in the course of my association with Hungry Howie's Pizza & Subs, Inc. ("Hungry Howie's") as an owner, shareholder, director, member, partner, employee, contractor or agent of a current or potential Hungry Howie's franchisee, Hungry Howie's may entrust me with information consisting of knowledge or know-how concerning the Hungry Howie's System, including Hungry Howie's Manual, methods of operation, future marketing and advertising materials and strategies, development and growth strategies, trade secrets, sales figures, accounting materials, customers of Hungry Howie's, or its franchisees all of which Hungry Howie's has developed and assembled at great effort and expense, and which information is not public knowledge but which is confidential, proprietary business information of Hungry Howie's, that has been entrusted to me to keep as confidential ("Confidential Information").

I shall not at any time use, copy or disclose any Confidential Information, in whole or in part, except as authorized by Hungry Howie's in writing, nor otherwise make the same available to any unauthorized person. Upon the expiration or other termination, for any reason, of my association with Hungry Howie's or a Hungry Howie's franchisee either as an owner shareholder, director, member, partner, employee, contractor or agent, and upon the request of Hungry Howie's, I shall immediately return all copies of the Hungry Howie's Manual and all materials, books, records, and other Confidential Information in my possession.

If all or any portion of this Confidentiality Agreement is held unreasonable, void, vague or illegal by any court, arbitrator or agency having valid jurisdiction in any un-appealed final decision to which Hungry Howie's is a party, the court, arbitrator or agency shall be empowered to revise and/or construe this Confidentiality Agreement so as to fall within permissible legal limits and to the extent possible shall not invalidate the entire covenant. I expressly agree to be bound by any lesser covenant included within the terms of this Confidentiality Agreement as if the resulting promises were separately stated in and made a part of this.

Nothing in this Confidentiality Agreement shall be construed as transferring any title to the Confidential Information, as requiring Hungry Howie's to provide or disclose any Confidential Information or a warranty or guaranty of the Confidential Information.

Hungry Howie's, its subsidiaries, parents, affiliates, and their successors and assigns are expressly recognized to be a third-party beneficiary of this agreement.

[SEE NEXT PAGE FOR SIGNATURES]

[SIGNATURES PAGE – CONFIDENTIALITY AGREEMENT]

I ACKNOWLEDGE THAT I HAVE THOROUGHLY READ AND UNDERSTAND THIS CONFIDENTIALITY AGREEMENT AND THAT I HAVE RECEIVED A COPY OF THE SAME. I FURTHER ACKNOWLEDGE AND UNDERSTAND THAT ANY VIOLATION OR BREACH OF THIS CONFIDENTIALITY AGREEMENT BY ME SHALL ENTITLE HUNGRY HOWIE'S TO SEEK AND OBTAIN A COURT ORDER OR INJUNCTION PROHIBITING ANY SUCH VIOLATION OR BREACH, AS WELL AS ANY FUTURE VIOLATIONS OR BREACH, AND IN ADDITION TO SEEK AND OBTAIN MONEY DAMAGES, COURT COSTS AND REASONABLE ATTORNEY'S FEES INCURRED BY HUNGRY HOWIE'S IN THE ENFORCEMENT OF THIS CONFIDENTIALITY AGREEMENT.

Witnessed By:

_____

_____
(Signature)

_____
(Print Name and Title)

## Exhibit J: Operational Franchisees

### ALABAMA

| Store # | Franchisee | Street | City | State | Zip | Phone Number |
|---|---|---|---|---|---|---|
| 02318 | GSA Foods LLC | 2214 Kent Dairy Road | Alabaster | AL | 35007 | 2056645900 |
| 02313 | Mylez Foods, LLC | 1409 S. College St., Unit 104 | Auburn | AL | 36832 | 3348265555 |
| 02329 | D N T 1, Inc. | 1676 Montclair Rd | Birmingham | AL | 35210 | 2058291122 |
| 02307 | DOTHAN PIZZA, INC. | 1209 Ross Clark, Suite #1 | Dothan | AL | 36301 | 3346732300 |
| 02325 | Dothan Pizza II, LLC | 4650 W Main Street Suite 801 | Dothan | AL | 36305 | 3347927771 |
| 02310 | Durga Devi, Inc. | 910 Rucker Blvd | Enterprise | AL | 36330 | 3343935888 |
| 02303 | Yayo, LLC | 2206 Airport Blvd., Suite F | Mobile | AL | 36604 | 2514781616 |
| 02331 | Chavitas Pizza 4 LLC | 3992 Government Blvd. STE A | Mobile | AL | 36693 | 2516500100 |
| 02317 | Chavitas OS LLC | 5611 Old Shell Rd. Suite A | Mobile | AL | 36608 | 2513453333 |
| 02311 | La Flor CH LLC | 6353-B Cottage Hill Rd | Mobile | AL | 36609 | 2516650502 |
| 02327 | BAMCO 2327 LLC | 10676 Chantilly Pkwy | Montgomery | AL | 36117 | 3346498711 |
| 02316 | GSA Foods LLC | 1844 McFarland Blvd. | Northport | AL | 35476 | 2053332633 |
| 02322 | GSA Foods LLC | 4851 Rice Mine Rd. NE #520 | Tuscaloosa | AL | 35406 | 2053453737 |

### ARKANSAS

Exhibit **J: Operational Franchisees**

| Store # | Franchisee | Street | City | State | Zip | Phone Number |
|---|---|---|---|---|---|---|
| 02903 | Deem ARHH3, LLC | 2235 Dave Ward Dr, Suite 308 | Conway | AR | 72034 | 5015884888 |
| 02902 | Deem Investments LLC | 10300 N Rodney Parham Rd | Little Rock | AR | 72227 | 5015009595 |

**ARIZONA**

| Store # | Franchisee | Street | City | State | Zip | Phone Number |
|---|---|---|---|---|---|---|
| 01824 | SimonXpress Pizza, LLC | 12725 W. Indian School Rd. #B102 | Avondale | AZ | 85392 | 6235351827 |
| 01814 | SimonXpress Pizza, LLC | 1909 East Ray Road, Ste. #6 | Chandler | AZ | 85225 | 4808579377 |
| 01823 | SimonXpress Pizza, LLC | 3126 South Higley Road #108 | Gilbert | AZ | 85295 | 4808406000 |
| 01808 | SimonXpress Pizza, LLC | 17035 N 67th Ave., Suite 3 | Glendale | AZ | 85308 | 6238784777 |
| 01838 | SimonXpress Pizza, LLC | 3515 W. Union Hills Dr. Ste. 115 | Glendale | AZ | 85308 | 6028432727 |
| 01807 | SimonXpress Pizza, LLC | 5026 Cactus Rd. #8 | Glendale | AZ | 85304 | 6025487770 |
| 01830 | SimonXpress Pizza, LLC | 7448 W. Glendale Ave. Suite 106 | Glendale | AZ | 85303 | 6234660383 |
| 01826 | SimonXpress Pizza, LLC | 1116 S. Crismon Rd. #101 | Mesa | AZ | 85208 | 4803800500 |
| 01809 | SimonXpress Pizza, LLC | 2050 W. Guadalupe #6 | Mesa | AZ | 85202 | 4808319111 |
| 01850 | SimonXpress Pizza, LLC | 323 E Brown Rd, Suite 207 | Mesa | AZ | 85201 | 4806497999 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 01813 | SimonXpress Pizza, LLC | 3614 East Southern Ave. 104 | Mesa | AZ | 85206 | 4806411525 |
| 01849 | SimonXpress Pizza, LLC | 6736 E Baseline Rd, Suite 105 | Mesa | AZ | 85206 | 4803786999 |
| 01818 | SimonXpress Pizza, LLC | 8345 W. Thunderbird #110 | Peoria | AZ | 85381 | 6237732777 |
| 01851 | SimonXpress Pizza, LLC | 2535 N Central Ave #102 | Phoenix | AZ | 85004 | 6023620505 |
| 01845 | SimonXpress Pizza, LLC | 3320 W Bethany Home Rd | Phoenix | AZ | 85017 | 4806495999 |
| 01804 | SimonXpress Pizza, LLC | 4625 E. Thomas Rd. | Phoenix | AZ | 85018 | 6028406100 |
| 01852 | SimonXpress Pizza, LLC | 7227 S Central, Suite 1025 | Phoenix | AZ | 85042 | 6023622323 |
| 01840 | SimonXpress Pizza, LLC | 1745 W. Hunt Hwy. #104 | Queen Creek | AZ | 85143 | 4804746000 |
| 01806 | SimonXpress Pizza, LLC | 2934 N. Hayden Rd. | Scottsdale | AZ | 85251 | 4806631300 |
| 01811 | SimonXpress Pizza, LLC | 14291 West Grand Ave., Suite 115 | Surprise | AZ | 85374 | 6235443977 |
| 01805 | Sauce and Dough, LLC | 1045 E Lemon St | Tempe | AZ | 85281 | 4808047500 |
| 01820 | SimonXpress Pizza, LLC | 150 N. Pantano Road, Ste. 104 | Tucson | AZ | 85710 | 5208850707 |
| 01848 | SimonXpress Pizza, LLC | 2485 N Swan Rd #121 | Tucson | AZ | 85712 | 5208953600 |
| **CALIFORNIA** | | | | | | |

## Exhibit **J: Operational Franchisees**

| Store # | Franchisee | Street | City | State | Zip | Phone Number |
|---|---|---|---|---|---|---|
| 00371 | N & D Inc. | 10530 Rosedale Hwy, Suite 1 | Bakersfield | CA | 93312 | 6614270777 |
| 00363 | MA + BA, LLC | 1475 White Ln. | Bakersfield | CA | 93307 | 6613973777 |
| 00313 | M & B, Inc. | 2209 Niles Street | Bakersfield | CA | 93306 | 6613223999 |
| 00372 | Nassib Chaar & Essam Bahaaldin | 4500 Gosford Rd | Bakersfield | CA | 93313 | 6614272888 |
| 00328 | Laura Cardenas | 1100 Meadows Rd. | Calexico | CA | 92231 | 7603574700 |
| 00311 | Aida Annan & Fadi Aoun | 111 W. Bullard Ave., #101 | Clovis | CA | 93612 | 5592974444 |
| 00317 | Pizza Restaurant 1 VMAK Enterprises | 4209 East Shields | Fresno | CA | 93726 | 5592275555 |
| 00331 | iByte GP | 600 W. Glenoaks Blvd. | Glendale | CA | 91202 | 8185022646 |
| 00369 | VMAK Enterprises Incorporated | 675 Tucker Rd. Suite F | Tehachapi | CA | 93561 | 6618221000 |

**COLORADO**

| Store # | Franchisee | Street | City | State | Zip | Phone Number |
|---|---|---|---|---|---|---|
| 04004 | Ananta Ventures LLC | 15084 E Mississippi Ave | Aurora | CO | 80012 | 7208050303 |
| 04001 | Alford Holdings, Inc. | 6040 S. Gun Club Rd. Unit F-4 | Aurora | CO | 80016 | 3036274694 |
| 04002 | Pikes Peak Pizza Pie LLC | 4272 North Academy Blvd | Colorado Springs | CO | 80918 | 7192662663 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 04003 | 10382 Washington, LLC | 10382 Washington St, Unit 3 | Thornton | CO | 80229 | 3032801539 |

**DELAWARE**

| Store # | Franchisee | Street | City | State | Zip | Phone Number |
|---|---|---|---|---|---|---|
| 01301 | HH Pizza of Delmarva, Inc. | 1252 Norman Eskridge Hwy. | Seaford | DE | 19973 | 3026299050 |

**FLORIDA**

| Store # | Franchisee | Street | City | State | Zip | Phone Number |
|---|---|---|---|---|---|---|
| 03055 | Destin Pizza of Florida,LLC | 16135 NW Hwy 441 Suite 20 | Alachua | FL | 32615 | 3865185255 |
| 00138 | Altamonte Pizza Joint, Inc. | 491 N. State Rd. 434 | Altamonte Springs | FL | 32714 | 4076825858 |
| 00197 | Apollo Beach Foods, Inc. | 6104 N. US Hwy 41 | Apollo Beach | FL | 33572 | 8136450464 |
| 00154 | Orlando Food Management LLC | 205 W. Main St. | Apopka | FL | 32703 | 4078866688 |
| 00122 | Coms Enterprises, Inc. | 387 Havendale Rd. | Auburndale | FL | 33823 | 8639671118 |
| 03010 | J.T. Pizza, Inc. | 1052 US Hwy 27 South | Avon Park | FL | 33825 | 8634520222 |
| 00116 | J.T. Pizza, Inc. | 1405 N. Broadway | Bartow | FL | 33830 | 8635330501 |
| 00263 | Nakez Foods, Inc | 10251 SE Hwy 441 | Belleview | FL | 34420 | 3523074694 |
| 00112 | Z Pizza, LLC | 3601 N. Lecanto Hwy | Beverly Hills | FL | 34465 | 3525273311 |
| 00256 | C&T Enterpriseesof Blountstown Inc. | 19838 St. Rd. 20 West | Blountstown | FL | 32424 | 8506743838 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 00274 | JEA Foods, Inc. | 1816 Waukesha St. | Bonifay | FL | 32425 | 8505472300 |
| 00171 | MC & PD Enterprises, Inc. | 103 US Hwy. 301 Blvd. W | Bradenton | FL | 34205 | 9417554599 |
| 00191 | Knights Foods, Inc. | 1511 West Brandon Blvd. | Brandon | FL | 33511 | 8136844477 |
| 00168 | Tak Food | 819 W. Bloomingdale Blvd. | Brandon | FL | 33511 | 8136840988 |
| 03016 | CR 55 Pizza, LLC | 830 E. Hathaway Ave. | Bronson | FL | 32621 | 3524865848 |
| 00180 | D&M Pizza, Inc. | 1212 S. Broad St. | Brooksville | FL | 34601 | 3527998535 |
| 03070 | Barquet Enterprises, LLC | 4601 E. Moody Blvd. | Bunnell | FL | 32110 | 3865863977 |
| 00128 | Trapat Inc. | 1124 N. Main St. Suite 202 | Bushnell | FL | 33513 | 3525699299 |
| 03004 | Casselberry Foods, LLC | 430 SR 436 Ste. 103 | Casselberry | FL | 32707 | 4077676562 |
| 00287 | Springfield Pizza LLC | 5805 N. Hwy 231 | Cedar Grove | FL | 32404 | 8507858400 |
| 03072 | Destin Pizza of Florida,LLC | 1708 N. Young Blvd. | Chiefland | FL | 32626 | 3524907777 |
| 00209 | Chipley Food Inc. | 1240 Main Street | Chipley | FL | 32428 | 8506388382 |
| 00144 | M K D D, Inc. | 14100 US 19 N | Clearwater | FL | 33764 | 7275365108 |
| 00101 | Jen-R-J, Corp. | 1884 Drew Street | Clearwater | FL | 33765 | 7274490400 |
| 03023 | T3 Pizza, LLC | 1215 Sunrise Plaza Drive | Clermont | FL | 34714 | 3522418448 |
| 00234 | Orlando Food Management LLC | 1640 E. Hwy 50 | Clermont | FL | 34711 | 3523942828 |
| 03046 | Orlando Food Management LLC | 2097 Crawfordville Hwy | Crawfordville | FL | 32327 | 8509266400 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 03059 | Crawley Andalusia Foods, Inc. | 1238 C. North Ferdan Blvd. | Crestview | FL | 32536 | 8503985001 |
| 00285 | Crawley Crestview Foods, Inc. | 2222 S Ferdon Blvd. | Crestview | FL | 32536 | 8506890990 |
| 00159 | Fair Pizza, Inc. | 1677 SE Hwy 19 | Crystal River | FL | 34429 | 3525631151 |
| 00164 | NJW Foods, Inc. | 12710 US-301 | Dade City | FL | 33525 | 3525210054 |
| 00273 | J. Dial III Inc. | 6103 US HWY 17-92 | Davenport | FL | 33896 | 8634245000 |
| 00280 | Roman Village Pizza, Inc. | 6555 Nova Dr. #312 | Davie | FL | 33317 | 9544246280 |
| 00226 | Joyful Joe, Corp. | 3272 W. Hillsboro Blvd. | Deerfield Beach | FL | 33442 | 9545707374 |
| 00284 | Defuniak Springs Foods, Inc. | 1030 US Hwy 331 South | Defuniak Springs | FL | 32435 | 8509510484 |
| 00130 | Deland Pizza, LLC | 1101 N. Woodland Blvd. | Deland | FL | 32720 | 3867381880 |
| 00247 | Orlando Food Management LLC | 121 Howland Blvd. Suite B | Deltona | FL | 32738 | 4076884757 |
| 00136 | Orlando Food Management LLC | 1642 Providence Blvd | Deltona | FL | 32725 | 3865749299 |
| 03038 | Destin Pizza of Florida,LLC | 34904 Emerald Coast Pkwy. #138 | Destin | FL | 32541 | 8504602422 |
| 03079 | MACPIZZA, LLC | 4506 McIntosh Rd | Dover | FL | 33527 | 8135784500 |
| 00105 | JRH Enterprises Inc | 2109-D Main Street | Dunedin | FL | 34698 | 7277348800 |
| 00257 | East Ellenton Enterprises | 5912 18th Street East | Ellenton | FL | 34222 | 9419813814 |
| 00238 | Englewood Pizza, Inc. | 1720 S. McCall Road Unit #1 | Englewood | FL | 34223 | 9414758384 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 00277 | Eustis Foods, Inc. | 457 Plaza Drive | Eustis | FL | 32726 | 3523578999 |
| 00233 | Orlando Food Management LLC | 400 N. Charleston Ave. | Fort Meade | FL | 33841 | 8632856200 |
| 00269 | Fort Walton Foods, Inc. | 278 N. Eglin Pkwy | Fort Walton Beach | FL | 32547 | 8508628867 |
| 00211 | Fort White Pizza, LLC | 7788 US Hwy 27 | Fort White | FL | 32038 | 3864971484 |
| 00123 | Freeport Pizza, LLC | 16400 US Hwy 331 South Unit B1 | Freeport | FL | 32439 | 8508351355 |
| 00298 | T.J. Pizza LLC | 404 South Scenic Hwy | Frostproof | FL | 33843 | 8636356565 |
| 03071 | East University Foods, LLC | 1040 East University Ave. | Gainesville | FL | 33511 | 3527274757 |
| 00237 | Kazbour Food Service, Inc. | 1310 NW 23rd Ave. Suite B | Gainesville | FL | 32605 | 3523746600 |
| 00232 | Kazbour Food Service, Inc. | 3600 SW Archer Rd, Unit #B | Gainesville | FL | 32608 | 3523358444 |
| 03069 | Graceville Pizza, LLC | 5476 Brown Street | Graceville | FL | 32440 | 8503605009 |
| 03062 | Husain HH Inc. | 810 N. Orange Ave. | Green Cove Springs | FL | 32043 | 9048633084 |
| 00236 | Tars Investment Group, Inc. | 6338 Forest Hill Blvd. | Greenacres | FL | 33415 | 5619669733 |
| 00262 | Gulf Breeze Pizza, LLC | 3096 Gulf Breeze Prkw | Gulf Breeze | FL | 32563 | 8509346787 |
| 03042 | J. Dial III Inc. | 35890 Hwy 27 | Haines City | FL | 33844 | 8638046060 |
| 03007 | MGRJ of Palm Bay Enterprises Inc. | 1674 Ridgewood Ave. | Holly Hill | FL | 32117 | 3866777339 |
| 03028 | PS Pizza, Inc. | 6649 Taft Street | Hollywood | FL | 33024 | 9549672777 |
| 00114 | Bosley Enterprises, Inc | 7223 State Rd. 52 | Hudson | FL | 34667 | 7278628888 |
| 00275 | Z Pizza, LLC | 1320 US 41 | Inverness | FL | 34450 | 3523443435 |

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| 00264 | River City Pizza, Inc | 376-7 New Berlin Rd. | Jacksonville | FL | 32218 | 9046960001 |
| 00252 | Husain HH Inc. | 5613 University Blvd. West | Jacksonville | FL | 32216 | 9047338566 |
| 00244 | Dames Point Pizza, Inc. | 8011 Merrill Rd Suite #20 | Jacksonville | FL | 32277 | 9047439100 |
| 00213 | Westside Pizza Company, Inc. | 8257 Normandy Blvd. - #8 | Jacksonville | FL | 32221 | 9047815656 |
| 00186 | J.T. Pizza, Inc. | 1990 N. John Young Parkway | Kissimmee | FL | 34741 | 4079311040 |
| 00290 | Southwest FL Pizza, Inc. | 180 South Main Street | LaBelle | FL | 33935 | 8636756363 |
| 00172 | C Stores Pizza, LLC | 720 E. Main St. | Lake Butler | FL | 32054 | 3864962878 |
| 00166 | Lake Foods | 857 SW Main Blvd. #110 | Lake City | FL | 32025 | 3867557050 |
| 00102 | J.C. Pizza LLC | 2014 Sam Walton Way | Lake Wales | FL | 33853 | 8636762222 |
| 00199 | JC Pizza LLC | 4290 N Scenic Hwy | Lake Wales | FL | 33898 | 8636762626 |
| 00143 | Five Guys Pizza, Inc. | 1101 S. Florida Ave. | Lakeland | FL | 33803 | 8636822124 |
| 00135 | 92 Foods, Inc. | 2740 U.S. 92 | Lakeland | FL | 33801 | 8636658070 |
| 03000 | M.C. Pizza Inc. | 2805 Shepherd Rd | Lakeland | FL | 33811 | 8637012345 |
| 00118 | Orlando Food Management LLC | 4744 US Hwy 98 | Lakeland | FL | 33809 | 8638591436 |
| 00231 | Loop Pizza, LLC | 5357 N. Socrum Loop Rd. | Lakeland | FL | 33809 | 8638533222 |
| 00288 | Midway Holdings | 5726 Ranch Lake Blvd | Lakewood Ranch | FL | 34202 | 9417582600 |
| 00156 | K.R.D.K. Enterprises, Inc. | 14219 W. Walsingham | Largo | FL | 33774 | 7275961400 |
| 00117 | DJR Pizza, Inc. | 1555 East Bay | Largo | FL | 33771 | 7275845390 |

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| 00151 | Dizo, Inc. | 2209 Citrus Blvd | Leesburg | FL | 34748 | 3527873999 |
| 03083 | Summerfield Pizza, Inc. | 27615 US 27 | Leesburg | FL | 34748 | 3524601999 |
| 03068 | Lehigh HH Pizza Inc. | 522-B Joel Blvd | Lehigh Acres | FL | 33936 | 2393685225 |
| 03085 | West Lehigh Pizza LLC | 800 Leonard Blvd | Lehigh Acres | FL | 33971 | 2394268899 |
| 00165 | Lithia pizza LLC | 16517 Fish Hawk Blvd. | Lithia | FL | 33547 | 8136899200 |
| 00161 | AGJ Enterprises, Inc. | 21222 Mariner | Lutz | FL | 33549 | 8139499393 |
| 00137 | Madison Foods, LLC | 378 E. Base St. | Madison | FL | 32340 | 8509732300 |
| 00173 | Joyful Joe 2, Corp. | 7304 Royal Palm Blvd. | Margate | FL | 33063 | 9549774444 |
| 00295 | Marianna Foods, Inc. | 4470 LaFayette | Marianna | FL | 32446 | 8505267878 |
| 00134 | Babylon Pizza, LLC | 233 Crockett Rd. | Merritt Island | FL | 32953 | 3214599771 |
| 03078 | Miami Gardens Foods, Inc. | 705 NW 183rd St | Miami Gardens | FL | 33169 | 3059176333 |
| 00291 | Milton Foods, Inc. | 6534 Caroline Street | Milton | FL | 32570 | 8506268600 |
| 03025 | Sunway Enterprises | 2262 US Hwy 1 | Mims | FL | 32754 | 3212642455 |
| 03056 | PS Pizza, Inc. | 2600 S. University Dr. #101 | Miramar | FL | 33025 | 9543676799 |
| 03013 | Hungry Howie's | 525 Pine Island Rd. Ste. #L | N. Fort Myers | FL | 33903 | 2399959100 |
| 00266 | Pizza Mgmt. of North Naples, Inc. | 10265 N. Tamiami Trail Ste. #3 | Naples | FL | 34108 | 2395970007 |
| 03058 | R&T Pizza Mgmt. #2 Inc. | 80 Wilson Blvd. South #1 | Naples | FL | 34117 | 2394559995 |
| 00223 | Navarre Pizza LLC | 8230 Navarre Pkwy | Navarre | FL | 32566 | 8509396400 |

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| 00139 | KLJ, Inc. | 4511 Grand Blvd. | New Port Richey | FL | 34652 | 7278424900 |
| 00188 | Hungry Howie's #188 | 9109 Ridge Rd. | New Port Richey | FL | 34654 | 7278467760 |
| 00241 | Crawley Enterprise, Inc. | 1144 John Simms Parkway | Niceville | FL | 32578 | 8507292222 |
| 00207 | S M & 4A, Inc. | 1085 North Tamiami Trail | Nokomis | FL | 34275 | 9414120099 |
| 00271 | KAD Enterprises, Inc. | 13201 B Tamiami Trail | North Port | FL | 34287 | 9414260995 |
| 03001 | UM Bella LLC | 11115 SW 93rd Ct. #400 | Ocala | FL | 34481 | 3528610555 |
| 03029 | UM Bella LLC | 2701 SW College Rd. #310 | Ocala | FL | 34474 | 3528611071 |
| 03014 | Mar-Cor Investment | 3435 N. Pine St. #203 | Ocala | FL | 34471 | 3526719979 |
| 00225 | Henderson Pizza Inc. | 6853 SE Maricamp | Ocala | FL | 34472 | 3526874000 |
| 03050 | J.T. Pizza, Inc. | 207 N. Clarke Rd | Ocoee | FL | 34761 | 4079300789 |
| 00220 | CR 55 Pizza, LLC | 25861 SE Hwy 19 | Old Town | FL | 32680 | 3525422212 |
| 00140 | Jenn-R-J Corporation | 3780 Tampa Rd. | Oldsmar | FL | 34677 | 8138541595 |
| 00131 | Khoury Pizza LLC | 2439 Enterprise Dr. | Orange City | FL | 32763 | 3867750550 |
| 00146 | Alafaya Trail Pizza, Inc. | 11774 E. Colonial Dr. | Orlando | FL | 32817 | 4072739676 |
| 00184 | Mattar Enterprises | 7628 Sun Vista Way | Orlando | FL | 32822 | 4072820555 |
| 00178 | Agresta Enterprises, Inc. | 971 N Goldenrod Rd, Suite 160 | Orlando | FL | 32807 | 4073801780 |
| 03080 | Oviedo Foods, LLC | 865 W. Mitchell Hammock Rd., Suite 1001 | Oviedo | FL | 32765 | 3214157711 |

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| 00201 | Pace Foods, Inc. | 4475 Woodbine Rd. Ste 1 | Pace | FL | 32571 | 8509946880 |
| 03043 | PSP Foods, LLC | 3085 Jupiter Blvd. SE | Palm Bay | FL | 32909 | 3214994599 |
| 00174 | Von-Von, Inc. | 620 Alt 19 North | Palm Harbor | FL | 34683 | 7277893737 |
| 00183 | Muff-D's Enterprises, Inc. | 1705 8th Ave. West | Palmetto | FL | 34221 | 9417220006 |
| 00246 | Panama Foods, Inc. | 607 East 23rd Street | Panama City | FL | 32405 | 8507479464 |
| 00272 | Panama Beach Foods, Inc. | 10272 Front Beach Rd | Panama City Beach | FL | 32407 | 8502303999 |
| 00261 | Panama Foods, Inc. | 306 S. Tyndall Parkway | Parker | FL | 32404 | 8507470447 |
| 03073 | PS Pizza, Inc. | 4520 Hallandale Beach Blvd. | Pembroke Park | FL | 33023 | 7547777047 |
| 00283 | 9th Foods, Inc. | 2790 Creighton Rd. | Pensacola | FL | 32504 | 8504942600 |
| 00229 | Michigan Foods, Inc. | 3230 W. Michigan Ave. | Pensacola | FL | 32526 | 8509414000 |
| 00276 | 9 Mile Foods, Inc. | 40 W. Nine Mile Road | Pensacola | FL | 32534 | 8504940073 |
| 00267 | Pensacola Foods, Inc. | 610 N. Navy Road | Pensacola | FL | 32507 | 8504576900 |
| 00113 | Bud II Enterprises, Inc. | 6328 Park Blvd. | Pinellas Park | FL | 33781 | 7275416465 |
| 00106 | Sobh Foods, Inc. | 208 N. Alexander St. | Plant City | FL | 33563 | 8137526113 |
| 00200 | Charlie's Xpress Mart | 2424 Hwy 92 East | Plant City | FL | 33566 | 8137640363 |
| 03027 | LLF Food Services, LLC | 1809 N Pine Island Rd | Plantation | FL | 33322 | 9546361111 |
| 03057 | Poinciana Pizza, Inc. | 4693 Old Pleasant Hill Rd | Poinciana | FL | 34759 | 4078474444 |

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| 00296 | Polk Pizza, LLC | 108 Commonwealth Ave. N | Polk City | FL | 33868 | 8639842440 |
| 00193 | BKD Enterprises, Inc. | 2395 Tamiami Trail #16 | Port Charlotte | FL | 33952 | 9416279200 |
| 00265 | ST. Joe Foods | 418 Monument Ave. | Port St Joe | FL | 32456 | 8502299222 |
| 00222 | Ope's Pizza | 226 Tamiami Trail | Punta Gorda | FL | 33950 | 9415058800 |
| 00286 | Malak Pizza | 1117 West Jefferson Street | Quincy | FL | 32351 | 8506273000 |
| 00177 | Two For You Foods, Inc. | 10042 US Hwy. 301 S. | Riverview | FL | 33578 | 8136777353 |
| 00195 | Sun City Foods, Inc. | 3856 Sun City Center Blvd | Ruskin | FL | 33573 | 8136333433 |
| 03040 | Syms Fast Food, LLC | 6054 Sisson Rd | S. Titusville | FL | 32780 | 3212688778 |
| 00107 | Motor City Pizza, Inc. | 2400 S. French Rd. | Sanford | FL | 32771 | 4073214440 |
| 03048 | Bonifay Foods, LLC | 2078 Highway 98 West Unit #103 | Santa Rosa Beach | FL | 32459 | 8506223333 |
| 00169 | 17th Food, Inc. | 3251 17th Street | Sarasota | FL | 34235 | 9419512919 |
| 00160 | Bee Ridge Pizza, Inc | 4112 Bee Ridge Rd. | Sarasota | FL | 34233 | 9413771984 |
| 03037 | Southgate Pizza, Inc. | 3012 US Hwy 27 S. | Sebring | FL | 33870 | 8633854777 |
| 00132 | North Parsons Foods, Inc. | 2004 S. Parsons Ave. | Seffner | FL | 33584 | 8136840807 |
| 00119 | KJR Pizza, Inc. | 6989 Seminole Blvd. | Seminole | FL | 33772 | 7273922288 |
| 00185 | AAK Pizza | 1965 Tamiami Trail | South Venice | FL | 34293 | 9414934200 |
| 00152 | QSR Management LLC | 5166 Mariner Blvd. | Spring Hill | FL | 34609 | 3526844424 |

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| 03076 | Spring Hill Pizza, Inc. | 7325 Springhill Dr | Springhill | FL | 34606 | 3526165100 |
| 00293 | Florida Pizza Mgmt. Crop. | 1900 13th Street | St. Cloud | FL | 34769 | 4079573131 |
| 03082 | Salt Heals, LLC | 4667 Gulf Blvd. | St. Pete Beach | FL | 33706 | 7273908777 |
| 00141 | BUD Enterprises, Inc. | 1500 34th St. North | St. Petersburg | FL | 33713 | 7273276010 |
| 00239 | AL & FT Investments LLC | 3073 18th Ave. S. | St. Petersburg | FL | 33712 | 7273275555 |
| 00110 | EMJ Pizza, Inc. | 4690 49th Street North | St. Petersburg | FL | 33709 | 7275255444 |
| 00121 | KMJR Pizza Inc. | 5570 4th Street North | St. Petersburg | FL | 33703 | 7275278811 |
| 03012 | KJR Pizza, Inc. | 6570 Central Ave. | St. Petersburg | FL | 33707 | 7273452020 |
| 00217 | Summerfield Food | 9945 SE Hwy 42 | Summerfield | FL | 34491 | 3522458252 |
| 00145 | Southside Pizza of Florida, LLC | 131-1 East Orange Ave. | Tallahassee | FL | 32301 | 8504213333 |
| 00245 | Orlando Food Management LLC | 1496 Apalachee Parkway | Tallahassee | FL | 32301 | 8509426800 |
| 00248 | Orlando Food Management LLC | 1944 W. Pensacola Street | Tallahassee | FL | 32304 | 8505742200 |
| 00206 | Mahan Foods, Inc. | 3111 Mahan Drive | Tallahassee | FL | 32308 | 8508778999 |
| 00259 | Orlando Food Management LLC | 3491 Thomasville Road Unit #1 | Tallahassee | FL | 32309 | 8508943100 |
| 03044 | Orlando Food Management LLC | 3551 Blairstone Rd. Unit 7 | Tallahassee | FL | 32301 | 8506713400 |
| 00292 | Orlando Food Management LLC | 3839 N. Monroe Street Unit #1 | Tallahassee | FL | 32303 | 8505625656 |
| 00126 | 78th Foods, Inc. | 1302 B So. 78th Street | Tampa | FL | 33619 | 8136640717 |

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| 00125 | G-Man, Inc. | 14916 North Florida Ave. | Tampa | FL | 33613 | 8139683272 |
| 00219 | Krushimi Two LLC | 15359 Amberly Drive | Tampa | FL | 33647 | 8139718818 |
| 00198 | Hillsborough Pizza, LLC | 2001 E. Hillsborough Ave. | Tampa | FL | 33610 | 8132393233 |
| 00127 | Mosey Pizza, LLC | 3216 S. Dale Mabry | Tampa | FL | 33629 | 8138376577 |
| 00129 | Hun-Ho 129 Inc. | 4541 Gunn Hwy | Tampa | FL | 33624 | 8139683660 |
| 00104 | Hun-Ho 104, Inc. | 5802 N. Armenia | Tampa | FL | 33603 | 8138706111 |
| 00167 | Hungry Howie's 167 | 6207 E. Hillsborough | Tampa | FL | 33610 | 8136280037 |
| 00120 | Y.K.F Foods, Inc. | 6431 County Line Rd. | Tampa | FL | 33647 | 8139076999 |
| 00189 | Charlie & Ali's Pizza Company LLC | 7620 Gunn Hwy #130 | Tampa | FL | 33625 | 8139206311 |
| 00108 | Hun-Ho 108, Inc. | 8414 N. Armenia | Tampa | FL | 33612 | 8139324330 |
| 00148 | V L H Enterprises, Inc. | 8802 Rocky Creek Rd. | Tampa | FL | 33615 | 8138859992 |
| 03074 | HH Pizza Tavares | 1998 SR 19 | Tavares | FL | 32778 | 3523439999 |
| 03064 | Destin Pizza of Florida,LLC | 5317 E. Fletcher Ave. | Temple Terrace | FL | 33617 | 8135154444 |
| 03077 | Trapat Inc. | 980 Bichara Blvd. | The Villages | FL | 32159 | 3522599990 |
| 00182 | University East Food, Inc. | 9517 East Fowler Avenue | Thonotosassa | FL | 33592 | 8139867822 |
| 00153 | Brandon Foods, Inc. | 2501 Hwy 60 East | Valrico | FL | 33594 | 8136540650 |
| 03032 | Potterlink INC. | 2150 58th Avenue | Vero Beach | FL | 32966 | 7722577300 |
| 00224 | Jz Pizza, Inc. | 1038 S 6th Avenue | Wauchula | FL | 33873 | 8637732100 |

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| 00142 | KC & FS Inc. | 27307 State Rd. 54 W | Wesley Chapel | FL | 33544 | 8139737555 |
| 00282 | WPB Gas, Inc. | 16640 Saddle Club Rd. | Weston | FL | 33326 | 9543858200 |
| 03022 | Wewa Foods, Inc. | 3050 Hwy 71 | Wewahitchka | FL | 32424 | 8506394300 |
| 00297 | Hicks Pizza | 701 South Main Street | Wildwood | FL | 34785 | 3527485525 |
| 03084 | Three For You Foods, LLC | 14381 S US HWY 301 | Wimauma | FL | 33573 | 8135357500 |
| 00149 | GBP Pizza, Inc. | 1144 6th St. NW | Winter Haven | FL | 33881 | 8632934633 |
| 00190 | Oakland Pizza Group, Inc. | 3007 Cypress Gardens Rd. | Winter Haven | FL | 33884 | 8633242055 |
| 00240 | Orlando Food Management LLC | 3047 Winter Lake Road | Winter Haven | FL | 33880 | 8632949334 |
| 00228 | Wahneta Pizza, LLC | 3071 Rifle Range Rd S | Winter Haven | FL | 33880 | 8633181122 |
| 03081 | Husain HH Inc. | 463725 State Road 200 W | Yulee | FL | 32097 | 9048758111 |
| 00175 | Five Two Seven Foods | 5440 Gall Blvd. | Zephyrhills | FL | 33542 | 8137885515 |

**GEORGIA**

| Store # | Franchisee | Street | City | State | Zip | Phone Number |
|---|---|---|---|---|---|---|
| 02407 | HHP Enterprises, Inc. | 618 N. Peterson Ave. | Douglas | GA | 31533 | 9123845500 |
| 02415 | Lanci Development Corporation | 390 Bullsboro Drive | Newnan | GA | 30263 | 4703471122 |

**INDIANA**

| Store # | Franchisee | Street | City | State | Zip | Phone Number |
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| 02004 | Flynnster, Inc. | 1400 N. Wayne St., Suite B | Angola | IN | 46703 | 2606657766 |
| 02023 | 752 Pizza Co. | 4214 Crescent Ave | Fort Wayne | IN | 46815 | 2602477555 |
| 02008 | Fort Wayne Pizza Co. | 6380 W. Jefferson Blvd. | Fort Wayne | IN | 46804 | 2604360110 |
| 02006 | Wapacoo Pizza Company, Inc. | 871 East North Street | Kendallville | IN | 46755 | 2603478000 |
| 02022 | Flynnster of South Bend, Inc. | 2035 E. Ireland Rd. | South Bend | IN | 46614 | 5742311100 |
| 02014 | TG3, LLC | 15 Roosevelt Rd. | Valparaiso | IN | 46383 | 2194760800 |

**LOUISIANA**

| Store # | Franchisee | Street | City | State | Zip | Phone Number |
|---|---|---|---|---|---|---|
| 03802 | TJS Pizza Co, LLC | 5201 Nicholson Dr. Suite A | Baton Rouge | LA | 70808 | 2257614694 |

**MICHIGAN**

| Store # | Franchisee | Street | City | State | Zip | Phone Number |
|---|---|---|---|---|---|---|
| 03614 | Ada Pizza Corp. | 7277 Thornapple River Dr | Ada | MI | 49301 | 6165759999 |
| 00044 | RCJ Pizza Inc. | 802 W Maumee St. | Adrian | MI | 49221 | 5172638149 |
| 00536 | Albion Pizza Company, Inc. | 111 Cass Street | Albion | MI | 49224 | 5176292924 |
| 00034 | Hungry Howie's Properties, Inc. | 650 Point Tremble Rd. | Algonac | MI | 48001 | 8107943000 |
| 01058 | J & J Food, Inc. | 6185 Lake Michigan Dr. | Allendale | MI | 49401 | 6168956777 |
| 01090 | KLSG Pizza, LLC. | 882 Van Dyke | Almont | MI | 48003 | 8107980800 |

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|---|---|---|---|---|---|---|
| 03617 | Tri City Pizza Group, LLC | 1132 W Chisholm St, Suite B | Alpena | MI | 49707 | 9898846700 |
| 03608 | Om Satname, LLC | 2026 W Stadium | Ann Arbor | MI | 48103 | 7349994777 |
| 00072 | Om Satname, LLC | 3365 Washtenaw Ave., Unit J | Ann Arbor | MI | 48104 | 7349290072 |
| 00018 | Millennium Food Service, LLC | 3011 E. Walton Blvd. | Auburn Hills | MI | 48326 | 2483734330 |
| 01078 | Millennium Food Service, LLC | 843 N. Van Dyke | Bad Axe | MI | 48413 | 9892693500 |
| 01006 | Battle Creek Pizza, Inc. | 189 Columbia Avenue | Battle Creek | MI | 49015 | 2699625400 |
| 00069 | Hungry Howie's Properties, Inc. | 502 S. Euclid | Bay City | MI | 48706 | 9896679100 |
| 00008 | Berkley Pizza Company, Inc. | 3675 W. 12 Mile Rd. | Berkley | MI | 48072 | 2485451060 |
| 03612 | Tri City Pizza Group, LLC | 103 S State St | Big Rapids | MI | 49307 | 2317968000 |
| 00564 | Millennium Food Service, LLC | 3935 Telegraph Road | Bloomfield Hills | MI | 48302 | 2485946000 |
| 00077 | Millennium Food Service, LLC | 1615 South Opdyke Road | Bloomfield Twp. | MI | 48304 | 2483344000 |
| 00599 | Hungry Howie's Properties, Inc. | 6182 Dixie Hwy | Bridgeport | MI | 48722 | 9897777600 |
| 00027 | Brighton Pizza Company | 603 W. Grand River | Brighton | MI | 48116 | 8102273771 |
| 00594 | Brooklyn Pizza Company, LLC | 250 S. Main | Brooklyn | MI | 49230 | 5175922225 |
| 00587 | Millennium Food Service, LLC | 2466 South Center | Burton | MI | 48519 | 8107421122 |
| 01036 | Lesota, Ltd. | G4495 Fenton Road | Burton | MI | 48529 | 8107678300 |
| 00561 | Jackson Food Service, Inc.* | 1626 N. Haggerty Rd. | Canton | MI | 48187 | 7349815838 |
| 00068 | Jackson Food Service, Inc.* | 220 N. Canton Center Rd. | Canton | MI | 48187 | 7349810900 |

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| 01079 | Hungry Howie's Properties, Inc. | 893 S. State Street | Caro | MI | 48723 | 9896724166 |
| 00547 | Jerpie, Inc. | 151 South Main Street #2 | Cedar Springs | MI | 49319 | 6166964444 |
| 01023 | Charlotte Pizza Company, LLC | 120 E. Lawrence | Charlotte | MI | 48813 | 5175411100 |
| 00548 | Millennium Food Service, LLC | 1123 West Broad Street | Chesaning | MI | 48616 | 9898455450 |
| 00598 | Valiant North, Inc. | 30130 23 Mile Rd. | Chesterfield | MI | 48047 | 5864219600 |
| 00093 | Hungry Howie's Properties, Inc. | 25530 21 Mile Rd. | Chesterfield Twp | MI | 48051 | 5865988700 |
| 00588 | P & P Pizza, LLC. | 919 N. McEwan | Clare | MI | 48617 | 9893862345 |
| 00554 | SMJ Inc. | 3980 Ortonville Rd. | Clarkston | MI | 48348 | 2486209002 |
| 01062 | Clarkston Pizza Co. | 4726 Clarkston Road | Clarkston | MI | 48348 | 2483941200 |
| 00572 | SMJ Inc. | 6315 Sashabaw Rd. | Clarkston | MI | 48346 | 2486257474 |
| 00022 | Clawson Pizza Company | 479 W. 14 Mile Rd. | Clawson | MI | 48017 | 2482801480 |
| 00080 | Hungry Howie's Properties, Inc. | 20824 Hall Road | Clinton Twp | MI | 48035 | 5867831500 |
| 00083 | MT. CLEMENS PIZZA CORPORATION | 37265 Groesbeck | Clinton Twp. | MI | 48036 | 5864636300 |
| 01064 | Hungry Howie's Properties, Inc. | 530 South Mill Street | Clio | MI | 48420 | 8106875000 |
| 01037 | Stanley's Pizza Co. | 518 Marshall Street | Coldwater | MI | 49036 | 5172792992 |
| 00060 | Union Lake Pizza Company, LLC | 3183 Union Lake Rd. | Commerce Twp. | MI | 48382 | 2483632050 |
| 00573 | Jerpie, Inc. | 1136 Randall Street West | Coopersville | MI | 49404 | 6169979797 |
| 00096 | Venture Services, LTD. | 1026 South State, #C | Davison | MI | 48423 | 8106536688 |

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| 00004 | Jackson Food Service, Inc. | 3736 Monroe | Dearborn | MI | 48124 | 3132781230 |
| 00541 | Murk's Village Market Inc. | 108 East Delaware | Decatur | MI | 49045 | 2694238100 |
| 03615 | Interlink Foods - Lafayette, LLC | 1533 E Lafayette St | Detroit | MI | 48207 | 3134844800 |
| 01081 | Dewitt Pizza Company, LLC | 121 East Main Street | DeWitt | MI | 48820 | 5176692555 |
| 03619 | RJC Pizza, Inc. | 102 Cabela Blvd East | Dundee | MI | 48131 | 7345297272 |
| 01031 | SMJ, Inc. | 8769 E. Monroe | Durand | MI | 48429 | 9892882323 |
| 00570 | East Lansing Pizza, LLC | 3499 East Lake Lansing Rd. | East Lansing | MI | 48823 | 5173321020 |
| 01051 | Hungry Howie's Properties, Inc. | 200 West Bay Street | East Tawas | MI | 48730 | 9893623100 |
| 00019 | Hungry Howie's Properties, Inc. | 22431 Kelly Rd. | Eastpointe | MI | 48021 | 5864452220 |
| 01009 | Eaton Rapids Pizza Company, LLC | 916 S. Main Street | Eaton Rapids | MI | 48827 | 5176636200 |
| 01007 | Hungry Howie's Properties, Inc. | 3200 Center Ave. | Essexville | MI | 48732 | 9898942100 |
| 00038 | Farmington Pies LLC | 35103 Grand River Avenue | Farmington | MI | 48335 | 2484741111 |
| 00029 | Jeff Hearn | 22467 Middlebelt Road | Farmington Hills | MI | 48336 | 2484775210 |
| 00558 | Farmington Pizza 2, LLC | 27634 Middlebelt | Farmington Hills | MI | 48334 | 2484429900 |
| 00095 | Jackson Pizza Company LLC | 1003 N. Leroy | Fenton | MI | 48430 | 8106293100 |
| 00026 | Ferndale Pizza Company, Inc | 419 W. 9 Mile Rd. | Ferndale | MI | 48220 | 2485460643 |
| 00089 | Breakaway Holdings, LLC | 24637 Gibraltar Rd. | Flat Rock | MI | 48134 | 7347832900 |
| 00040 | Millennium Food Service, LLC | 3625 Corunna Rd. | Flint | MI | 48532 | 8102326522 |

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| 00047 | Millennium Food Service, LLC | 4020 Richfield | Flint | MI | 48506 | 8102447070 |
| 01086 | Lesota, Ltd. | 1419 Flushing Road | Flushing | MI | 48433 | 8104877000 |
| 00592 | Blue Water Pizza Group, LLC | 4865 24th Ave, Unit #300 | Fort Gratiot | MI | 48059 | 8103859500 |
| 01085 | Fowlerville Land Company, LLC | 601 West Grand River | Fowlerville | MI | 48836 | 5172233200 |
| 01092 | Hungry Howie's Properties, Inc. | 479 North Main St. | Frankenmuth | MI | 48734 | 9896528850 |
| 00586 | Millennium Food Service, LLC | 115 S. Main, #6B | Freeland | MI | 48623 | 9896955700 |
| 00054 | Jackson Food Service, Inc.* | 28532 Ford Rd. | Garden City | MI | 48135 | 7345222121 |
| 01074 | Hungry Howie's Properties, Inc. | 742 W. Cedar | Gladwin | MI | 48624 | 9894261868 |
| 01002 | SMJA, Inc. | 11565 S. Saginaw St. | Grand Blanc | MI | 48439 | 8106956700 |
| 03616 | GH Pizza Corporation | 300 North Beacon | Grand Haven | MI | 49417 | 6164996644 |
| 01043 | Grand Ledge Pizza Company, Inc. | 669 E Saginaw Hwy., Suite 200 | Grand Ledge | MI | 48837 | 5176278300 |
| 01080 | J & J Food, Inc. | 1808 Breton Rd. S.E | Grand Rapids | MI | 49506 | 6169549999 |
| 00530 | Martin H Enterprises, Inc. | 2221 Plainfield Ave. | Grand Rapids | MI | 49505 | 6163634055 |
| 01063 | CMA I, Inc. | 8535 Macomb | Grosse Ile | MI | 48138 | 7346755800 |
| 03601 | Metro Food Concepts, LLC | 15316 East Jefferson | Grosse Pointe Park | MI | 48230 | 3138237000 |
| 00049 | Grosse Pointe Pizza, Inc. | 21143 Mack Ave. | Grosse Pointe Woods | MI | 48236 | 3138864500 |
| 01021 | Harrison Pizza Inc. | 35410 Jefferson | Harrison Twp. | MI | 48045 | 5867915005 |
| 00090 | SMJ, Inc. | 2760 Bella Vita | Hartland | MI | 48353 | 8106325959 |
| 01035 | Jacinto Foods, Inc. | 125 S Jefferson St | Hastings | MI | 49058 | 2699455500 |

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| 00575 | Hazel Park Pizza, L.L.C. | 914 E. 9 Mile Rd | Hazel Park | MI | 48030 | 2486919040 |
| 00025 | SMJ, Inc. | 2330 S. Milford Rd. | Highland | MI | 48357 | 2486847300 |
| 01083 | SMJ, Inc. | 2844 E. Highland Rd. | Highland | MI | 48356 | 2488898690 |
| 01057 | Hillsdale Howie's, Inc. | 4 West Carleton | Hillsdale | MI | 49242 | 5174370600 |
| 00584 | Zeeland Pizza Corp | 65 Douglas, Ste. 6 | Holland | MI | 49424 | 6165464444 |
| 01068 | Millennium Food Service, LLC | 1010 N. Saginaw | Holly | MI | 48442 | 2483281000 |
| 01049 | Holt KD, LLC. | 2460 Cedar St | Holt | MI | 48842 | 5176999000 |
| 00563 | Millennium Food Service, LLC | 3057 West Houghton Lake Drive | Houghton Lake | MI | 48629 | 9893661234 |
| 00056 | Howell Pizza Company, LLC | 2560 Grand River #11 | Howell | MI | 48843 | 5175480067 |
| 00596 | NEW MILLENNIUM MANAGEMENT | 325 Railroad Street | Hudson | MI | 49247 | 5174484694 |
| 01030 | HH Prop. Holdings, Inc. | 583 Cedar | Imlay City | MI | 48444 | 8107244515 |
| 01097 | Jackson Pies, LLC | 836 N. West Ave. | Jackson | MI | 49202 | 5178172000 |
| 01010 | J & J Food, Inc. | 1929 Baldwin Road | Jenison | MI | 49428 | 6164573333 |
| 00075 | Smith Pizza Service | 1381 S. Drake Rd. Suite 1 | Kalamazoo | MI | 49006 | 2693731600 |
| 01020 | KB Pizza Company | 3036 Portage Street | Kalamazoo | MI | 49001 | 2693816144 |
| 01069 | KZoo Pizza Co., Inc. | 5455 Gull Rd. | Kalamazoo | MI | 49008 | 2693426002 |
| 01048 | Brav, Inc. | 7949 South 8th Street | Kalamazoo | MI | 49009 | 2693757970 |
| 00067 | Little Pete's, Inc. | 2170 Cass Lake Road | Keego Harbor | MI | 48320 | 2486838383 |
| 00048 | Beale's Meals on Wheels, Inc. | 5248 Eastern Ave SE | Kentwood | MI | 49508 | 6165324433 |

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|---|---|---|---|---|---|---|
| 01013 | Blue Water Pizza Group, LLC | 5305 Lapeer Rd | Kimball | MI | 48074 | 8109848800 |
| 00066 | Millennium Food Service, LLC | 195 N. Park Blvd. | Lake Orion | MI | 48362 | 2486936666 |
| 00065 | Pinckney Pizza Company, LLC | 4640 E. M-36, Box 368 | Lakeland | MI | 48143 | 8102319888 |
| 00084 | WAM Foods, Inc. | 3415 E Saginaw St, Suite 3 | Lansing | MI | 48912 | 5173369111 |
| 00063 | VAC Foods, Inc. | 742 N. Waverly Rd. | Lansing | MI | 48917 | 5173214404 |
| 00051 | J & M Foodservices, Inc. | 900 West Holmes Rd. | Lansing | MI | 48910 | 5173940300 |
| 00092 | Millennium Food Service, LLC | 630 West Genesee Street | Lapeer | MI | 48446 | 8106672000 |
| 03604 | Corse, Inc. | 1863 Southfield Rd. | Lincoln Park | MI | 48146 | 3133579000 |
| 01044 | SMJ, Inc. | 8351 Silver Lake Road | Linden | MI | 48451 | 8107355803 |
| 00005 | Jeff Hearn | 27448 West 7 Mile Road | Livonia | MI | 48152 | 2487773300 |
| 00017 | Jeff Hearn | 33699 Five Mile Road | Livonia | MI | 48154 | 7344275050 |
| 00560 | Jackson Food Service, Inc.* | 8821 Newburgh Rd. | Livonia | MI | 48150 | 7342930400 |
| 00528 | Pat Patterson Properties, Inc. | 5485 West US Highway 10 | Ludington | MI | 49431 | 2318436363 |
| 01094 | Millennium Food Service, LLC | 51074 Romeo Plank Rd. | Macomb Twp | MI | 48044 | 5869921900 |
| 00020 | Valiant Holdings, Inc. | 30495 John R. | Madison Heights | MI | 48071 | 2485839944 |
| 00087 | Hungry Howie's Properties, Inc. | 105 Fairbanks | Marine City | MI | 48039 | 8107651100 |
| 00535 | Marshall Pizza Company | 15252 Old 27 N | Marshall | MI | 49068 | 2697813555 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 00050 | Blue Water Pizza Group, LLC | 3240 Gratiot Blvd | Marysville | MI | 48040 | 8103643360 |
| 01019 | Mason Pizza Company, LLC | 222 North Cedar | Mason | MI | 48854 | 5176766622 |
| 03609 | Breakaway Holdings, LLC | 18310 Allen Rd | Melvindale | MI | 48122 | 3133827000 |
| 00595 | Metamora Food Management, Inc. | 3562 South Lapeer Ste. C | Metamora | MI | 48455 | 8106782600 |
| 00549 | Jacinto Pizza, LLC | 11300 W. M-179 Hwy. | Middleville | MI | 49333 | 2697953250 |
| 01027 | Tri City Pizza Group, LLC | 425 S. Saginaw | Midland | MI | 48640 | 9898325292 |
| 00088 | Milan Pizza Inc. | 6 West Main | Milan | MI | 48160 | 7344391716 |
| 00593 | SMJ, Inc. | 171 S Milford Rd | Milford | MI | 48381 | 2487140063 |
| 00529 | Milan Pizza, Inc. | 2239 N. Telegraph Rd., Unit 8 | Monroe | MI | 48162 | 7346391245 |
| 01050 | Lesota, Ltd. | 11360 Saginaw St | Mt Morris | MI | 48458 | 8106865577 |
| 00098 | Tom Hutchinson & Douglas Myers | 111 S. Mission | Mt. Pleasant | MI | 48858 | 9897720044 |
| 00076 | J & M ENTERPRISES OF NEW BALTIMORE, LLC | 37595 Green Street | New Baltimore | MI | 48047 | 5867254999 |
| 01093 | Millennium Food Service, LLC | 59065 Gratiot | New Haven | MI | 48048 | 5867493355 |
| 01018 | Beezer's, L.L.C. | 555 Seven Mile Road | Northville | MI | 48167 | 2483058376 |
| 00544 | Novi Pizza Company LLC | 24265 Novi Road | Novi | MI | 48375 | 2483481111 |
| 00041 | Oak Park Pizza Company, Inc | 24691 Coolidge Hwy | Oak Park | MI | 48237 | 2485454010 |

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|---|---|---|---|---|---|---|
| 01087 | Oakland Pizza | 4930 North Adams Rd | Oakland Twp | MI | 48306 | 2482769999 |
| 01000 | The Word Enterprises-Haslett, LLC | 2160 W Grand River Rd. | Okemos | MI | 48864 | 5173394333 |
| 01033 | SMJ, Inc. | 280 North Ortonville Road | Ortonville | MI | 48462 | 2486275255 |
| 00537 | Hungry Howie's Properties, Inc. | 5160 North US Hwy 23 | Oscoda | MI | 48750 | 9897391300 |
| 03613 | Pizza Guys, Inc. | 116 S Shiawassee, Suite A | Owosso | MI | 48867 | 9899364141 |
| 01096 | Perry Pizza Corp | 3058 Britton Road | Perry | MI | 48872 | 5176255555 |
| 00023 | Jeff Hearn | 1327 South Main Street | Plymouth | MI | 48170 | 7344533550 |
| 00081 | BALDWIN PIZZA CO., INC. | 763 Baldwin Ave | Pontiac | MI | 48340 | 2483329200 |
| 00091 | Blue Water Pizza Group, LLC | 1618 Stone | Port Huron | MI | 48060 | 8109877000 |
| 00014 | Jackson Food Service, Inc. | 25249 Plymouth Rd. | Redford | MI | 48239 | 3135348844 |
| 01038 | Millennium Food Service, LLC | 67437 Main Street | Richmond | MI | 48062 | 5867274410 |
| 00071 | River Rouge Pizza Company, Inc | 11389 West Jefferson Ave. | River Rouge | MI | 48218 | 3138434100 |
| 00058 | Metro Food Concepts, LLC | 19182 Fort St. | Riverview | MI | 48193 | 7344791900 |
| 00021 | RMJA, LLC. | 606 N. Main St. | Rochester | MI | 48307 | 2486522010 |
| 00085 | RMJA, LLC. | 2638 S. Rochester Rd. | Rochester Hills | MI | 48307 | 2488520002 |
| 01099 | Jerpie, Inc. | 159 Marcell Drive NE | Rockford | MI | 49341 | 6168638888 |
| 00033 | Hungry Howie's Properties, Inc. | 17744 Frazho | Roseville | MI | 48066 | 5867725600 |

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|---|---|---|---|---|---|---|
| 00053 | Millennium Food Service, LLC | 29042 Utica Rd. | Roseville | MI | 48066 | 5867769700 |
| 00042 | Royal Oak Pizza Company, Inc. | 904 E. 11 Mile Rd. | Royal Oak | MI | 48067 | 2485458090 |
| 01016 | Hungry Howie's Properties, Inc. | 3576 Bay Road | Saginaw | MI | 48603 | 9897926300 |
| 01039 | Hungry Howie's Properties, Inc. | 4938 Gratiot | Saginaw | MI | 48603 | 9897935100 |
| 01077 | Milan Pizza Inc. | 439 E. Michigan Ave. | Saline | MI | 48176 | 7349449188 |
| 01045 | BANYAN VENTURES, L.L.C. | 910 Ashmun St. | Sault Ste. Marie | MI | 49783 | 9066326699 |
| 01004 | SHELBY FOOD MANAGEMENT, INC. | 49143 Schoenherr | Shelby Twp | MI | 48315 | 5867395100 |
| 00078 | Shelby Pizza Corporation | 54840 Mound Rd. | Shelby Twp | MI | 48316 | 2486563300 |
| 00097 | David Plait | 513 S. Lafayette | South Lyon | MI | 48178 | 2484867900 |
| 00032 | Southfield Pizza Co. | 22040 W. 10 Mile Rd. | Southfield | MI | 48033 | 2483508290 |
| 00002 | Metro Food Concepts, LLC | 16083 Eureka Rd. | Southgate | MI | 48195 | 7342820700 |
| 00059 | Blue Water Pizza Group, LLC | 201 N. Riverside Avenue | St. Clair | MI | 48079 | 8103295900 |
| 00039 | St. Clair Shores Pizza Corp. | 31400 Harper Ave. | St. Clair Shores | MI | 48082 | 5862948090 |
| 00031 | Millennium Food Service, LLC | 13229 14 Mile Rd. | Sterling Heights | MI | 48312 | 5862640215 |
| 00062 | Sterling Heights Pizza Co., Inc. | 4078 17 Mile Rd | Sterling Heights | MI | 48310 | 5862688800 |
| 00037 | Hungry Howie's Properties, Inc. | 43067 Hayes | Sterling Heights | MI | 48313 | 5865669700 |
| 00061 | AJ & J, Inc. | 43747 Van Dyke | Sterling Heights | MI | 48314 | 5867269300 |

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|---|---|---|---|---|---|---|
| 00566 | STOCKBRIDGE PIZZA COMPANY, LLC | 200 South Clinton Street | Stockbridge | MI | 49285 | 5178517447 |
| 01008 | Millennium Food Service, LLC | 7567 Miller Road | Swartz Creek | MI | 48473 | 8106357171 |
| 00003 | Jackson Food Service, Inc.* | 27198 Eureka Rd. | Taylor | MI | 48180 | 7349429500 |
| 00001 | Jackson Food Service, Inc.* | 8225 S. Telegraph Rd. | Taylor | MI | 48180 | 3132952350 |
| 01032 | Breakaway Holdings, LLC | 3921 West Road | Trenton | MI | 48183 | 7346925560 |
| 00035 | Birmingham Pizza, LLC. | 3615 Rochester Rd. | Troy | MI | 48083 | 2486898400 |
| 00073 | Vallon, Inc. | 10784 Belleville | Van Buren Twp | MI | 48111 | 7346974545 |
| 01040 | Smith Pizza Service L.L.C. | 200 East Prairie | Vicksburg | MI | 49097 | 2696499099 |
| 01075 | JO-CO Restaurants, LLC | 4069 Lake Michigan Drive | Walker | MI | 49504 | 6167352050 |
| 00055 | Walled Lake Pizza Company, LLC | 954 N. Pontiac Trail | Walled Lake | MI | 48390 | 2486248006 |
| 00045 | Millennium Food Service, LLC | 22945 Hoover | Warren | MI | 48089 | 5867571500 |
| 03600 | Millennium Food Service, LLC | 29142 Hoover Rd. | Warren | MI | 48093 | 5865584800 |
| 00028 | Warren Pizza L.L.C. | 31912 Ryan Road | Warren | MI | 48092 | 5869393290 |
| 00057 | Nine Mile Pizza Company, LLC. | 4652 E. Nine Mile Rd. | Warren | MI | 48091 | 5867545355 |
| 00070 | Romeo Food Management, Inc. | 64203 Van Dyke | Washington/Romeo | MI | 48095 | 5867525200 |
| 00024 | Little Pete's Inc. | 4212 Highland Rd | Waterford | MI | 48328 | 2486817070 |
| 00043 | Little Pete's, Inc | 5592 Dixie Hwy. | Waterford | MI | 48329 | 2486231620 |

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|---|---|---|---|---|---|---|
| 03605 | Smith Pizza Service, LLC | 334 Reno Drive | Wayland | MI | 49348 | 2697921510 |
| 00016 | Jackson Food Service, Inc.* | 5711 S. Wayne Rd. | Wayne | MI | 48184 | 7343268990 |
| 01024 | B. Jacobs, Inc. | 6453 Farmington Road | West Bloomfield | MI | 48322 | 2486269922 |
| 00011 | Jackson Food Service, Inc.* | 1820 S. Newburgh Rd. | Westland | MI | 48186 | 7347210600 |
| 00015 | Jackson Food Service, Inc.* | 33700 Ford Rd. | Westland | MI | 48185 | 7344220333 |
| 00007 | Jackson Food Service, Inc.* | 8232 N. Merriman Rd. | Westland | MI | 48185 | 7342615660 |
| 00099 | Little Pete's, Inc. | 9135 Highland Road | White Lake | MI | 48383 | 2486981940 |
| 01082 | Whitmore Lake Pizza Company, LLC | 11930 Whitmore Lake Rd. | Whitmore Lake | MI | 48189 | 7344499100 |
| 00094 | Williamston Pizza, Inc. | 205 West Grand River | Williamston | MI | 48895 | 5176555900 |
| 01014 | Wixom Pizza Company, LLC | 31204 S. Wixom Road | Wixom | MI | 48393 | 2489600100 |
| 01005 | Lentrek, Inc. | 1534 Ford Ave | Wyandotte | MI | 48192 | 7342824026 |
| 00550 | Wyoming Pizza Corp. | 1851 44th St SW, Suite D | Wyoming | MI | 49519 | 6162497070 |
| 00567 | H2 Ypsi Pizza, Inc. | 1530 Holmes Rd. | Ypsilanti | MI | 48198 | 7348965151 |
| 00527 | WD 3 Ypsilanti, Inc. | 1874 Whittaker Road | Ypsilanti | MI | 48197 | 7344800400 |
| 00539 | Zeeland Pizza Corporation | 26 N. State St. | Zeeland | MI | 49464 | 6167727070 |

**MISSISSIPPI**

| **Store #** | **Franchisee** | **Street** | **City** | **State** | **Zip** | **Phone Number** |
|---|---|---|---|---|---|---|
| 09003 | GMLV, LLC | 1060 Spillway Circle | Brandon | MS | 39047 | 6017060418 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 09002 | AKNPS, LLC | 7157 Old Canton Rd. | Ridgeland | MS | 39157 | 6018985008 |
| 09005 | GMLV, LLC | 87 Cotton Mill Drive | Starkville | MS | 39759 | 6622705355 |

**NORTH CAROLINA**

| Store # | Franchisee | Street | City | State | Zip | Phone Number |
|---|---|---|---|---|---|---|
| 00639 | E & F Pizza Perfect, LLC | 915 South Point Rd, Suite J | Belmont | NC | 28012 | 7044610535 |
| 00609 | E & F Pizza Perfect, L.L.C. | 668 Blowing Rock Rd. | Boone | NC | 28607 | 8282645004 |
| 00610 | E & F Pizza Perfect, L.L.C. | 10039 University City Blvd., Suite C | Charlotte | NC | 28262 | 7045984744 |
| 00608 | E & F Pizza Perfect, L.L.C. | 1707 Sardis Rd., North | Charlotte | NC | 28270 | 7048455100 |
| 00619 | E & F Pizza Perfect, L.L.C. | 6426 W. Sugar Creek Rd., Unit A | Charlotte | NC | 28269 | 7045094567 |
| 00611 | E & F Pizza Perfect, L.L.C. | 8334 Pineville-Matthews Rd., Suite 104 | Charlotte | NC | 28226 | 7047527577 |
| 00600 | E & F Pizza Perfect, L.L.C. | 8610-F Camfield Street | Charlotte | NC | 28277 | 7045437900 |
| 00617 | E & F Pizza Perfect, L.L.C. | 8943 South Tryon St. Suite D | Charlotte | NC | 28273 | 7045882000 |
| 00651 | Moran Food Group LLC | 9145 Cleveland Road, Suite 103 | Clayton | NC | 27520 | 9198792800 |
| 00647 | E & F Pizza Perfect, LLC | 5555 Concord Pkwy S | Concord | NC | 28027 | 0 |

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|---|---|---|---|---|---|---|
| 00629 | E & F Pizza Perfect, LLC | 18059 W. Catawba Ave., Unit 8 | Cornelius | NC | 28031 | 7042373810 |
| 00640 | E & F Pizza Perfect, LLC | 701 West Trade Street | Dallas | NC | 28034 | 7047422010 |
| 00631 | Wasden Food Group, LLC | 2318 Paintersmill Drive, Suite 105 | Fayetteville | NC | 28304 | 9102133888 |
| 00652 | Wasden Food, LLC | 550 N. Reilly Rd, Ste 106 | Fayetteville | NC | 28303 | 9109009001 |
| 00630 | E & F Pizza Perfect, LLC | 3320 Robinwood Rd | Gastonia | NC | 28054 | 7048429100 |
| 00625 | Muncie Enterprises LLC | 5710 West Gate City Blvd. | Greensboro | NC | 27407 | 3367630569 |
| 00635 | Farnsworth Hospitality Inc. | 2419 Springs Rd. NE Suite H | Hickory | NC | 28601 | 8283032500 |
| 00623 | E & F Pizza Perfect, L.L.C. | 553 S. Indian Trail | Indian Trail | NC | 28079 | 7048211004 |
| 00643 | Awesome Sauce, Inc. | 1740 S Cannon Blvd | Kannapolis | NC | 28083 | 7049354077 |
| 00612 | Satut Holdings, LLC | 1814 Oberlin Rd. | Raleigh | NC | 27608 | 9197890001 |
| 00638 | Farnsworth Hospitality Inc. | 1725 E Broad St Unit B | Statesville | NC | 28625 | 7042538020 |
| 00615 | The 4 Allens Corp. | 166 Millers Creek Drive, Unit G | Winston-Salem | NC | 27127 | 3367649898 |
| 00624 | Muncie Enterprises LLC | 3914 Country Club Road | Winston-Salem | NC | 27104 | 3367689000 |

**NEVADA**

| Store # | Franchisee | Street | City | State | Zip | Phone Number |
|---|---|---|---|---|---|---|

| | | | | | | |
|---|---|---|---|---|---|---|
| 00908 | ZaZilla LLC | 4045 S. Buffalo Rd., Suite A105 | Las Vegas | NV | 89147 | 7028322844 |
| 00906 | North Vegas Pizza LLC | 6365 Simmons Street | Las Vegas | NV | 89031 | 7024331313 |
| 00907 | ZaZilla LLC | 7703 N. El Capitan Way, Suite 150 | Las Vegas | NV | 89143 | 7024324334 |

**OHIO**

| Store # | Franchisee | Street | City | State | Zip | Phone Number |
|---|---|---|---|---|---|---|
| 00837 | Galdon Family Investments, LLC | 634 West State St. | Alliance | OH | 44601 | 3308219999 |
| 00879 | The Compass Group USA, Inc. | 311 N Mercer Rd | Bowling Green | OH | 43403 | 0 |
| 00878 | The Compass Group USA, Inc. | 806 Ridge St | Bowling Green | OH | 43403 | 0 |
| 00835 | Galdon Family Investments, LLC | 2121 Columbus Road, N.E. | Canton | OH | 44705 | 3304555141 |
| 00832 | Galdon Family Investments, LLC | 2411 Tuscarawas Street W. | Canton | OH | 44708 | 3304531681 |
| 00818 | HH Pizza Store #818, LLC | 815 North Houk Rd. | Delaware | OH | 43015 | 7403638020 |
| 00829 | HHP Holding Company, LLC | 1444 E. Main | Kent | OH | 44240 | 3306775555 |
| 00823 | Galdon Family Investments, LLC | 16210 Detroit Ave. | Lakewood | OH | 44107 | 2165217200 |
| 00830 | Galdon Family Investments, LLC | 9173 Mentor, Unit 2 | Mentor | OH | 44060 | 4402059595 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 00872 | HHP Holding Company, LLC | 35 North Cleveland Ave. | Mogadore | OH | 44260 | 3306281164 |
| 00801 | Toledough Pie Inc. | 5820 Douglas Rd. | Toledo | OH | 43613 | 4194742800 |
| 00873 | HHP Holding Company, LLC | 3939 Massillon Rd. | Uniontown | OH | 44685 | 3308999993 |
| 00813 | Galdon Family Investments, LLC | 24533 Center Ridge Rd. | Westlake | OH | 44145 | 4408991236 |

**OKLAHOMA**

| Store # | Franchisee | Street | City | State | Zip | Phone Number |
|---|---|---|---|---|---|---|
| 02706 | The Lawson Group LLC | 1669 S Yale Ave | Tulsa | OK | 74112 | 9187709200 |
| 02705 | The Lawson Group LLC | 6703 East 81st St., Ste. B | Tulsa | OK | 74133 | 9185230000 |

**PENNSYLVANIA**

| Store # | Franchisee | Street | City | State | Zip | Phone Number |
|---|---|---|---|---|---|---|
| 02602 | J-TEMCO, LLC | 3329 Beale Ave. | Altoona | PA | 16601 | 8149437000 |

**SOUTH CAROLINA**

| Store # | Franchisee | Street | City | State | Zip | Phone Number |
|---|---|---|---|---|---|---|
| 02512 | MB Pizza, LLC. | 4270 River Oaks Dr. | Carolina Forest | SC | 29579 | 8438060008 |
| 02509 | JP Enterprises of Greenville, LLC | 2131 Woodruff Road, Unit 1800 | Greenville | SC | 29607 | 8645208226 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 02506 | JP Enterprises of Greenville, LLC | 203 B. East Butler Rd. | Mauldin | SC | 29662 | 8646760100 |
| 02501 | MB Pizza, LLC | 1601 S Kings Hwy | Myrtle Beach | SC | 29577 | 8434442000 |
| 02502 | MB Pizza, LLC | 4008 Hwy 17 S Unit B1 | North Myrtle Beach | SC | 29582 | 8433611300 |

**TENNESSEE**

| Store # | Franchisee | Street | City | State | Zip | Phone Number |
|---|---|---|---|---|---|---|
| 01717 | Blackrock Group, Inc. | 458 E Broadway Blvd | Jefferson City | TN | 37760 | 8652625222 |
| 01709 | Blackrock Group, Inc. | 1501 E. Morris Blvd. Suite 4 | Morristown | TN | 37813 | 4235878889 |
| 01708 | Florence Pizza LLC | 2015B Lascassas Pike | Murfreesboro | TN | 37130 | 6159003971 |

**TEXAS**

| Store # | Franchisee | Street | City | State | Zip | Phone Number |
|---|---|---|---|---|---|---|
| 01530 | Bird of College Station, LLC | 105 Southwest Pkwy Ste. 400 | College Station | TX | 77840 | 9796936666 |
| 01543 | Pizza with a Purpose II, LLC | 1127 Eldridge Suite 450 | Houston | TX | 77077 | 3466330300 |
| 01542 | RGM Hospitality LLC | 9213 West Rd., Suite 100 | Houston | TX | 77064 | 3463550707 |
| 01540 | Pizza with a Purpose, LLC | 21003 Highland Knolls, Suite #110 | Katy | TX | 77450 | 2817126362 |
| 01544 | Pizza with a Purpose III, LLC | 6940 Katy Gaston Rd, Suite 100 | Katy | TX | 77494 | 3462570557 |

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|---|---|---|---|---|---|---|
| 01506 | G & G Franchise Investments, Inc. | 2019 E Del Mar Blvd., Suite 500 | Laredo | TX | 78041 | 9567444444 |
| 01501 | I & H Group LLC | 11309 Bandera Road, Suite 107 | San Antonio | TX | 78250 | 2106479856 |
| 01523 | BDD Enterprises, L.P.. | 13486 San Pedro Ave. Ste. 103 | San Antonio | TX | 78216 | 2106509923 |

**UTAH**

| Store # | Franchisee | Street | City | State | Zip | Phone Number |
|---|---|---|---|---|---|---|
| 02113 | Two 3, Inc. | 1917 W. 1800 N., A1 | Clinton | UT | 84015 | 3852628181 |
| 02114 | Two 3, Inc. | 14 N Fort Lane | Layton | UT | 84041 | 3852091919 |
| 02110 | RAAP Enterprises, Inc. | 1475 N Main St | Logan | UT | 84341 | 4359992929 |
| 02106 | Santa Clara Pizza, LLC | 1812 West Sunset Blvd. Unit #4 | St George | UT | 84770 | 4356565588 |
| 02107 | Bloomington Pizza, LLC | 144 West Brigham Rd. Unit #4 | St. George | UT | 84790 | 4356560011 |
| 02103 | Washington Pizza, LLC | 2736 Red Cliffs Dr. Unit #1 | St. George | UT | 84790 | 4356749966 |

*Franchise is owned or controlled by either Steven E. Jackson or James R. Hearn or their family members or estates and pay a reduced or no royalty fee.

## Exhibit K: Non-Operational Franchisees

**MICHIGAN**

| Store # | Franchisee | City | State | Business Telephone No. or Email Address |
|---|---|---|---|---|
| TBD | Big Poppa Pizza Co.* | Cadillac | MI | koryhershock25@gmail.com |
| TBD | Big Poppa Pizza Co.* | Gaylord | MI | koryhershock25@gmail.com |
| 03618 | Milan Pizza, Inc. | Monroe | MI | 4pshannon@gmail.com |
| 03622 | RJC Pizza, Inc. | Tecumseh | MI | julie.marie.dunn@gmail.com |
| 03621 | Big Poppa Pizza Co.* | Traverse City | MI | koryhershock25@gmail.com |

**OHIO**

| Store # | Franchisee | City | State | Business Telephone No. or Email Address |
|---|---|---|---|---|
| 00880 | Toledough Pie Inc. | Toledo | OH | rebeccashannon14@gmail.com |

**TEXAS**

| Store # | Franchisee | City | State | Business Telephone No. or Email Address |
|---|---|---|---|---|
| 01545 | Pizza with a Purpose, LLC | TBD | TX | chris@thepizzapurpose.com |

*Franchisee has development rights under an Area Developer Multiple Unit Addendum.

## Exhibit L: Former Franchisees

### ALABAMA

| Store # | Franchisee | City | State | Bus. Phone Number | Notes |
|---|---|---|---|---|---|
| 02310 | Destin Pizza of Florida, LLC | Enterprise | AL | 3343935888 | Transfer |

### ARIZONA

| Store # | Franchisee | City | State | Bus. Phone Number | Notes |
|---|---|---|---|---|---|
| 01828 | SimonXpress Pizza, LLC | Tucson | AZ | (520) 327-9200 | Ceased Operations |

### CALIFORNIA

| Store # | Franchisee | City | State | Bus. Phone Number | Notes |
|---|---|---|---|---|---|
| 00331 | iByte GP | Glendale | CA | 8185022646 | Transfer of controlling interest. No name change. |

### COLORADO

| Store # | Franchisee | City | State | Bus. Phone Number | Notes |
|---|---|---|---|---|---|
| 04004 | HouseofM Ventures LLC | Aurora | CO | 7208050303 | Transfer |

### FLORIDA

| Store # | Franchisee | City | State | Bus. Phone Number | Notes |
|---|---|---|---|---|---|
| 00260 | Order Up Inc II. | Edgewater | FL | 3864278699 | Ceased Operations |
| 03034 | Pain Rite Ent., Inc. | Fort Pierce | FL | 7724610090 | Ceased Operations |
| 00231 | Lott-Morr Pizza, Inc. | Lakeland | FL | 8638533222 | Transfer |
| 00133 | Kanik, LLC | Ocala | FL | 3526947171 | Ceased Operations |
| 03001 | Destin Pizza of Florida, LLC | Ocala | FL | 3528610555 | Transfer |
| 00184 | Alafaya Trail Pizza Inc | Orlando | FL | 4072820555 | Transfer |

| | | | | | |
|---|---|---|---|---|---|
| 03045 | Kirkman Pizza,LLC | Orlando | FL | 4072967070 | Ceased Operations |
| 03060 | Palatka Pizza Inc. | Palatka | FL | 3865307101 | Ceased Operations |
| 03027 | Crew Investments, LLC | Plantation | FL | 9546361111 | Transfer |
| 00141 | BUD Enterprises, Inc. | St. Petersburg | FL | 7273276010 | Transfer |
| 03009 | Steinhatchee Pizza, LLC | Steinhatchee | FL | 3524987100 | Ceased Operations |
| 00189 | AJZreik LLC | Tampa | FL | 8139206311 | Transfer |
| 03019 | JGAC PIZZA, INC. | Tampa | FL | 8132652111 | Ceased Operations |
| 00127 | EMJ Pizza | Tampa | FL | 7276016577 | Transfer |
| 03005 | CR 55 Pizza, LLC | Trenton | FL | 3524639499 | Ceased Operations |

**GEORGIA**

| Store # | Franchisee | City | State | Bus. Phone Number | Notes |
|---|---|---|---|---|---|
| 02417 | AELREN, LLC | Kennesaw | GA | 4704120101 | Ceased Operations |
| 02415 | Anderson-Faison I, LLC | Newnan | GA | 4703471122 | Transfer |

**NORTH CAROLINA**

| Store # | Franchisee | City | State | Bus. Phone Number | Notes |
|---|---|---|---|---|---|
| 00635 | E & F Pizza Perfect, LLC | Hickory | NC | 8283032500 | Transfer |
| 00627 | Pizza Company of Charleston, Inc. | Jacksonville | NC | 9103553599 | Termination |
| 00649 | Pizza Company of Charleston, Inc. | Jacksonville | NC | 9109393900 | Ceased Operations |
| 00632 | Pizza Company of Charleston, Inc. | Midway Park | NC | 9109396100 | Termination |
| 00613 | Satut Holdings, LLC | Raleigh | NC | 9197823434 | Ceased Operations |
| 00638 | E & F Pizza Perfect, LLC | Statesville | NC | 9102538020 | Transfer |

**NEVADA**

| Store # | Franchisee | City | State | Bus. Phone Number | Notes |
|---|---|---|---|---|---|
| 00908 | SSGILL LLC | Las Vegas | NV | 7028322844 | Transfer |

**OHIO**

| Store # | Franchisee | City | State | Bus. Phone Number | Notes |
|---|---|---|---|---|---|
| 00837 | Great Lakes Pizza Group, LLC | Alliance | OH | 3308219999 | Transfer |
| 00832 | Great Lakes Pizza Group, LLC | Canton | OH | 3304531681 | Transfer |
| 00835 | Great Lakes Pizza Group, LLC | Canton | OH | 3304555141 | Transfer |
| 00823 | Great Lakes Pizza Group, LLC | Lakewood | OH | 2165217200 | Transfer |
| 00830 | Great Lakes Pizza Group, LLC | Mentor | OH | 4402059595 | Transfer |
| 00813 | Great Lakes Pizza Group, LLC | Westlake | OH | 4408991236 | Transfer |

**PENNSYLVANIA**

| Store # | Franchisee | City | State | Bus. Phone Number | Notes |
|---|---|---|---|---|---|
| 02602 | Remmco, Inc. | Altoona | PA | 8149437000 | Transfer |

**SOUTH CAROLINA**

| Store # | Franchisee | City | State | Bus. Phone Number | Notes |
|---|---|---|---|---|---|
| 02503 | Grinnell Food Systems LLC | Irmo | SC | 8037492669 | Termination |
| 02506 | Succulus, LLC | Mauldin | SC | 8646760100 | Transfer |

**TENNESSEE**

| Store # | Franchisee | City | State | Bus. Phone Number | Notes |
|---|---|---|---|---|---|
| 01711 | Anarchy Pizza, LLC | Franklin | TN | 6152248556 | Ceased Operations |
| 01717 | Yellow Phoenix, Inc | Jefferson City | TN | 8652625222 | Transfer |
| 01709 | Yellow Phoenix, Inc | Morristown | TN | 4235878889 | Transfer |
| 01708 | Hindusa, Inc. | Murfreesboro | TN | 6159003971 | Transfer |
| 01713 | TN Pizza Guy, LLC | Nashville | TN | 6154018181 | Ceased Operations |

**TEXAS**

## Exhibit **L: Former Franchisees**

| Store # | Franchisee | City | State | Bus. Phone Number | Notes |
|---|---|---|---|---|---|
| 01507 | Meadowland Investment LLC | Katy | TX | 2813452500 | Ceased Operations |
| 01501 | Plymouth Beach, LLC | San Antonio | TX | 2106479856 | Transfer |

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

Unless otherwise stated, no franchisees listed in this exhibit had/have development rights pursuant to an Area Developer Multiple Unit Addendum.

## STATE EFFECTIVE DATES

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

| State | Effective Date |
|---|---|
| California | pending |
| Hawaii | |
| Illinois | |
| Indiana | pending |
| Maryland | |
| Michigan | April 1, 2024 |
| Minnesota | |
| New York | |
| North Dakota | |
| Rhode Island | |
| South Dakota | |
| Virginia | |
| Washington | |
| Wisconsin | |

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

## Exhibit M:
## Receipt

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Hungry Howie's Pizza & Subs, Inc. 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.

If Hungry Howie's 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the applicable state agency identified on Exhibit A.

The franchisor is Hungry Howie's Pizza & Subs, Inc., located at 30300 Stephenson Hwy., Suite 200, Madison Heights, Michigan 48071. Our phone number is (248) 414.3300.

The franchise sellers for this offering are Steve Clough, Shelley Boatright, and Elizabeth M. Reifert, each located at our address and available at our phone number. The name, principal business address and telephone number of each additional franchise seller is on the attached Addendum.

The issue date of this Disclosure Document is April 1, 2024.

We authorize the respective state agents identified on Exhibit A to receive service of process for us in their particular states.

I have received a Disclosure Document from Hungry Howie's Pizza & Subs, Inc. dated April 1, 2024, that included the following Exhibits:

A. State Addenda to Disclosure Document
B. State Agencies/Agents for Ser"ice of Process
C. Financial Statements
D. Unaudited Financial Statements
E. Franchise Agreement
F. Area Developer Multiple Unit Addendum
G. Standard Lease Rider to Franchise Agreement
H. General Release
I. Confidentiality Agreement
J. List of Operational Franchisees
K. List of Non-Operational Franchisees
L. List of Former Franchisees
M. Receipt

Dated:_____

_____
[Signature of prospective franchisee]

_____
[Printed name of prospective franchisee], an individual

and as [officer, partner or member] of _____,
[name of prospective franchisee's business entity]
[a/an] [state of formation] [corporation, partnership or limited liability company] and any other prospective franchisee entity (currently in existence or formed in the future) of which the above individual is an officer, partner or member.

*After signing and dating this Receipt, you may return it to us by sending the original via first class mail to our address above, faxing to (248) 414-3301 or emailing it to us. You may keep the second copy for your records.*

## Addendum to Exhibit M: Receipt

**HUNGRY HOWIE'S PIZZA & SUBS, INC.**

TO: _____

DATE: _____, _____

The name, principal business address, and telephone number of each franchise seller offering this franchise (in addition to those listed on the Receipt) is listed below.

| | |
|---|---|
| Franchise Seller's Name | |
| Principal Business Address | |
| Telephone Number | |

This Addendum to Receipt should be attached to the Receipt signed by you acknowledging receipt of the Disclosure Document.

# Receipt

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Hungry Howie's Pizza & Subs, Inc. 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.

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M. Receipt

Dated:_____

_____
[Signature of prospective franchisee]

_____
[Printed name of prospective franchisee], an individual

and as [officer, partner or member] of _____,
[name of prospective franchisee's business entity]
[a/an] [state of formation] [corporation, partnership or limited liability company] and any other prospective franchisee entity (currently in existence or formed in the future) of which the above individual is an officer, partner or member.

## Addendum to Exhibit M: Receipt

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TO: _____

DATE: _____,_____

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| | |
|---|---|
| Franchise Seller's Name | |
| Principal Business Address | |
| Telephone Number | |

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