FRANCHISE DISCLOSURE DOCUMENT

KELLY'S CAJUN GRILL FRANCHISE CORPORATION
A Florida Corporation
4531 Ponce de Leon Boulevard, Suite 300
Coral Gables, Florida 33146
Phone: (305) 476-1611
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The franchise is for a KELLY'S CAJUN GRILL Restaurant offering and serving a limited menu of"fast food" items having a Cajun food theme. The menu also includes various beverage products and occasional promotional items.

The total investment necessary to begin operation of an individual or unit KELLY'S CAJUN GRILL franchise is from $250,000 to $727,500. This includes $30,250 - $110,600 that must be paid to the franchisor or affiliate.

The total investment necessary to begin operation of an area developer franchised business will depend on the number of franchises to be opened. This includes $10,000 times the number of franchises to be developed (minimum of two) plus $20,000 for the initial franchise fee for the first franchise that must be paid to the franchisor or an affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Administration Department at 4531 Ponce de Leon Boulevard, Suite 300, Coral Gables, Florida 33146, telephone (305) 476-1611, extension 202.

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

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

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

Issuance Date: April 1, 2020

STATE COVER PAGE

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

Call the state franchise administrator listed in Exhibit C for information about the franchisor, or about franchising in your state.

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

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU RESOLVE DISPUTES WITH US BY ARBITRATION AND LITIGATION ONLY IN FLORIDA. OUT OF STATE ARBITRATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE AND LITIGATE WITH US IN FLORIDA THAN IN YOUR HOME STATE. EITHER PARTY MAY REQUEST THAT A DISPUTE BE SUBMITTED TO NON-BINDING MEDIATION BEFORE BEING SUBMITTED TO ARBITRATION. THIS MAY DELAY YOUR ABILITY TO HAVE ARBITRATORS DECIDE YOUR CASE. THE REQUIREMENT TO LITIGATE IN FLORIDA MAY BE SUPERCEDED BY CERTAIN STATE LAWS. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT EITHER PARTY MAY REQUEST THAT A DISPUTE BE SUBMITTED TO NON-BINDING MEDIATION BEFORE BEING SUBMITTED TO ARBITRATION. THIS MAY DELAY YOUR ABILITY TO HAVE ARBITRATORS DECIDE YOUR CASE.

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

3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

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

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

California	
Illinois	
Maryland	
Michigan	April 1, 2020
New York	
Virginia	

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Item 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, "we", "us" or "our" means KELLY'S CAJUN GRILL FRANCHISE CORPORATION, the Franchisor. "You" means the person or legal entity who buys the franchise. If you are an individual, you may, with our consent, assign your rights under the Franchise Agreement to a legal entity, but you will remain personally responsible for all obligations imposed on you under the franchise agreement. If you are a legal entity, "you" also includes your owners.

The Franchisor, Its Parents, Predecessors and Affiliates. We were incorporated in Florida on September 15, 1995. We do business under the name "KELLY'S CAJUN GRILL"("KCG"). We do not do business under any other name. Our principal business address is 4531 Ponce de Leon Boulevard, Suite 300, Coral Gables, Florida 33146. We do not have any corporate parent or predecessor; however, an affiliated company, CAJUN AND GRILL OF AMERICA, INC. ("CGA"), a Florida corporation, whose principal business address is 4531 Ponce de Leon Boulevard, Suite 300, Coral Gables, Florida 33146, has conducted a similar business to the type offered in this Disclosure Document since 1991. CGA is the majority owner of 17 Kelly's Cajun Grill Restaurants in the United States, which restaurants offer substantially the same menu as KCG. Another affiliated company, CHINESE CAFES OF AMERICA, INC. ("CCA"), is the majority owner of ethnic food (Chinese, Japanese and Middle Eastern) restaurants in shopping center food courts throughout the United States. Neither CGA nor CCA offer franchises for the same type of business as a KCG. Another affiliate, YEUNG'S LOTUS EXPRESS FRANCHISE CORP. whose principal business address is 4531 Ponce de Leon Boulevard, Suite 300, Coral Gables, Florida 33146, has offered franchises for Yeung's Lotus Express restaurants ("YLE") having a Chinese food theme primarily in food courts of regional shopping centers or malls since 1998, and an affiliate, INTERNATIONAL RESTAURANT MANAGEMENT GROUP, INC., whose principal business address is 4531 Ponce de Leon Boulevard, Suite 300, Coral Gables, Florida 33146, has offered franchises for Japanese food restaurants under the name Suki Hana ("SH") primarily in food courts of regional shopping centers or malls since 2000, and offered franchises for restaurants featuring a variety of chicken products under the name Chicken Connection from 2000 - 2016. Our registered agents for service of process are disclosed in Exhibit D.

The Franchisor's Business. We have offered and sold the franchises described in this Disclosure Document since 1996. We are not engaged in any other business, do not operate any businesses being franchised and neither we nor our affiliates have offered franchises in other lines of business. This Disclosure Document pertains only to KCG franchises. The granting of a KCG franchise does not give you the right to operate any of the restaurant concepts franchised by our affiliates. If you desire to operate a dual concept KCG and YLE or SH, you must apply to, and be granted a franchise by, the franchisor for YLE (Yeung's Lotus Express Franchise Corp.), or SH (International Restaurant Management Group, Inc.).

The KELLY'S CAJUN GRILL Unit Franchise. This Disclosure Document pertains only to Kelly's Cajun Grill franchises. The granting of a KCG franchise does not give you the right to operate any of the restaurant concepts franchised by our affiliates. If you desire to operate a dual concept KCG and YLE or SH, you must apply to, and be granted a franchise by, the franchisor for YLE or SH. If you qualify, you may operate restaurants under the name and service mark "KELLY'S CAJUN GRILL" using our business systems and proprietary rights (the "System") at a specific location(the "Franchised Business"). You assume all of the risks of the business venture. A KCG restaurant features the sale of food items with a Cajun theme, beverages and related products primarily in shopping mall locations. The System includes the name "KELLY'S CAJUN GRILL"; readily recognized color schemes; designs and layouts for the restaurant; specialized paper products, menus, signs, logos, trade names, trademarks and service marks identifying the restaurant; proprietary products; confidential recipes; operating systems; and methods for preparing, serving and merchandising the food products and for operating the restaurant.

Each KCG restaurant has the distinctive appearance, menu and method of operation identified with the System. KCG restaurants will be primarily located in "food courts" in a regional shopping center or mall, which

is where the restaurants owned by CGA are located. Customers are served their food at a counter and no waitperson service is provided. Food court/communal seating is generally available. A typical KCG restaurant can be operated within a space containing approximately 750 square feet. Each KCG restaurant will be a concept restaurant, designed in accordance with prototype plans developed by us. Each restaurant will be constructed in similar design and motif to provide the customer with Cajun "Inspiration". The decor includes tiled walls and floors, recessed steam tables with sneeze guards, a large menu board, beverage dispensers, a cash register, food serving stations and a full kitchen.

The Area Development Program

If you desire to develop more than one KCG restaurant, then you can sign an Area Development Agreement ("Development Agreement"), setting forth the minimum number of restaurants to be established within a specified geographic area ("Development Area") and a schedule for this development ("Development Schedule"). In addition, you must sign a separate Franchise Agreement (the Franchise Agreement will be the form of document then being used by us which document may be different from Exhibit A to this Disclosure Document) for each restaurant which is established under the Development Agreement. The first Franchise Agreement will be signed together with the Development Agreement; each additional Franchise Agreement will be signed after we approve the location for the KCG restaurant. Generally, a Development Agreement will allow you to develop multiple franchises within a geographic area typically designated by political boundaries, i.e., city limits or county boundaries, in accordance with the Development Schedule in the Development Agreement. The term of any Development Agreement and the number of restaurants to be developed will depend on your desires and a determination by us of the extent to which you have the financial capability to develop multiple franchises within the Development Area, the number of regional malls in the area, population demographics, (including criteria such as income levels, age), and the business economics of the area.

Competition

The market for restaurant food service is well established. The restaurant food service business is highly competitive in the areas of price, service, restaurant location and food quality, and is often affected by changes in consumer taste, economic conditions, population and travel patterns. There is also active competition for management personnel, as well as for attractive space suitable for KCG restaurants. We compete within each market with locally-owned restaurants, as well as national and regional restaurant chains, many of which operate more restaurants and have greater financial resources and a longer operating history than we do. Typical customers include shoppers and workers on their lunch or dinner breaks, and people who reside near the shopping center. The specific make-up of customers will vary from location to location. The market for customers in a shopping center setting is also highly competitive. In a food court setting, you should anticipate competing with several different types of restaurants that will generally be placed side-by-side, encircling a central seating area. Only one restaurant of any specific type is usually allowed in any one food court, although there may be overlapping menu items among the various restaurants. Not all malls or its management have this exclusivity policy or that those malls which have this policy will not change the policy in the future. KCG restaurants are dependent upon the success of the regional shopping mall in which they are located. If the mall management is not successful at drawing customers to the shopping center, your operations will be adversely affected.

Regulation

We are not aware of any laws and regulations applicable to SUKI HANA restaurants that would not apply to restaurant/food service businesses generally. You must comply with those laws and regulations that apply to businesses generally, including zoning, occupational licenses, health, sanitation, food handling and storage, food and menu labeling, environmental, and alcoholic beverage laws. Also, you must comply with the Payment Card Industry Data Security Standards.

Item 2
BUSINESS EXPERIENCE

Hoi Sang Yeung, a/k/a Kelly Yeung - President and Chairman of the Board of Directors:

Mr. Yeung has been President and Chairman of the Board since our incorporation in 1995. During the past 5 years he has also been President of Chinese Cafes of America, Inc., Cajun and Grill of America, Inc., Yeung's Lotus Express Franchise Corp. and International Restaurant Management Group, Inc.

Sing-Yan Stephen Yeung - Vice President

Since 1996, Stephen Yeung has been Vice President of Franchisor responsible for restaurant openings, management training and special projects.

Anthony Napoliello - Vice President

Since 1996, Anthony Napoliello has been employed by Cajun and Grill of America, Inc. and its affiliated companies in various restaurant operations and development capacities. He has been Vice President of Development for more than ten years.

Ally Ho – Chief Financial Officer

Ms. Ho has been Chief Financial Officer of Franchisor since 1999.

Nita Yeung – Vice President

Ms. Yeung has been Vice President of Franchisor since 2003.

Emma Choy – Franchise Account Officer

Ms. Choy has been employed by CGA as Franchise Account Officer since 2003.

Item 3
LITIGATION

Litigation against Franchisees Commenced in the Past Fiscal Year - None

Concluded Actions

Hong Hing 88, Inc. v. YLE of Garden State, Inc., Hoi Sang Yeung, Joe Huang, Ching Lam, John Does 1 Through 20 and ABC Corporations 1 Through 20; Docket No. BER - L- 1599-08 in the Superior Court of New Jersey, Bergen County; filed August 19, 2008. Hong Hing 88, Inc., a franchisee, filed suit against YLE of Garden State, Inc., an affiliate of Franchisor, Hoi Sang Yeung, an officer and principal shareholder of Franchisor, and Joe Huang and Ching Lam. The complaint arose out of the purchase of a franchised restaurant and alleged breach of contract, fraud in the inducement, negligent misrepresentation, breach of the implied covenant of good faith and fair dealing, and civil conspiracy. The defendants filed a counterclaim alleging breach of the sublease, breach of the implied covenant of good faith and fair dealing and quantum meruit, seeking an accounting of books and records, and a third party action against Xiu Lan Gao, Joe Huang and Ching Lam for breach of a guaranty, contribution and indemnification. Hong Hing 88, Inc., Xiu Lan Gao, YLE of Garden State, Inc. and Hoi Sang Yeung entered into a settlement agreement whereby YLE of Garden State, Inc. repurchased the franchised restaurant for $400,000 and the parties dismissed with prejudice the complaint, counterclaim and third party action.

Other than this action, no litigation is required to be disclosed in this Item.

Neither we nor any person or franchise broker identified in Item 2 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.

Item 4
BANKRUPTCY

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

Item 5
INITIAL FEES

Franchise Fee

The Initial Franchise Fee is currently $30,000, and is payable in a lump sum upon the signing of the Franchise Agreement. It is not refundable. The initial franchise fee may be modified under unique circumstances, such as where you commit to develop multiple, franchises, where a unique site is being developed, where the KCG restaurant is a conversion of an existing affiliate restaurant, or where the development and/or operation of a restaurant will involve additional or higher costs If the premises for the Franchised Business are subleased from us or an affiliate, you must pay to us or the affiliate in a lump sum upon the signing of the sublease the first month's rent and a security deposit in an amount equal to two (2) month's rent totaling up to $40,000. The first month's rent is not refundable, and the security deposit, less any amount used to pay any of your obligations, will be returned at the expiration of the Sublease Uniforms and transparencies purchases from an affiliate cost between $250 - $600 and is not refundable,

Area Development Fee

If you also sign an Area Development Agreement, you must pay a Development Fee equal to the minimum number of KCG restaurants to be developed times $10,000. The Development Fee is not refundable. A portion of the Development Fee ($10,000 for each restaurant) will be applied against the Initial Franchise Fee being charged by us for new franchises when you sign the franchise agreement for each restaurant required to be opened under the Development Agreement (we currently charge $30,000 for the Initial Franchise Fee, but if we change the Initial Franchise Fee during the term of the Area Development Agreement, the amount of the Initial Franchise Fee to be paid by you for restaurants opened after the date of the change will be the new Initial Franchise Fee). Typically, upon signing the Area Development Agreement, you will pay the total Development Fee and the $20,000 balance of the Initial Franchise Fee for the first restaurant. The amount of the Initial Franchise Fee for each restaurant, after crediting the portion of the Development Fee attributable to that restaurant, will be due upon signing of the then-current Franchise Agreement for each restaurant. For example, if the Initial Franchise Fee is $30,000, the sum of $20,000 will be due upon signing of the Franchise Agreement for each restaurant, since $10,000 of the Development Fee for each restaurant is applied against the Initial Franchise Fee. If you open more than the minimum number of restaurants required under the Area Development Agreement, you must pay the full Initial Franchise Fee for each restaurant you open in excess of the minimum required.

Item 6
OTHER FEES

A. Franchise Program.

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty	5.75% of weekly Gross Sales	Payable in Coral Gables, FL by Wednesday for the week ending the preceding Sunday (we may require electronic transfer)	See Note 1
Marketing Fund	Up to 1% of weekly Gross Sales for regional/national advertising and production	Payable in Coral Gables, FL by Wednesday for the week ending the preceding Sunday (we may require electronic transfer)	See Notes 1 & 2
Late Payment	Greater of 5% of the amount due or $10 if any Royalty or Marketing fee is not paid when due	Upon demand	
Interest	1.5% per month (18% per year) on overdue payments but not higher than the highest rate allowed by law	Upon demand	Interest charged on overdue payments will not exceed the highest rate allowed by law
Additional Assistance	Actual costs incurred by us in providing assistance requested by you at your Franchised Business premises	Upon invoice	Costs to be reimbursed are travel expenses and the compensation of employee providing the assistance during the period the employee is providing the assistance and traveling to and from your Franchised Business

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
Transfer	$3,000	Upon approval of assignment	
Renewal	50% of the then current Initial Franchise Fee	Before renewal is effective	
Audit	Actual cost of audit, plus interest on overdue amounts	Upon invoice	See Note 3
Offering Fee	Our reasonable costs to review offering materials ($2,000 minimum)	Prior to review of offering materials	See Note 4
Sublease Security Deposit	Two month's rent; however, if rent is paid late more than two times, the security deposit must be increased to three month's rent	At signing of Sublease	If you sublease the premises for the Franchised Business from us or an affiliate, you must pay a security deposit. You are not required to sublease the premises for the Franchised Business from us or an affiliate. See Note 5
Sublease Payments	If you sublease the premises for your Franchised Business from us or an affiliate, all amounts required to be paid by us under the master lease	As stated in Sublease	You are not required to sublease the premises for the Franchised Business from us or an affiliate.
Late Opening Fee	$50 per day	Upon invoice	See Note 6
Management Fee	$200 per day plus costs	Weekly	See Note 7
Supplier Evaluation	Costs of testing and evaluating a supplier requested by you	Upon invoice	See Note 8

All of the fees listed above are imposed by and payable to us, unless otherwise noted. All fees, other than the Sublease Security Deposit, are non-refundable. The fees, in general, are uniform for Franchise Agreements issued about the same time. However, we may negotiate, reduce, waive or not impose fees as we deem appropriate.

NOTES

Note (1) If you do not submit a sales report by the date the royalty or marketing fund payment is due, we may debit your bank account in an amount based on 150% of the Gross Sales for

the most recent week for which we have received a report. Gross Sales and the royalty and marketing fund payment owed will be reconciled at the end of each calendar quarter if you have furnished all required sales reports for the quarter. "Gross Sales" means the total revenues received in and from the restaurant, excluding credits, refunds or sales taxes.

Note (2) Currently, there is no Marketing Fund. You do not have to pay a Marketing Fund contribution until 60 days after we notify you in writing that we have establish a Marketing Fund. If we establish a Marketing Fund, we will notify you in writing that we have elected to commence operation of the Marketing Fund, and you will contribute to the Marketing Fund, beginning 60 days after the notice, an amount specified by us to a maximum of 1% of the Gross Sales of the Restaurant. In addition to the payment under the Marketing Fund, you must spend at least 1% of Gross Sales for Local Advertising (See Item 11 Advertising).

Note (3) Payable if we audit your books and records and find that you have under-reported Gross Sales by 2% or more, or you fail to furnish the required sales reports.

Note (4) If you plan a public or private offering of securities, we must consent and review all offering materials at least 60 days before the offering.

Note (5) If you pay all rent and other charges payable under the Sublease, the Security Deposit will be returned, without interest, within a reasonable time after the expiration of the term of the Sublease.

Note (6) If you do not open the restaurant for business within the earlier of 1 year from the date you sign the franchise agreement or 180 days from the date we approve the location for your restaurant, you must pay $50 for each day from the required opening date until the restaurant opens. We may also terminate the Franchise Agreement if you are not open for business within this time period.

Note (7) In certain circumstances, such as death, mental incapacity or corporate/partnership dissolution, we may provide a manager for the restaurant. We will be reimbursed for all compensation and living costs incurred in providing the manager and we will receive in addition to the royalty, a management fee of $200 per day.

Note (8) If you request approval of a source of supply, you must reimburse us for the costs incurred by us to test and evaluate the supplier.

B. Area Development Program

NAME OF FEE	AMOUNT	WHEN DUE	REMARKS
Renewal	To Be Determined	Before Renewal	
Transfer	Greater of 5% of consideration for the assignment or $25,0000	Upon approval of the assignment	
Offering Fee	$5,000	Before review of offering materials	See Note 1

All of the fees listed above are imposed by and payable to us unless otherwise noted. All fees are uniform and non-refundable. The fees, in general, are uniform for Area Development Agreements issued about the

same time. However, we may negotiate, reduce, waive or not impose fees as we deem appropriate.

NOTES

Note 1 Offering Fee. If you plan a public or private offering of securities, we must consent and review all offering materials at least 60 days before the offering.

Item 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

A. Franchise Program

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee	$30,000 (Note 1)	Lump sum	At signing of Franchise Agreement	Us
Travel and Living Expenses While Training	$ 1,500 to $3,000 (Note 2)	Cash or credit	During training	Third parties
Real Estate	(Note 3)	Monthly	Per lease	Landlord
Leasehold Improvements	$100,000 to $350,000 (Note 3)	As incurred	Per agreement with general contractor	General Contractor, Other Contractors and Suppliers
Equipment	$66,000 to $150,000 (Note 4)	As incurred	Per agreement with vendors	Vendors
Signs	$4,500 to $9,000 (Note 5)	Vendor's terms	Before opening	Vendors
Permits, Fees, Architectural Design & Plans, Deposits, uniforms, transparencies, and other Miscellaneous Opening Costs	$29,000 to $66,000 (Note 6)	As incurred	As incurred	Architect, Engineer, Government Agencies, Us or an Affiliate, Suppliers and Utility Companies
Sublease Security Deposit	Zero to $80,000 (Note 7)	Lump sum	At signing of Sublease	Us
Opening Inventory	$4,000 to $7,500	Vendors' terms	Vendors' terms	Vendors
Insurance	$5,000 to $12,000 (Note 8)	Vendor’s terms	Vendor’s terms	Insurance companies

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Advertising Expenses	(Note 9)	Vendor's terms	As incurred	Vendors
Additional funds (3 Months)	$10,000 to $20,000 (Note 10 and 11)	Cash	As incurred	Various
				TOTAL ESTIMATED INITIAL INVESTMENT $250,000 TO $727,500 (NOTE 11)

NOTES

Note (1) The Initial Franchise Fee is not refundable. We do not finance the Initial Franchise Fee. If you are signing a Franchise Agreement under an Area Development Agreement, you will receive a $10,000 credit toward the initial franchise fee if the Area Development Fee has not already been fully credited in connection with other Franchise Agreements entered into between you and us. Under certain circumstances, the Initial Franchise Fee may not be $30,000.

Note (2) You pay for all costs associated with the mandatory training program. These costs include transportation, lodging, compensation of employees and meals. Generally, these costs will vary with the distance traveled, the lodgings selected, the restaurants used, the distance between the lodgings and the training center and the type of transportation selected. Airfare is excluded from the estimate. The estimate contemplates attendance of 2 persons traveling to our training facility in South Florida (or a destination or restaurant location as designated by us) and attending training for 2-1/2 weeks.

Note (3) The restaurant will usually occupy leased space, in the food court of a regional shopping mall and will typically contain 750 or less square feet. Rental rates range from $35 to $150 per square foot or more depending on the desirability of the shopping mall and the location within the food court. Under your lease, you may have to pay the landlord an additional "percentage rent" amount, equal to the amount by which the rent per square foot is exceeded by a percentage of gross sales. Leases are usually "triple net", requiring you to reimburse the landlord for all of the landlord's costs of operation. These costs and Common Area Maintenance ("CAM") charges are determined by negotiation with the landlord and will vary from location to location. In certain rare instances, a landlord will require a one time "capital contribution" to help defray the landlord's costs of outfitting the food-court with tables, chairs and other items. You will be expected to pay this "capital contribution". This charge can range between $15,000 to $100,000.

The estimate assumes you pay the entire cost of construction with no allowance or contribution by the landlord for construction and assumes the premises are delivered with four bare walls and ceiling, electric in place, gas in place, and that nonunion labor will be employed. If the premises are not delivered in this way or if union labor is used, these costs may increase. In some instances, the space can be a bare dirt floor pad, with no utilities supplied. Certain locations may require special design criteria, such as "self-cleaning" hood systems, which could add to the estimate. The costs associated with extensive build outs or special design criteria are not included in the estimate.

Note (4) This item includes sinks, refrigerators, ovens, stoves, steam tables, ventilation and exhaust systems, display cases, sneeze guards, utensils, office equipment and supplies. You must use a certain type of point of sale cash register. Internet service is necessary for down-loading. (See Item 11 - Computer System/Point of Sale Equipment).

Note (5) This amount includes the menu board.

Note (6) The telephone, gas, water and electric companies, or others supplying services to your restaurant may require deposits. The deposits may be refundable to you at a later time. In most cases, your lease will require you to pay electric, gas, water and other utilities directly; however, some landlords cover some utility charges through CAM fees or operating fees (see Note 3, above).

Local, municipal, county and state regulations vary on what licenses and permits are required. In most states, a city and/or county occupational license is required. To obtain the occupational license, the restaurant must obtain a health department certification. Often the health department requires that a specified person take a food sanitation course. Fees are paid to governmental agencies before commencing business and usually are not refundable. Fees may be based on square footage, seating capacity or a flat amount. You should consult your lawyer or your local city, county and state authorities about the specific legal requirements for business licenses and related types of expenses in your local area.

The cost of uniforms and transparencies purchased from an affiliate will range between $250 - $600 and is not refundable.

Incorporation and related legal fees include complying with fictitious, assumed, or trade name statutes of the state in which the restaurant is located. The estimate varies from state to state depending on state law, the prevailing rate of attorneys' fees and the scope of legal services requested.

Costs such as additional licenses and permits, professional fees for accountants and architects, miscellaneous supplies, and other items are included in this estimate.

Note (7) If you sublease the franchise location from us, you must pay security deposit in an amount equal to two month's rent. Should you be late in the payment of rent on more than two occasions, you must increase the security deposit to an amount equal to three month's rent. If we use the security deposit to pay any amounts owed by you under the Sublease, you must pay us the amount needed to bring the security deposit back to its original amount. The security deposit, less any amount used to pay any of your obligations, will be returned at the expiration of the Sublease.

Note (8) Insurance costs vary by location and lease requirements. The estimated amount is what must be paid before the opening of your Restaurant and does not include amounts payable after the restaurant opens.

Note (9) In certain cases, the lease will require "grand opening" and other advertising expenditures. Any advertising requirements will be determined by negotiation with the landlord and will vary from location to location and can range from zero to $7,500.

Note (10) This is an estimate only of the funds needed for opening expenses and working capital to operate the restaurant for three months after opening. The estimate of additional funds does not include an owner's salary or draw. The actual amount of additional funds you will need depends on a variety of factors, including: how much you follow methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for restaurant services; prevailing wage rate; and the sales level reached during the initial period.

The estimate of additional funds includes salaries and benefits for employees, but does not include any allowance for an owner's draw. You may have to put additional cash into the business, but we cannot estimate or promise when, or whether, any restaurant, including yours, will achieve positive cash flow or profits.

In addition, we recommend that you have sufficient additional funds available to cover one year's living expenses. The amount will vary substantially depending upon your situation and must be determined by you. These figures should be reviewed with a business advisor before making a decision to purchase a franchise.

Note (11) We relied on the business experience of our principal officers to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase a franchise. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing you can obtain will depend on factors such as the availability of financing generally, your credit worthiness, collateral you may have and lending policies of financial institutions. The estimate does not include any finance charge, interest or debt service obligation.

We do not offer any financing for any part of the initial investment.

YOUR ESTIMATED INITIAL INVESTMENT

B. Area Development Program.

TYPE OF EXPENDITURE	ESTIMATED AMOUNTS OR ESTIMATE HIGH-LOW RANGE	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
Development Fee	$10,000 per restaurant to be developed (Note 1)	Lump sum	At signing of Development Agreement	Us
Franchise Fee (per unit to be developed)	$20,000 ($30,000 minus $10,000 credit)	Lump sum	At signing of Franchise Agreement	Us
Miscellaneous Start Up Costs	As incurred (Note 2)	Cash or credit	As incurred	Third parties
TOTAL ESTIMATED INITIAL INVESTMENT (NOTE 2)				

NOTES

Note (1) Upon signing a Development Agreement, you must pay us the Development Fee of $10,000 per restaurant in the Development Area. This Development Fee will be applied as a credit against the Initial Franchise Fee due for each restaurant to be developed under the Development Agreement. The amount that remains payable on the Initial Franchise Fee for each restaurant after crediting the portion of the Development Fee for that restaurant will be due upon signing of the then-current Franchise Agreement for each restaurant. (See Item 5 of this Disclosure Document).

Note (2) The total estimated initial investment for the Area Development Program will depend on the number of KCG restaurants to be located in the Development Area, as set out in the Development Schedule. If you participate in the Area Development Program, you must own and operate a specific number of KCG restaurants. Simultaneously with the signing of an Area Development Agreement, you must acquire a franchise for your first restaurant. In addition to the Development Fee described in Table B, an Area Developer will incur the costs described in Table A for each restaurant opened by the Area Developer.

Item 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Purchase Restrictions/Approved Suppliers.

We believe that the goodwill, public acceptance, and recognition of the KCG System is based to a significant degree upon uniformity. To ensure that this uniformity is maintained, you must comply with all standards and specifications for equipment, fixtures, furnishings, ingredients, signs, supplies, and food items to be used or sold at KCG restaurants specified by us periodically. Specifications exist regarding construction, fixturization, and design; signs, displays, and promotional materials; operational procedures; production methods; equipment and small wares; and paper goods and other items bearing our trademarks, service marks, names, slogans, and logos. All specifications are contained in the Confidential Operations Manual ("Manuals"). Modified specifications are communicated to you by changes to the Manuals.

You may not install or use any equipment, fixtures, furnishings, ingredients, commodities, supplies, or other items or perform any services in operating your Franchised Business which deviate from the standards and specifications in the Manuals or as we may otherwise direct in writing. You must construct, decorate, and equip your restaurant in accordance with our requirements, at your sole expense. All final plans and specifications must be approved by us before any construction by you. All responsibility for the work of independent contractors, including delays or construction losses, are solely the responsibility of the independent contractors and you and not of us. We are not responsible for any losses sustained because of building construction or design. All material changes and specifications are to be approved by us. You must replace and modernize the furniture, fixtures, supplies, and equipment in your restaurant in accordance with our plans and specifications which we may change to reflect the common image intended to be portrayed by KCG restaurants, but not more frequently than every five years.

You may sell only food items and non-food products designated or approved by us in order to keep within the KCG System, and your menu can only list these designated items. We provide suppliers and potential suppliers with specifications for items that must be used in Kelly's Cajun Grill restaurants. Suppliers must keep these specifications confidential. We do not provide the specifications to you.

All labels, containers, paper and plastic goods must meet our specifications and bear our proprietary marks with appropriate trademark or service mark notices and be in the form, color, and substance as we prescribe.

We will furnish you in the Manuals and other written materials an approved supplier list setting forth approved brands, models, suppliers or distributors. Currently, we are not an approved supplier; however you must purchase uniforms and menu board transparencies from an affiliated company, CGA, at its cost, plus a reasonable allocation for administration. CGA is an approved supplier of uniforms, menu board transparencies, trays and miscellaneous smallware items. It is currently the only approved supplier of uniforms and menu board transparencies, but is not the only approved supplier of trays and smallware items. CGA is the only approved supplier in which one of our officers owns an interest.

You must purchase computerized point of sale equipment and other computer hardware, dedicated telephone and power lines, modem(s), printer(s) and other computer related accessories and equipment necessary to be on-line with our computer system.

If you recommend a supplier for any item or items, we will test the items and evaluate the supplier with reasonable promptness and will approve or disapprove the items and/or sources based upon the following conditions:

A. You submit a written request for approval and agree to bear the actual out of pocket costs incurred by us to test and evaluate the supplier. We do not charge a fee to evaluate a potential supplier.

B. The supplier demonstrates to our reasonable satisfaction that it is able to supply the item or product in

conformity with our specifications for this item or product.

C. The supplier demonstrates to our reasonable satisfaction that the supplier is of good standing in the business community with respect to its financial capabilities and the reliability of its products and service.

D. Our representatives are allowed to inspect the supplier's facilities and samples are available for testing.

Typically we will notify you of our approval or disapproval of the supplier within 30 days of our receipt of a written request and all requested documentation from the supplier.

Your employees will be required to wear uniforms while working in the Franchised Business. Uniforms will be in accordance with our design and specifications, which can be modified. CGA will derive revenue from the sale to you of these uniforms if purchased from them. In the year ended June 30, 2019 CGA's revenues from the sale of uniforms, trays, menu board transparencies and miscellaneous items to franchisees was $2,018.89 or less than 0.1% of its total revenues of $44,732,501.10 based on CGA's financial statements for its fiscal year ending June 30, 2019. The cost of items purchased from us or designated suppliers represents less than 1% of your total purchases in connection with the establishment of a KCG restaurant and less than 1% of purchases to operate the restaurant.

All marketing and promotion by you in any manner or medium must be conducted in a professional and dignified manner and must conform to our specified standards and specifications. You must submit to us, for our prior approval (except for prices to be charged), samples of all advertising or promotional plans and materials that you desire to use and that have not been prepared or previously approved by us. If written disapproval is not received within 15 days, we will be deemed to have given the required approval. You may not use any marketing or promotion materials that we have disapproved.

You must provide us with a copy of the signed lease for your KCG restaurant. The lease must include certain terms, either as part of the lease itself or as an addendum. These are set out in Exhibit C of the Franchise Agreement.

You must carry the insurance described in Section 10 of the Franchise Agreement, including public liability insurance with a minimum limit of $1,000,000 combined single limit for bodily injury and property damage, workers' compensation, business interruption, property insurance for the full replacement value of the personal property used in the business, automobile liability, and other insurance or higher limits required by your lease.

Miscellaneous. Except as described above, neither we nor persons related to us currently derive revenue or other material consideration as a result of required purchases or leases. There currently are no purchasing or distribution cooperatives. We currently do not negotiate purchase arrangements with suppliers for your benefit, except we have negotiated a volume purchase arrangement with COCA COLA® to enable you to obtain free soda equipment and installation, and discounted pricing on syrup purchases. Also, you will earn an advertising rebate for each gallon of COCA COLA® product sold. We do not have sufficient data to provide historical information on the value of this discount. We can and may in the future negotiate additional purchase arrangements with suppliers for the benefit of franchisees, and/or derive revenue or other material consideration as a result of required purchases or leases.

We do not provide material benefits to you based on your use of designated or approved suppliers, although in considering renewal of your Franchise Agreement we will review your compliance with our System requirements.

Item 9
FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTION IN FRANCHISE AGREEMENT (FA) AND AREA DEVELOPMENT AGREEMENT (AD)	ITEM IN DISCLOSURE DOCUMENT
a. Site selection and acquisition/lease	FA: V.A,B,C,D AD: 4	8 and 11
b. Pre-opening purchases/leases	FA: VII.A,B AD: Not Applicable	7, 8 and 11
c. Site development and other pre-opening requirements	FA: V.B,C; VI AD: 4. 5	7 and 11
d. Initial and ongoing training	FA: VI AD: 7	7 and 11
e. Opening	FA: VI;VII AD: 5	7 and 11
f. Fees	FA: III.B; IV.A,B; V.B; VI; VII.L; VII.M; IX.A; XI; XII.A; XIII.A,B; XIV.B,C; XV.B; XVI.D, G,H,J; XVIII.B; XX.B,C; XXI.A,XXII.J; XXIII.D AD: 6	5, 6, and 7
g. Compliance with standards and policies/Operating Manual	FA: VI; VII AD: Not Applicable	FA: 8 and 11 DA: Not Applicable
h. Trademarks and proprietary information	FA: I; II; VII.G, J, Q; IX A & B; XII.B; XVI.J; XVII; XXI.A & D; XXIII.A DA: 7; 8	13 and 14
i. Restrictions on products/services offered	FA: I; VI.A,J; VII.M; IX.A,B DA: Not Applicable	FA: 16 DA: Not Applicable
j. Warranty and customer service requirements	Not Applicable	Not Applicable
k. Territorial development and sales quotas	FA: II.D DA: 5	12
l. Ongoing product/service purchases	FA: VII DA: Not Applicable	FA: 8 DA: Not Applicable
m. Maintenance, appearance and remodeling requirements	FA: VII.C,D DA: Not Applicable	FA: 8 and 11 DA: Not Applicable
n. Insurance	FA: X DA: Not Applicable	FA: 6, 7 and 8 DA: Not Applicable

OBLIGATION	SECTION IN FRANCHISE AGREEMENT (FA) AND AREA DEVELOPMENT AGREEMENT (AD)	ITEM IN DISCLOSURE DOCUMENT
o. Advertising	FA: XII DA: Not Applicable	FA: 7, 8 and 11 DA: Not Applicable
p. Indemnification	FA: XI DA: 15.11	Not Applicable
q. Owner's participation/management/staffing	FA: VI.F DA: 7; 12	1, 11 and 15
r. Records and reports	FA: VII.I; XIV; XV DA: 5.4	FA: 6 and 11 DA: Not Applicable
s. Inspections and audits	FA: VIII DA: 4.7	FA: 6 and 11 DA: Not Applicable
t. Transfer	FA: XVI DA: 4, 10, 9, 11, 12, 13, 15	6 and 17
u. Renewal	FA: III.B DA: 3.2; 3.3	6 and 17
v. Post-termination obligations	FA: XXI (also, EXHIBIT B, Section 10, Confidentiality, Non-Disclosure and Non Competition Agreement) DA: 10 (also, Section 10, Confidentiality, Non-Disclosure and Non-Competition Agreement)	17
w. Non-competition covenants		
x. Dispute resolution	FA: XXIII DA: 15.5	17
y. Guaranty	FA: XVI.C, Exhibit G, Exhibit H DA: 14; EXHIBITS D AND F	17

Item 10
FINANCING

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

We or a related company may lease the restaurant premises and then assign the lease to you or sublease the restaurant premises to you. Our standard form sublease is attached as Exhibit D to the attached Franchise Agreement. The sublease requires your personal guaranty if you operate the Franchised Business through a legal entity. A default under the sublease is a default under the Franchise Agreement and the restaurant premises can be repossessed and both the sublease and Franchise Agreement can be terminated.

In order to secure your prompt performance of the obligations of the Franchise Agreement, you grant us a security interest in the franchise and the equipment, fixtures and improvements at the restaurant. You will execute our standard Security Agreement attached to the Franchise Agreement as Exhibit F, in order to perfect this security interest. If you default under the terms of the Franchise Agreement or sublease, by failing to make your Royalty Fee, Marketing Fund Fee or rental payments on time, we can repossess the franchise and the equipment, fixtures and improvements at the restaurant.

We do not guarantee your note, lease or obligation, but we or a related company may lease the restaurant premises and then assign the lease to you or sublease the restaurant premises to you.

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

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

FRANCHISE PROGRAM

Pre-Opening Obligations.

Before you open the Franchised Business, we will:

A. Approve proposed site before you sign a binding agreement. Review the terms and form of your lease. (Franchise Agreement, Section 5)

B. Upon your request, counsel you in evaluating sites for your Franchised Restaurant. Approval of a location (and lease) is based on available demographic information on the site and the area in which it is located, including income figures, traffic patterns, visibility and accessibility of the site, competition, number of anchor tenants, renovation costs, and other considerations, including the terms and conditions under which the site is available. If we sublease the site to you, you will sign a sublease agreement. We may withhold approval on any site for any reason. (Franchise Agreement, Section 5).

C. If requested by you in writing, we will do or cause to be done, at no additional cost, with respect to development of the Restaurant, the following:

   1. Use our best efforts to negotiate a lease for the Franchise Location. We shall not be responsible if a landlord refuses to sign a lease on terms and conditions recommended by us and accepted by you;

   2. Furnish you guidance in the preparation of suitable plans and specifications for leasehold improvements. The cost of preparing the plans and specifications must be paid by you.

   3. Assist you in arranging for the construction of the leasehold improvements. However, you must select and contract with a general contractor, acceptable to us, for construction of the leasehold improvements. The charges of the contractor must be paid by you.

   4. Assist you in securing required government approvals, licenses and permits necessary for the development and operation of the Restaurant; the cost of permits and construction must be paid by you.

   5. Order and supervise the installation of the equipment, furniture/furnishings, fixtures and signs of the Restaurant. The cost of the equipment, furniture/furnishings, fixtures and signs and the cost of installation must be paid by you; and

6. Order and stock the initial merchandise inventory and operating supplies of the Restaurant. You will pay the cost of the merchandise, inventory and supplies.

7. We may, in our sole discretion, agree to lease the Franchise Location and sublease the premises to you. In this event:

   a. We, or an affiliate, will find a location acceptable to you for the Restaurant.

   b. We will sublet the location to you. The terms of the lease on which we are obligated shall be those terms and conditions upon which you will be obligated.

   c. At your election, we will construct the Restaurant at the location in accordance with our typical plans and specifications. (Franchise Agreement, Section 5)

D. We will provide opening assistance at the Franchise Location for a maximum period of 6 days, extending from 2 days before and continuing for 4 days after the Restaurant is open for business. You must complete the training to our satisfaction. We may require you and/or previously trained and experienced personnel to attend periodic refresher courses at locations designated by us. (Franchise Agreement, Section 6)

E. We will loan to you a copy of our Operations Manual which contains mandatory and suggested specification, standards and procedures. This manual is confidential and remains our property. We will modify the manual periodically to reflect changes in the standards, specifications and procedures for operating a KCG restaurant. (Franchise Agreement, Section 7. B) As of the close of our last fiscal year, the Operations Manual contained 185 pages. Before signing a Franchise Agreement or Development Agreement, you may view the Operations Manual.

F. Provide you with standard menu formats. (Franchise Agreement, Section 6)

G. Prescribe standard uniforms and attire for your personnel. (Franchise Agreement, Section 6)

H. Provide suggested suppliers or manufacturers of supplies, without obligation to you. (Franchise Agreement, Section 9.C)

I. Evaluate sources of supplies recommended by you. (Franchise Agreement, Section 9. D)

J. Provide an initial training program at our training center in Coral Gables, Florida and in operating restaurants in South Florida. (Franchise Agreement, Section 6)

Obligations After Opening.

After the opening of your Franchised Business, we will:

A. Periodically, determine the standards of quality, service, production, merchandising, and advertising. (Franchise Agreement, Section 7)

B. Provide periodic inspections of the restaurant, to enhance uniformity and quality control. (Franchise Agreement, Section 8)

C. Develop advertising, public relations, and promotional campaigns, designed to promote and enhance the value of all KCG restaurants, but with no obligation to advertise equally for all markets or franchisees. (Franchise Agreement, Section 12)

D. Provide a uniform reporting system, including standardized forms. (Franchise Agreement, Section 15. A)

Advertising Programs

Advertising, Marketing and Promotion

1. We have no obligation to conduct advertising for the Kelly's Cajun Grill System prior to establishing a Marketing Fund. We may establish a Marketing Fund, but have not done so yet. If we establish a Marketing Fund, we will notify you in writing that we have elected to commence operation of the Marketing Fund, and you will contribute to the Marketing Fund, beginning 60 days after the notice, an amount specified by us to a maximum of 1% of the Gross Sales of the Restaurant. Your contribution to the Marketing Fund is to be paid at the same time that payment of the Royalty Fee due under this Agreement is paid. Restaurants owned by us and our affiliates will contribute to the Marketing Fund on the same basis as you. (Franchise Agreement, Section 12.A.(1) During the year ending December 31, 2019, no Marketing Fund fees were collected.

2. We will direct all marketing programs financed by the Marketing Fund. We will have sole discretion over the creative concepts, materials, and endorsements used, and the geographic market and media placement and allocation. The Marketing Fund may be used to pay the costs of conducting marketing surveys and research; employing public relations firms; creative design and production of videos, audio, and printed marketing materials; administering multi-regional marketing programs, including purchasing television, radio, magazine, billboard, newspaper, and other media advertising, and employing advertising agencies to assist with advertising; and providing marketing materials to franchisees. The Marketing Fund will furnish you with approved marketing materials on the same terms and conditions as we furnish such materials to our other franchisees. (Franchise Agreement, Section 12.A.(2)

3. The Marketing Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for salaries, administrative costs, and overhead that we may incur in activities related to the administration of the Marketing Fund and marketing programs financed through the Marketing Fund (including collecting and accounting for contributions to the Marketing Fund). Should we establish a Marketing Fund, we will furnish an annual, unaudited statement of revenues and expenditures for the preceding year within 120 days of year-end. Additionally, you can make a written request for a copy of the statement. (Franchise Agreement, Section 12.A.(3)

4. We may spend in any fiscal year an amount greater or less than the aggregate contributions of KCG restaurants to the Marketing Fund in that year and the Marketing Fund may borrow from us or others to cover temporary deficits in the Marketing Funds or cause the Marketing Fund to invest any surplus for future use by the Marketing Fund. We will collect and contribute to the Marketing Fund any advertising monies or credits due from any distributor or other supplier to you and any advertising or other rebates or any discounts from distributors and other suppliers based upon purchases or volume purchases by us and our franchisees (including purchases by you). We may negotiate with suppliers to obtain on ours and/or your behalf price reductions, discounts or rebates based on volume purchases. We may cause these suppliers to pay these amounts directly to us who will, in turn, contribute these amounts to the Marketing Fund. These contributions will be in addition to all other amounts due or contributed under this Agreement. All interest earned on monies contributed to the Marketing Fund will be used to pay marketing costs of the Marketing Fund before other assets of the Marketing Fund are expended. An unaudited statement of monies collected and expenditures made by the Marketing Fund will be prepared annually by us and will be provided to you. We may terminate or suspend the Marketing Fund at any time upon reasonable written notice and may also reinstate the Marketing Fund upon 60 days written notice. In this event, all funds remaining in the Marketing Fund may only be used for advertising and promotional purposes until fully expended. (Franchise Agreement, Section 12.A.(4)

5. The Marketing Fund is intended to be used to develop general public recognition of the Proprietary Marks and increase patronage of KCG restaurants in general, and will not be used for advertising that

is principally a solicitation for the sale of franchises. We may use the Marketing Fund to retain an advertising agency to create and place advertising locally, regionally and nationally, including direct mail, print, radio, television and other media. We have no obligation to expend any sum on advertising in the market where your Franchised Business is located. The expenditures by the Marketing Fund in, or affecting any geographic area, may not be proportionate to contributions to the Marketing Fund by KCG restaurants operating in that geographic area. You may not benefit in proportion to your contribution to the Marketing Fund, from the conduct of marketing programs or the placement of advertising. We are not obligated to spend any amount on advertising in the vicinity of your Franchised Business. Except as expressly provided in Section 12 of the Franchise Agreement, we assume no obligation to you with respect to the maintenance, direction, or administration of the Marketing Fund. (Franchise Agreement, Section 12.A.(5)

6. Currently, there is no advertising council comprised of franchisees. We may establish a Marketing Fund Advisory Committee consisting of franchisees, to advise and consult with us in connection with establishment, modification, continuance, or other decisions or considerations affecting marketing programs. The organizational structure and operation of this Committee will be determined by us. We will consult with this Committee and consider the Committee's input and advice concerning the use of the Marketing Fund. However, we retain sole discretion over all aspects, including the administration and use of the Marketing Fund. (Franchise Agreement, Section 12.A.(6)

7. Before your use, samples of all marketing materials and descriptions of local promotion programs that you propose to use, not prepared or previously approved by us, must be submitted to us for approval. If written disapproval is not received by you within 15 days from the date of receipt by us of these materials or descriptions, we will be deemed to have given the required approval. You may not use any marketing materials that we have disapproved.

8. Franchisees may form local or regional advertising cooperatives, and if a cooperative is formed, participation is optional.

Location Selection

Restaurants are usually located leased spaces in shopping centers. We do not own the premises for the Franchised Business, but an affiliate may be leasing the premises from the shopping center owner which they will then sublease to the franchisee. Restaurant sites are often recommended by real estate brokers and shopping center developers/owners or other sources. We consider approval of restaurant sites based on available demographic information on the site and the area in which it is located, including identity of major/anchor tenants, identity of other restaurant tenants, income figures, traffic patterns, visibility and accessibility of the site, and other considerations, including the terms and conditions under which the site is available. In some instances, we will, when you sign the Franchise Agreement, already have a lease for a site from the shopping center developer/owner under a master lease and in turn you will sublease the site from us. We may withhold approval on any site for any reason. An acceptable site must be approved within 90 days from signing the Franchise Agreement. If no acceptable site has been approved within that time period, either an extension will be mutually agreed upon or the Franchise Agreement will terminate.

If you lease the restaurant site directly from the owner:

A. The terms and form of your lease are subject to our prior written approval. Our approval may be conditioned upon the inclusion in the lease of provisions that we may reasonably require, including the provisions contained in Exhibit "B" to the Franchise Agreement. (Franchise Agreement Section 5.B)

B. You must construct (or renovate) and equip the restaurant, at your expense, in conformity with all applicable governmental requirements and in accordance with the plans and specifications approved by us. You should retain, at your expense, an architect or engineer to prepare architectural and mechanical plans and specifications for the restaurant. (Franchise Agreement, Section 5.B)

C. The restaurant is to be completed and open for sales to the public no later than 180 days from the date of the lease (or sublease, see below) (the "Specified Opening Date"). If the restaurant is not open for sales to the public on the Specified Opening Date, we are entitled to receive, instead of the royalty we would have received, the sum of $50 for each day after the Specified Opening Date during which the restaurant is not open for sales to the public. We may also terminate the Franchise Agreement upon 10 days prior written notice. The Specified Opening Date will be extended by the number of days during which the opening is delayed for causes beyond your reasonable control. (Franchise Agreement Section 5.B)

Our approval of plans or orders of equipment, fixtures, signs or inventory does not relieve you of any obligation under the Franchise Agreement, and we will not be liable for the performance or failure of performance by any consultant, contractor or materialman, equipment, fixture or sign vendor, or by the lessor or for the construction methods or procedures employed by any contractor or vendor in performance of its contract.

If we agree, you can sublease the restaurant site from us (or a related company) and we will do, or cause to be done, the following:

A. We, or a related company, will find a location for the construction (or renovation) and establishment of the restaurant, which location must be approved by you. The location will be secured by our signing as prime tenant on a lease with the owner of the location.

B. We will sublet the location to you using the form of sublease set forth in Exhibit C to the Franchise Agreement. The basic terms of our lease with the owner will be the terms and conditions upon which you will be obligated.

The typical length of time between the receipt of the Initial Franchise Fee or signing of the Franchise Agreement and the opening of your restaurant varies according to the circumstances involved. It normally takes from 4 to 6 months to open a restaurant after the Franchise Agreement has been signed and the Initial Franchisee Fee paid, subject to delaying circumstances normally associated with construction endeavors. A restaurant will only be permitted to open for business after receiving our written approval. Factors that will affect the length of time it takes you to open for business include: finding an acceptable site; securing financing; securing zoning and other permits; compliance with local ordinances and restrictions; weather conditions; availability, delivery and installation of fixtures, signs and equipment; and completion of required training.

Computer System/Point of Sale Equipment

You must use an electronic point of sale recording system ("POS System") which meets our specifications. The POS System must permit us to instantly receive information concerning sales of the Franchised Business, and provides you with detailed information, including sales information. You must also have any other equipment needed so that the POS System is on line with our computer system, including a modem and high speed internet service. The POS System must have secure PCI compliant internet access. There is no contractual limitation on our right to receive information through the POS System. We have the right to independently review and access all records and reports generated by your POS System. (Franchise Agreement, Section VII.I)

As of the date of this Disclosure Document, the cost to purchase a POS System (including POS terminal, cash drawer, integrated software for credit and debit card processing and online monitoring system, back up power supply and modem) is approximately $2,000 for one POS terminal which includes a 12 month basic hardware warranty and support. Neither we nor our affiliates have any obligation to provide ongoing maintenance, repairs or upgrades for your point of sale computer system. The current cost of annual software support is $200. The estimated cost for equipment repairs is $50 - $75/hr plus parts.

We may revise our specifications for hardware and software. Consequently, you may be required to upgrade or

update your cash register. There is no contractual limitation on the frequency and cost of this obligation.

Training Programs

Before the opening of the Franchised Business, you if you are an individual (or your general manager or your managing partner if you are a legal entity) and 1 or 2 additional persons, including a full time cook, must attend and complete to our satisfaction the initial training program, at a location designated by us, as close to the restaurant opening date as possible. Generally, the training site will be our training center in South Florida and operating restaurant in South Florida. The initial training program is offered at the times necessary to accommodate your opening schedule. You must pay for all travel, lodging, food and other personal expenses of those persons attending the training session, and the wages of your employees attending the training program. Training is to be completed no later than 3 weeks before the opening of the restaurant and will last a minimum of 120 hours or as modified by us. All persons attending the training program must sign a Confidentiality, Non-Disclosure and Non-Competition Agreement. The total time spent in training will depend to a large degree on your aptitude. Our training program includes training in product introduction, on-site food preparation, customer service procedures, and management techniques, together with inventory, cost accounting and general business procedures, among other things. (Franchise Agreement, Section 6) The training program is under the direction of Anthony Napoliello (see Item 2 of this Disclosure Document for a description of his experience) or a person he designates. Currently, the following individuals have the responsibility for delivering the training program, courses and support materials, all of whom have more than five years experience with an affiliate relevant to the subject he/she teaches:

Johanna Wade
Martin Nunez
Emma Choy
Sonny Pan
Ying Ho
Ramiro Nunez
Anthony Napoliello

INITIAL TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Welcome orientation; introduction to Operations Manual	8	0	Coral Gables, Florida
Front counter training - customer service, sampling	0	30	South Florida restaurant
Operating regulations - laws and requirements	8	0	Coral Gables, Florida
Bookkeeping, reporting	8	0	Coral Gables, Florida

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Kitchen training - food prep, ordering, cooking and cleaning	0	52	South Florida restaurant
Equipment/machinery - operating, maintenance, troubleshooting	0	6	South Florida restaurant
Review and question session	8	0	Coral Gables, Florida

NOTES

Note 1. The above schedule represents 32 hours of classroom study and 88 hours of on-the-job training. Instruction materials may include handouts, manuals and workbooks. We believe this amount of time to be adequate preparation for operating the Franchised Business. You can continue the in-store training if you feel unprepared. Arrangements for this continued training must be negotiated with us.

Note 2. The manager of the Franchised Business must have a current ServSafe Food Safety Certification (or state/local mandated equivalent certification). Many states and municipalities require food service handlers to be licensed. The training program is not a substitute for ServSafe Food Safety Certification required licensing. You should check your state and local laws.

If you or your general manager or managing partner fail to complete the initial training program to our satisfaction, we may terminate the Franchise Agreement. (Franchise Agreement, Section 6)

We will also provide training at your Franchised Restaurant by an operations manger from our staff for 3 days before the Franchised Restaurant opens.

We may require you and/or previously trained and experienced personnel to attend periodic refresher courses at locations designated by us. You will be responsible for all travel and living expenses that you and each person incur for any additional training program.

You may request additional training and we will, at our sole discretion, provide additional training at times and places and for a duration that we deem necessary; provided, that you pay the cost of the additional training, including the cost of transportation, subsistence, lodging, and the compensation of our representative(s), in advance. Other than the reimbursement of the out of pocket costs incurred by us to provide the additional training, there is no fee or charge by us for additional training.

Only persons trained by us can have overall responsibility for the operation of the restaurant and you must send each person to be trained to us for training, unless the training is waived by us.

AREA DEVELOPMENT PROGRAM

Under the Development Agreement, our method of approving sites is the same as under the Franchise Agreement. The length of time between signing the Development Agreement and the opening of the first restaurant depends upon how quickly you can locate a site. The typical length of time for the opening of the first restaurant is the same as for an individual franchise.

Item 12
TERRITORY

Franchises are granted for a specific location. You will not receive an exclusive territory or any protected area under the Franchise Agreement. You may face competition from other franchisees, from businesses that we or affiliates own, or from other channels of distribution or competitive brands that we or affiliates control. You will not receive any compensation for soliciting or accepting orders from customers in your territory resulting from this competition. You may only operate your restaurant at the location designated in the Franchise Agreement and approved by us, and you may not move or relocate your franchised business without first getting our written consent. The conditions under which we will grant approval to relocate your franchised business vary according to the circumstances. Our approval will be based on a variety of factors including rights granted to other franchisees, the viability of the existing location, and demographics about the proposed location, and your compliance with the Franchise Agreement. The Franchise Agreement does not give the right to use other channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing. You may only make sales from the restaurant at the designated location. However, you are not restricted from advertising to consumers outside of your territory as long as the consumer comes to your restaurant to make their purchase. We and our affiliates may establish and operate or license others to operate a similar or different business under any trade name that may compete with your location.

You may only operate the Franchised Business from the location specified in the Franchise Agreement, and you may not relocate the Franchised Business without our prior written consent, which we are not obligated to grant. You do not have the right under the Franchise Agreement to acquire additional franchises.

Under a Development Agreement, you will be granted the right to establish, according to the Development Schedule, a minimum number of KCG restaurants within the Development Area. A Development Area is usually defined as an area delineated by political boundaries, such as a state, city limits, zip codes or county lines, but will not include Captive Markets (military bases, schools, hospitals, limited access roads, stadiums, arenas, convention centers, entertainment parks, airports, bus and train stations, business or industrial contract feeding settings, shopping centers in which the landlord requires a single food court operator) located within the Development Area. 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. However, we will not establish (as a "Company-owned" outlet) or franchise any other person or entity to establish restaurants using the System and its trademarks, service marks and trade names within the Development Area, during the term of the Development Agreement. The Development Area will not be changed during the term of the Development Agreement without your consent. We can terminate the Development Agreement if you fail to open restaurants in accordance with the Development Schedule. Upon the termination of the Development Agreement, we can open and allow others to open restaurants in the Territory. A Development Area is usually defined as an area delineated by political boundaries, generally as city limits, zip codes or county lines. Captive Markets, such as military bases, schools, hospitals, limited access roads, stadiums, arenas, convention centers, entertainment parks, airports, bus and train stations, business or industrial contract feeding settings, shopping centers in which the landlord requires a single food court operator, or any similar Captive Market location not readily available to you, are excluded within the Development Area and may be opened by us or another franchisee. Any restaurant opened during the term of the Development Agreement in a Captive Market located in the Development Area will count toward your development requirement.

You do not receive any options, right of first refusal or similar rights to acquire additional franchises within the Development Area or contiguous territories.

The designation of a Development Area does not grant exclusivity in marketing or soliciting of customers.

The continuation of your rights to your KCG restaurant during the term of the Franchise Agreement is not dependent upon achievement of any certain sales volume, market penetration or similar contingency. The

continuation of your right to a Development Area during the term of the Development Agreement is dependent upon meeting your Development Schedule in the Development Agreement and certain other criteria, e.g. operating existing restaurants according to our standards and timely payment of all obligations to us. Other than the above, the continuation of your rights to the Development Area during the term of the Development Agreement is not dependent upon achievement of any certain sales volume, market penetration or similar contingency.

We and our related companies may open or operate Company-owned or franchised restaurants in similar or dissimilar businesses, under different trademarks, service marks and commercial symbols in the same shopping mall that contains your KCG restaurant, during the term of the Franchise Agreement or in the Development Area during the term of a Development Agreement. You may experience competition from our other franchisees with sites in the same general geographic area as yours. We and our related companies may establish and operate and license others to establish and operate KCG restaurants at any location or in any area outside the shopping mall or Development Area.

We may distribute or license the manufacture or distribution of products, regardless of whether inside or outside the shopping mall or Development Area and regardless of whether those products are authorized for KCG restaurants, under any trademarks, service marks, logos, and commercial symbols whether licensed to you or not, through grocery stores, retail food stores and other channels of distribution including the Internet, catalog sales, telemarketing or other direct marketing sales, and you will not receive compensation for our sales. These products may include sauces, prepacked food products, prepared foods, spice mixes and other products as we may designate for distribution or production. You may only accept orders at the location designated in the Franchise Agreement and may not use other channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing.

Item 13
TRADEMARKS

FRANCHISE AGREEMENT. Under the Franchise Agreement, we grant you the right and license to use our trademarks, service marks, trade names and commercial symbols (the "Proprietary Marks") solely in the conduct of your Franchised Business. You may only use those Proprietary Marks as are designated by us in writing for your use and you may use them only in the manner and permitted by us. You may not, directly or indirectly, contest our ownership of, or our rights in, the Proprietary Marks. Our primary Proprietary Mark is "KELLY'S CAJUN GRILL".

AREA DEVELOPMENT AGREEMENT. The Area Development Agreement does not grant you the right to use the Proprietary Marks. The right to use the Proprietary Marks is granted by a separate franchise agreement for each Franchised Business.

The following mark has been registered on the Principal Register of the United States Patent and Trademark Office ("PTO"):

MARK	REGISTRATION NUMBER	REGISTRATION DATE
KELLY'S CAJUN GRILL	2,053,554	April 15, 1997

All required affidavits to preserve this mark have been filed. The registration was renewed June 9, 2017.

INFRINGING USES OR LIMITATIONS. There are no presently effective determinations of the PTO, the Trademark Trial and Appeals Board, the trademark administrator of any state or any court, any pending interference, opposition or cancellation proceedings or any material litigation involving our marks. There are no agreements currently in effect that significantly limit our right to use or license the use of our marks in any manner material

to the franchise. There are no infringing uses actually known to us which would significantly affect your use of the Proprietary Marks in the state in which your Franchised Restaurant is to be located.

DEFENSE OF INFRINGING USE. If you receive notice, or are informed of any claim, suit or demand against your use of any Proprietary Mark, you must promptly notify us. We may take the action (including taking no action) that we deem appropriate. We are not obligated by the Franchise Agreement to defend you against any infringement, unfair competition or other claim respecting the Marks. We will reimburse you for actual damages (other than loss of income) and expenses reasonably incurred by you as the result of any claim made by any third party for infringement, unfair competition or similar matters involving your use of the Proprietary Marks, provided you satisfy certain conditions in the Franchise Agreement.

We control and may settle any administrative proceedings or legal actions or proceedings. We may, at our sole discretion, prosecute or defend any other actions or proceeding which we deem necessary or desirable for the protection of the Proprietary Marks. You may not contest our right, title, or interest in the Proprietary Marks.

SUBSTITUTE NAMES OR MARKS. If we consider it necessary to modify or discontinue the use of any names or Proprietary Marks, you must use one or more additional or substitute Proprietary Marks, and do so at your expense.

You cannot use our name or the Proprietary Marks as part of a corporate or partnership name or with modifying words, designs or symbols, except for those which we license to you. You may not use the KCG name for the sale of unauthorized products or services or in a manner not authorized in writing by us. You may not use any of our Proprietary Marks as part of an internet domain name or web site or e-mail address.

Item 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents that are material to the franchise. We claim copyright protection in the Manuals and related materials, certain proprietary software, and advertisement and promotional materials, although these materials have not been registered with the United States Registrar of Copyrights. These materials are considered proprietary and confidential and are considered our property and may be used by you only as provided in the Franchise Agreement.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. There are no agreements in effect which significantly limit our right to use or license the copyrighted materials. Finally, there are no infringing uses actually known to us which could materially affect your use of the copyrighted materials in any state. We are not required by any agreement to protect or defend copyrights.

You must treat the Manuals, any other manuals created for or approved for use in the operation of the Franchised Business, and the information contained in them, as confidential, and must use all reasonable efforts to maintain this information as confidential. You must not copy, duplicate, record, or otherwise reproduce these materials, or make them available to any unauthorized person. The Manuals will remain our sole property and must be kept in a secure place at the restaurant.

We may revise the contents of the Manuals, and you must comply with each new or changed standard. You must ensure that the Manuals are always kept current. In the event of any disputes as to the contents of the Manuals, the terms of the master copy maintained by us at our home office will be controlling.

We will disclose to you certain confidential information and trade secrets. Except as is necessary for the operation of the Franchised Business and as we approve, you may not, during the term or at any time after the termination of the Franchise Agreement use for your own benefit or communicate or divulge to, or use for the benefit of any

other person or entity, any trade secrets, confidential information, knowledge or know-how concerning the services, advertising, marketing, designs, plans, or methods of operation of the Franchised Business or the System. You may disclose to your employees only that confidential, proprietary or trade secret information as is necessary to operate the business and then only while the Franchise Agreement is in effect. Any information, knowledge, or know-how, including, materials, equipment, marketing, and other data, which we designate as confidential will be deemed confidential for purposes of the Franchise Agreement.

We may require your manager, and any personnel having access to any of our confidential information to sign covenants that they will maintain the confidentiality of information they receive in connection with their employment by you at the Franchised Business. The covenants must be in a form satisfactory to us, including, specific identification of us as a third party beneficiary of the covenants, with the independent right to enforce them.

We also consider our trade dress (i.e., elements of the KCG method and style of doing business) inherently and uniquely distinctive and protectable under applicable Federal and State law.

Item 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must at all times use your best efforts to promote and enhance the Franchised Business and not engage in any other business or activity that conflicts with your obligations to operate the Franchised Business in compliance with the Franchise Agreement. You (or your controlling shareholder or managing partner) must participate personally in the direct operation of the Franchised Business. You may employ a manager to assist you in the day-to-day operation of the Franchised Business. Your manager must have completed our initial training, but need not have an ownership interest in the Franchised Business.

Each KCG restaurant must be managed by a person trained to the satisfaction of and approved by us in the methods and procedures of the KCG System. If you are an individual, we recommend that you be the fully trained manager. This person, in addition to handling the day-to-day management and operation of the restaurant business, must oversee the preparation of food products and the supervision of personnel and accounting procedures. We impose no limitations on, nor do we approve your manager.

We normally enter into Franchise Agreements and Development Agreements with individuals. If you assign your rights to a legal entity, each owner must personally guarantee the obligations under the Franchise Agreement and Development Agreement. You will continue to be personally bound by the confidentiality and non-competition provisions of those Agreements. If you have multiple owners, one owner must be selected who will have the power to settle all disputes among the owners and bind the legal entity in its dealings with us. See Items 14 and 17 as to confidentiality of trade secrets, and covenants not to compete.

At our request, you must obtain and deliver signed covenants of confidentiality and non-competition from any persons who have or may have an ownership interest in you, or who receive or have access to training and other confidential information of the Franchised Business. The covenants must be in a form satisfactory to us.

Item 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must operate the Franchised Business in strict conformity with the Franchise Agreement and with all of our required methods, procedures, policies, standards, and specifications, as set out in the Manuals and in writing by us. You must use the restaurant premises only for the operation of the Franchised Business and may not operate any other business at or from the restaurant without our prior written consent. You must keep the Franchised Business open and in normal operation for the minimum hours and days that we specify.

You may offer only those products and perform those services that we have approved. You must offer all restaurant services that we designate. You must not deviate from our standards and specifications without our prior written consent.

We may designate additional products and services in the future and to withdraw any of our previous approvals. In that case, you must comply with the new requirements. We may change the types of authorized products and services, and there are no limits on our right to make changes.

You must comply with all agreements of third parties that pertain to the restaurant, including, in particular, all provisions of any premises lease and any equipment lease(s).

You must operate the Franchised Business in strict conformity with all applicable Federal, State, and local laws, ordinances, and regulations. These laws, ordinances, and regulations vary from jurisdiction to jurisdiction and may change or may be implemented or interpreted in a different manner. It is your sole responsibility to apprise yourself of the existence and requirements of all laws, ordinances, and regulations applicable to the Franchised Business, and to adhere to them and to the then-current implementation or interpretation of them.

The System may be supplemented, improved, and otherwise modified by us. You must comply with all of our reasonable requirements in that regard.

Except as described above, you are not restricted by the Franchise Agreement, or any other practice or custom of ours concerning the goods or services which you may offer, or the customers whom you may solicit.

Item 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 3.A	10 years
b. Renewal or extension of the term	Section 3.B	If you are not in default, you can renew for additional 10 year terms
c. Requirements for franchisee to renew or extend	Section 3.B	Not be in default, have satisfactory inspections, give written notice, sign new Franchise Agreement which may be materially different from your original agreement, pay renewal fee, sign general release, upgrade restaurant
d. Termination by franchisee	Section 21.F	Only in the event of material breach which is not cured after notice
e. Termination by franchisor without cause	None	N/A
f. Termination by franchisor with cause	Section 20	We can terminate if you default

Provision	Section in Franchise Agreement	Summary
g. "Cause" defined - curable defaults	Section 20.B	5 days notice to cure for non-payment; 30 days notice to cure for failure to operate; failure to open; failure to complete training; failure to comply with laws; failure to comply with other terms of Franchise Agreement; failure to pay others; default under lease/sublease; danger to public health; transfer without consent; loss of location
h. "Cause" defined - non-curable defaults	Section 20.A	Bankruptcy; abandonment; misrepresentation; foreclosure; criminal misconduct; repeated failure to comply
i. Franchisee's obligations on termination/non-renewal	Section 21 (also Confidentiality Non-Disclosure and Non-Competition Agreement)	Complete de-identification; return all Manuals and materials; pay all amounts due; vacate location
j. Assignment of contract by franchisor	Section 16.K	We can freely assign
k. "Transfer" by franchisee - defined	Section 16.A	Includes transfer of interest in Franchised Business or in legal entity
l. Franchisor's approval of transfer by franchisee	Section 16.A	We have the right to approve all transfers
m. Conditions for franchisor's approval of transfer	Section 16.D	Full compliance; transferee qualifies; all amounts due are paid in full; completion of training; transfer fee paid; transferee agrees to be bound by the terms of the Franchise Agreement; you sign or deliver other required documents, including release
n. Franchisor's right of first refusal to acquire franchisee's business	Section 16.L	We can match any offer
o. Franchisor's option to purchase franchisee's business	Section 16.L	Option to purchase all disposable items containing Proprietary Marks
p. Death or disability of franchisee	Section 16.G	Franchise or ownership interest must be assigned to an approved buyer within 6 months
q. Non-competition covenants during the term of the franchise	Section 18.B (also Section 11, Confidentiality, Non-Disclosure & Non-Competition Agreement)	No involvement with a competing business
r. Non-competition covenants after the franchise is terminated or expires	Section 18.B (also, Section 11, Confidentiality, Non-Disclosure and Non-Competition Agreement)	No involvement in competing business for 2 years or within 5 miles of any KCG Restaurant

Provision	Section in Franchise Agreement	Summary
s. Modification of the agreement	Section 23.C	No modification, but Manuals and System are subject to change
t. Integration/merger clause	Section 23.C	Only the terms of the franchise agreement are binding (subject to state law). Any representations or promises outside the disclosure document and franchise agreement may not be enforceable. Notwithstanding the foregoing, nothing in any franchise agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 23.J	Except for certain claims, all disputes must be arbitrated in Florida (subject to any valid franchise law in the state where the franchise business is located)
v. Choice of forum	Section 23.L	Litigation in Florida (subject to applicable state law)
w. Choice of Law	Section 23.K	Florida law applies (applicable state law)

AREA DEVELOPMENT PROGRAM

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

Provision	Section in Area Development Agreement	Summary
a. Length of the Area Development Agreement	Section 3.1	Determined by Development Schedule
b. Renewal or extension of the term	Section 3.2	If you are not in default, you can extend for one term, to be negotiated
c. Requirements for franchisee (area developer) to renew or extend	Section 3.3	Not be in default, agree to new Development Schedule, sign new Area Development Agreement, pay fee
d. Termination by franchisee (area developer)	None	N/A
e. Termination by franchisor without cause	None	N/A

Provision	Section in Area Development Agreement	Summary
f. Termination by franchisor with cause	Section 9	You must be in default. The termination of a Franchise Agreement because of Developer's default is a default under the Area Development Agreement. Termination of the Area Development Agreement does not terminate any existing unit Franchise Agreements.
g. "Cause" defined - curable defaults	Section 9	30 days notice to cure; failure to comply with other terms of Area Development Agreement
h. "Cause" defined - non-curable defaults	Section 9	Assignment for benefit of creditors, defaults which cannot be cured, misrepresentation, felony conviction, unauthorized use of Trademarks, unauthorized transfer, repeated failure to comply, failure to meet Development Schedule or pay fees, repeated failure to comply
i. Franchisee's (area developer's) obligations on termination/non-renewal	Section 10.1 - 10.5 (also Confidentiality Non-Disclosure and Non-Competition Agreement)	Lose rights to additional development; Cannot compete; pay all amounts due; vacate location
j. Assignment of contract by franchisor	Section 11.1	We can freely assign
k. "Transfer" by franchisee (area developer) - defined	Section 11.2	Includes transfer of interest in Development Agreement or in ownership of Developer
l. Franchisor's approval of transfer by franchisee (area developer)	Section 11.2	We have the right to approve all transfers
m. Conditions for franchisor's approval of transfer	Section 11.3	Full compliance; transferee qualifies; all amounts due are paid in full; completion of training; transfer fee paid; transferee agrees to be bound by the terms of the Development Agreement; you and transferee sign other required documents, including release
n. Franchisor's right of first refusal to acquire franchisee's (area developer's) business	Section 12	We can match any offer
o. Franchisor's option to purchase franchisee's (area developer's) business	None	N/A

Provision	Section in Area Development Agreement	Summary
p. Death or disability of franchisee (area developer)	Section 11.5	Development Agreement or ownership interest must be assigned to an approved buyer within 6 months
q. Non-competition covenants during the term of the franchise	Section 7.3 (also Section 11, Confidentiality, Non-Disclosure & Non-Competition Agreement)	No involvement with a competing business
r. Non-competition covenants after the franchise is terminated or expires	Section 7.4 (also, Section 11, Confidentiality, Non-Disclosure and Non-Competition Agreement)	No involvement in competing business for 2 years or within 5 miles of any KCG Restaurant
s. Modification of the agreement	Section 15.12 & 16	No modification, but Manuals and System are subject to change
t. Integration/merger clause	Section 16	Only the terms of the area development agreement are binding (subject to state law). Any representations or promises outside the disclosure document and area development agreement may not be enforceable. Notwithstanding the foregoing, nothing in any franchise agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 15.5	Except for certain claims, all disputes must be arbitrated in Florida (subject to any valid franchise law in the state where the franchise business is located)
v. Choice of forum	Section 15.5	Litigation in Florida (subject to applicable state law)
w. Choice of Law	Section 15.4	Florida law applies (applicable state law)

Item 18
PUBLIC FIGURES

We do not use any public figure to promote our franchises. There are no public figures involved in our actual management.

Item 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records

of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about the possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past performance of company owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our President, Hoi Sang Yeung, International Restaurant Management Group, Inc., 4531 Ponce de Leon Boulevard, Suite 300, Coral Gables, Florida 33146, (305) 476-1611, extension 108, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For Years 2017 - 2019

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2017	22	20	-2
	2018	20	18	-2
	2019	18	17	-1
Company Owned	2017	24	21	-3
	2018	21	19	-2
	2019	19	17	-2
Total Outlets	2017	46	41	-5
	2018	41	37	-4
	2019	37	34	-3

Table No. 2

Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor)
For Years 2017 - 2019

State	Year	Number of Transfers
Arizona	2017	0
	2018	0
	2019	0
California	2017	0
	2018	0
	2019	0
Colorado	2017	0
	2018	0
	2019	0
District of Columbia	2017	0
	2018	0
	2019	0
Florida	2017	0
	2018	0
	2019	0
Idaho	2017	0
	2018	0
	2019	0
Illinois	2017	0
	2018	0
	2019	0
Louisiana	2017	0
	2018	0
	2019	0

State	Year	Number of Transfers
Maryland	2017	0
	2018	1
	2019	0
Mississippi	2017	0
	2018	0
	2019	0
New Jersey	2017	0
	2018	0
	2019	0
New York	2017	0
	2018	0
	2019	0
North Carolina	2017	0
	2018	0
	2019	0
Ohio	2017	0
	2018	0
	2019	0
Pennsylvania	2017	0
	2018	0
	2019	0
Puerto Rico	2017	0
	2018	0
	2019	0
Texas	2017	0
	2018	0
	2019	0

State	Year	Number of Transfers
Virginia	2017	0
	2018	0
	2019	0
Washington	2017	0
	2018	0
	2019	0
Total	2017	0
	2018	1
	2019	0

Table No. 3

Status of Franchised Outlets
For Years 2017 - 2019

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Recaptured by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Arizona	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
California	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	1	0	0
	2019	0	0	0	0	0	0	0
Colorado	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
District of Columbia	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Recaptured by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Florida	2017	5	0	0	0	0	0	5
	2018	5	0	0	0	0	0	5
	2019	5	0	0	0	0	1	4
Idaho	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
Illinois	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
Louisiana	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Maryland	2017	2	1	0	0	0	1	2
	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
Mississippi	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
New Jersey	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
New York	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Recaptured by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
North Carolina	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
Ohio	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Pennsyl-vania	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Puerto Rico	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Texas	2017	5	0	0	0	0	1	4
	2018	4	0	0	0	0	1	2
	2019	3	0	0	0	0	0	3
Virginia	2017	1	0	0	0	0	1	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
Washing-ton	2017	1	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
Total	2017	22	2	0	0	0	4	20
	2018	20	0	0	0	1	1	18
	2019	18	0	0	0	0	1	17

Table No. 4

Status of Company-Owned Outlets
For Years 2017 - 2019

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired form Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Alabama	2017	1	0	0	0	0	1
	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
Arizona	2017	2	0	0	0	0	2
	2018	2	0	0	0	0	2
	2019	2	0	0	1	0	1
California	2017	3	0	0	1	0	2
	2018	2	0	1	1	0	2
	2019	2	0	0	0	0	2
District of Columbia	2017	1	0	0	0	0	1
	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
Florida	2017	4	0	0	0	0	4
	2018	4	0	0	1	0	3
	2019	3	0	0	0	0	3
Georgia	2016	1	0	0	0	0	1
	2017	1	0	0	0	0	1
	2018	1	0	0	1	0	0
Illinois	2017	2	0	0	0	0	2
	2018	2	0	0	1	0	1
	2019	1	0	0	0	0	1
Indiana	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired form Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Maryland	2017	0	1	0	0	1	0
	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
Michigan	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
Nevada	2017	1	0	0	1	0	0
	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
Oregon	2017	4	0	0	1	0	3
	2018	3	0	0	0	1	2
	2019	2	0	0	1	0	1
Puerto Rico	2017	3	0	0	0	0	3
	2018	3	0	0	0	0	3
	2019	3	0	0	0	0	3
Tennessee	2017	1	0	0	0	0	1
	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
Virginia	2017	1	0	0	0	0	1
	2018	1	1	0	0	0	2
	2019	2	0	0	0	0	2
Washing-ton	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired form Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Total	2017	24	1	0	3	1	21
	2018	21	1	1	0	4	19
	2019	19	0	0	2	0	17

Table No. 5

Projected Openings as of December 31, 2019

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Current Fiscal Year
Florida	0	1	1
Maryland	0	0	1
Total	0	1	2

We have not granted any Area Development Agreements and do not project granting any Area Development Agreements in 2020.

Exhibit G lists the names of all current franchisees and the addresses and telephone numbers of their outlets as of December 31, 2019.

Exhibit H lists the name, city and state, and the current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our must recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, we have signed confidentiality clauses with no current or former franchisees. In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experience with Kelly's Cajun Grill. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

There are no trademark-specific franchisee organizations associated with the franchise system being offered in this Franchise Disclosure Document.

Item 21
FINANCIAL STATEMENTS

Attached as Exhibit E to this Disclosure Document are the following audited financial statements:

1. Balance sheets as of December 31, 2019 and December 31, 2018

2. Statements of operation, shareholders equity and cash flows for the years ended December 31, 2019, December 31, 2018 and December 31, 2017

Item 22
CONTRACTS

A copy of the Franchise Agreement, together with all exhibits (Exhibit "A" - Location Designation, Exhibit "A-1" - Location Approval Form, Exhibit "B" - Confidentiality, Non-Disclosure and Non-Disclosure and Non-Competition Agreement, Exhibit "C" - Agreement with Landlord, Exhibit "D" - Assignment of Franchise Agreement and Guaranty", Exhibit "E" - Personal Guaranty) is attached as Exhibit A.

A copy of the Development Agreement, together with all exhibits (Exhibit "A" - Franchise Agreement, Exhibit "B" - Development Area, Exhibit "C" - Development Schedule, Exhibit "D" - Assignment of Development Agreement and Guaranty, Exhibit "E" - Guaranty and Assumption of Liabilities) is attached as Exhibit B.

Item 23
RECEIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document appear as the last pages to this Disclosure Document. Please return one copy to us and retain the other for your records.

EXHIBIT A

FRANCHISE AGREEMENT

KELLY'S CAJUN GRILL

FRANCHISE AGREEMENT

KELLY'S CAJUN GRILL

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KELLY'S CAJUN GRILL

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT is made at Coral Gables, Florida, as of the ___ day of _____, 201__, by and between KELLY'S CAJUN GRILL FRANCHISE CORPORATION, a Florida corporation (hereinafter called "Franchisor") and _____

_____

of _____

(hereinafter called "Franchisee").

1. RECITALS

Franchisee hereby acknowledges receipt of a **KELLY'S CAJUN GRILL** Franchise Disclosure Document including a copy of this Franchise Agreement, which Franchisee received at least 14 calendar days before signing this Franchise Agreement or any related agreement(s) and before making any payment to Franchisor or an affiliate.

Franchisee has read this Agreement and the **KELLY'S CAJUN GRILL** Franchise Disclosure Document and understands and accepts the terms, conditions, and covenants contained in this Agreement as being reasonably necessary to maintain Franchisor's standards of quality and service and the uniformity of those standards at all **KELLY'S CAJUN GRILL** Restaurants in order to protect and preserve the trademarks and the goodwill associated therewith.

This Agreement is concerned with the offer and sale of a franchise for the establishment and operation of a **KELLY'S CAJUN GRILL** Restaurant, featuring the sale of specialty food items with a Cajun theme, beverages and related products, all as presently designated by Franchisor and as may be improved, further developed, or otherwise modified by Franchisor from time to time.

The distinguishing characteristics of a **KELLY'S CAJUN GRILL** Restaurant include, but are not limited to: the name "**KELLY'S CAJUN GRILL**"; readily recognizable color schemes, designs, and layouts for the restaurant; specialized paper products, menus and signs, containing logos, trade names, trademarks, and service marks identifying the restaurant; confidential recipes; operating systems; and methods for preparing, serving, and merchandising the food products and for operating the restaurant, (hereinafter collectively the "System").

Franchisee is desirous of obtaining a franchise to operate a **KELLY'S CAJUN GRILL** Restaurant utilizing the concepts, methods, and techniques all under the System, as such System may be constituted by Franchisor from time to time. Franchisee has submitted an application and other pertinent information, including financial statements, to Franchisor which fully and truthfully set forth the information therein and Franchisee has further advised Franchisor of all persons who will hold interests in the franchise.

THEREFORE, Franchisor and Franchisee, intending to be legally bound, for and in consideration of the mutual covenants hereinafter following, do mutually covenant and agree:

2. LICENSE, TRADE PRACTICES, LICENSED MARKS, AND PROTECTED TERRITORY

A. License

Franchisor hereby grants Franchisee the right to use the service mark "**KELLY'S CAJUN GRILL**" and such other service marks, trademarks, trade names, and copyrights as Franchisor may designate from time to time, and Franchisee is hereby licensed as a participant in the System for the operation of a **KELLY'S CAJUN GRILL** Restaurant (hereinafter called "Restaurant"). The operation of the Restaurant shall be conducted by

Franchisee only at the approved location (hereinafter called "Franchise Location"). If, at the time of execution of this Agreement, the Franchise Location is not designated as a specific address on Exhibit A, then Franchisee agrees to execute the **KELLY'S CAJUN GRILL** Franchise Agreement - Location Approval Form, attached hereto as Exhibit A-1 and by this reference, incorporated herein, in accordance with the provisions of Article 5, hereof. The street address of the Franchise Location shall be set forth in such Location Approval Form.

Franchisee agrees not to open the Restaurant for business to the public without written approval of Franchisor or to change the location of the Restaurant thereafter without the prior written approval of Franchisor.

B. Trade Practices

Franchisee agrees that Franchisor has the sole rights to certain trade practices and that no goodwill associated with any of those trade practices shall inure to Franchisee. It is further agreed that the particulars of the trade practices constitute trade secrets of Franchisor which are revealed to Franchisee in confidence, and Franchisee will not, at any time during the term of this Agreement or any time thereafter, use or attempt to use the trade practices in connection with any other entity or business in which Franchisee has an interest, direct or indirect, nor shall Franchisee disclose, duplicate, reveal, sell, or sublicense the trade practices or any part thereof or in any way transfer any rights in the trade practices, except as authorized by Franchisor. Franchisee shall confirm Franchisee's agreement to the foregoing by executing Franchisor's standard Confidentiality, Non-Disclosure and Non-Competition Agreement, a copy of which is attached hereto as Exhibit "B".

C. Licensed Marks

Franchisee, in operating the Restaurant, shall use only those service marks, trademarks, or trade names (hereinafter the "Proprietary Marks") which are approved by Franchisor, and the Proprietary Marks shall be used only in such manner as is specified from time to time by Franchisor. Franchisee's right to use the Proprietary Marks is derived solely from this Agreement and is limited to the conduct of business by Franchisee pursuant to and in compliance with this Agreement. This Agreement confers no goodwill or other interest in the Proprietary Marks upon Franchisee other than the right to use the Proprietary Marks in the operation of the Restaurant in compliance with this Agreement and all applicable standards, specifications and operating standards, specifications and procedures prescribed by Franchisor from time to time. Franchisee agrees not to contest Franchisor's title in such trademarks, trade names, service marks and logos. Any goodwill established in the Proprietary Marks by reason of Franchisee's use of them shall inure to Franchisor's exclusive benefit. Any unauthorized use of the Proprietary Marks by Franchisee shall constitute a breach of this Agreement. All provisions of this Agreement applicable to the Proprietary Marks shall apply to any additional trade and service marks and commercial symbols hereafter authorized for use by, and licensed to, Franchisee by Franchisor.

Franchisor may seek to obtain federal trademark or service mark registrations for any or all of the Proprietary Marks. There can be no assurance that any such registrations will be granted. There may be similar trademarks or service marks, either registered or not registered, owned by third parties. Such third parties may have rights in such trademarks or service marks that are superior to Franchisor's rights in the Proprietary Marks, thereby restricting the ability of Franchisor to expand the System into certain geographic areas. Franchisor makes no representations concerning the possible rights of such third parties. Franchisee is advised to satisfy itself as to the status of the Proprietary Marks prior to entering into this Agreement.

Franchisee shall use the Proprietary Marks as the sole identification of the Restaurant and that Franchisee shall identify itself as the independent owner of the Restaurant in the manner prescribed by Franchisor. Franchisee shall not use the Proprietary Marks as part of any corporate name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than commercial logos licensed to Franchisee hereunder), or in any modified form, nor may Franchisee use any Proprietary Marks in connection with the performance or sale of any unauthorized services or goods or in any other manner not expressly authorized

in writing by Franchisor. Franchisee shall prominently display the Proprietary Marks on such signs, merchandise, paper goods, uniforms and other articles as designated by Franchisor and only in accordance with Franchisor's instructions. Franchisee shall give such notices of trade and service marks registrations as Franchisor specifies and shall obtain such fictitious or assumed name registrations as may be required under applicable law, all at Franchisee's expense.

Franchisor shall have the sole right to handle disputes with third parties concerning the System, including, without, limitation, the Proprietary Marks. In that regard:

(1) If Franchisee receives notice, or is informed, of: (a) any claim, suit or demand against it on account of any alleged infringement, unfair competition or similar matter by reason of its use of the System in accordance with this Agreement, including, without limitation, its use of the Proprietary Marks, or (b) any claim by any person of any rights in all or any part of the System or in any Proprietary Mark, Franchisee shall promptly notify Franchisor in writing of such claim, suit or demand. Franchisee has no right to settle or compromise any such claim, suit or demand. Franchisor shall have sole discretion to take such action as it deems appropriate (which may include taking no action) and the right to exclusively control any litigation, Patent and Trademark Office or other proceeding arising out of any such infringement, challenge or claim or otherwise relating to the System or any Proprietary Mark. Franchisee shall cooperate fully with Franchisor and execute such documents and perform such actions as may, in the judgment of Franchisor, be necessary, appropriate or advisable in the defense of such claims, suits or demands and to protect and maintain the interests of Franchisor in the System and/or in the Proprietary Marks which are the subject of challenge. Franchisor will indemnify Franchisee for all actual damages (other than loss of income) and out-of-pocket expenses incurred by Franchisee in connection with any claim made by a third party for infringement, unfair competition or similar matter arising out of Franchisee's use of the Proprietary Marks or the System; provided, however, the foregoing obligation of Franchisor to reimburse Franchisee exists only if Franchisee has used the name or mark which is the subject of the controversy in strict accordance with the provisions of this Agreement, the Confidential Manuals (as hereinafter defined) and any other written procedures, requirements or instructions of Franchisor, has notified Franchisor of the challenge as set forth above, and has cooperated with Franchisor in the defense of any such action.

(2) If Franchisee receives notice, or is informed, of any infringing or unauthorized use of the System, Franchisee shall promptly notify Franchisor in writing of such infringing use. Franchisor need not initiate suit against imitators or infringers, nor take any other action to enforce or protect the System.

If it becomes advisable at any time in Franchisor's sole discretion for Franchisor and/or Franchisee to modify or discontinue use of any Proprietary Mark, and/or use one or more additional or substitute trade or service marks, Franchisee agrees to comply with Franchisor's directions to modify or otherwise discontinue the use of such Proprietary Marks within a reasonable time after notice thereof by Franchisor. Franchisor shall not be obligated to compensate Franchisee for any costs incurred by Franchisee in connection with such modification or discontinuance.

Upon expiration or termination of this Agreement, Franchisor may, if Franchisee does not do so, execute in Franchisee's name an abandonment of the use of all Proprietary Marks which have been registered as assumed or fictitious names by Franchisee.

D. Protected Territory

(1) During the initial term (and any renewal) of this Agreement, and provided that Franchisee is not in default of this Agreement or any other agreement between Franchisor and Franchisee, Franchisor shall not own, operate, sell, grant, license or approve the transfer of a **KELLY'S CAJUN GRILL** franchise to the Franchise Location. No other protected or exclusive area or territory is granted by Franchisor to Franchisee.

(2) Except as otherwise provided, Franchisor retains the right, in its sole discretion, to: (a) operate and grant others the right to operate or franchise other **KELLY'S CAJUN GRILL** Restaurants at such

locations and on such conditions as Franchisor deems appropriate; and (b) distribute or license the manufacture or distribution of products, and regardless of whether such products are authorized for use in the Restaurant, under the trademarks, service marks, logos, and commercial symbols either licensed hereunder or otherwise held by Franchisor, through grocery stores, retail food stores and other channels of distribution. Such products include, but are not limited to: spice mixes and such other products as Franchisor may from time to time designate for such distribution or production.

(3) Franchisee acknowledges Franchisor's right and the right of Franchisor's affiliates to develop, operate and franchise similar or dissimilar systems, under trademarks, service marks and commercial symbols other than those licensed hereunder, without offering them to Franchisee.

3. **TERM**

A. Initial Term

The initial term of this Agreement shall be for a period of ten (10) years, from the date the Restaurant opens, unless the lease for the Franchise Location shall be for a shorter period of time, in which event, the initial term shall be equal to the term of the lease.

B. Renewal Option - Renewal Fees

Franchisee shall have the option to renew the Franchise Agreement for additional periods of ten (10) years each, or for such lesser periods as are available under the lease for the Franchise Location. In all cases, renewal shall require that: 1) Franchisee not be in default or in violation of the Franchise Agreement or any other agreement with Franchisor; 2) Franchisee has received satisfactory inspection reports throughout the expiring term; 3) Franchisee give Franchisor written notice of its election to renew not less than six (6) months prior to the end of the term then in effect; and 4) no later than sixty (60) days prior to the end of the term then in effect, Franchisee has completed all steps necessary to effectively renew, which shall include, but are not necessarily limited to: (a) execution of the form of Franchise Agreement and any ancillary agreements then customarily used by Franchisor in the grant or renewal of franchises for the operation of **KELLY'S CAJUN GRILL** Restaurants which Franchise Agreement shall reflect, the then-current royalty rate, advertising fees, and non-competition provisions (with appropriate modifications to reflect the fact that the Franchise Agreement relates to the grant of a renewal franchise); (b) Franchisee and its shareholders, if a corporation and partners, if a partnership, executing a general release(s), in form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, employees, and agents; (c) Franchisee making such capital improvements necessary to meet Franchisor's then existing criteria and standards for **KELLY'S CAJUN GRILL** Restaurants; and (d) Franchisee paying the renewal fee in the amount equal to one-half of the then current initial franchise fee. If Franchisee does not comply with the conditions for renewal to the reasonable satisfaction of Franchisor, Franchisee agrees that Franchisor shall have good cause to refuse to renew the Franchise Agreement. Failure or refusal by Franchisee to execute any agreements, instruments and documents required by Franchisor in connection with such renewal within a reasonable time after delivery to Franchisee, shall be deemed an election by Franchisee not to renew the franchise. If the law of the state where the Restaurant is located makes any of the renewal provisions unenforceable as written, then such provision(s) shall be modified so as to be enforceable.

Franchisee's right to renew the franchise is subject to Franchisee's ability to continue to occupy the Franchise Location, or relocating the Restaurant to a mutually acceptable new Franchise Location, within thirty (30) days after the expiration or termination of the right to occupy the Franchise Location.

4. INITIAL FRANCHISE FEE

A. Payment

The non-refundable Initial Franchise Fee is Thirty Thousand Dollars ($30,000), which is payable in full at the time Franchisee executes this Agreement.

B. Consideration

Franchisee hereby acknowledges and agrees that the grant of this franchise constitutes the sole and only consideration for the payment of the Initial Franchise Fee. The Initial Franchise Fee is fully earned by Franchisor upon Franchisor's execution of this Agreement.

5. RESTAURANT SITE SELECTION

A. In the event the site for the Franchise Location has not been approved by Franchisor at the time of execution of this Agreement and entered on Exhibit "A" hereto, it shall be the sole obligation of Franchisee to locate a site suitable for the operation of the Restaurant within ninety (90) days after execution of this Agreement. Franchisor shall supply to Franchisee its site selection criteria and such assistance as Franchisor may deem advisable and such on-site evaluation as Franchisor may deem advisable in response to Franchisee's request for site approval. The proposed site must be approved by Franchisor prior to Franchisee executing a binding lease. Franchisor's approval of a site does not constitute a representation or warranty that the Franchise Location will be profitable or that Franchisee's sales will attain any predetermined levels. Such approval is intended only to indicate that the proposed site meets Franchisor's minimum criteria for identifying sites. Franchisee agrees that Franchisor's approval or disapproval of a proposed site shall not impose any liability or obligation on Franchisor.

B. If the Restaurant site is to be leased directly by Franchisee:

(1) The terms and form of Franchisee's lease are subject to Franchisor's prior written approval. Franchisor shall have the right to approve or disapprove the terms of any lease for the Franchise Location. All leases must either have Exhibit "C" hereto attached as a rider or expressly contain the provisions of Exhibit "C". Franchisee shall not execute any such lease prior to obtaining Franchisor's approval, which shall not be unreasonably withheld. Franchisor's failure to disapprove a lease in writing within thirty (30) days after Franchisee submits such lease shall constitute Franchisor's approval. Franchisor shall also have the right to require Franchisee to execute such additional documents, which provide for the protection of Franchisor's rights and interests.

(2) Franchisee agrees to construct (or renovate) and equip the Restaurant, at Franchisee's expense, in a good and workmanlike manner, in conformity with all applicable governmental requirements and in accordance with the plans and specifications approved by Franchisor. Franchisee shall retain, at Franchisee's expense, an architect or engineer to prepare architectural and mechanical plans and specifications for the Restaurant. Franchisee will cause any mechanics' liens, materialmen's liens or other liens which may be recorded or perfected or which may otherwise attach to all or any portion of the Restaurant as a result of work done by or for Franchisee to be discharged or released of record or fully bonded, within ten (10) days after notification of the existence of any such lien.

(3) Franchisee agrees that the Restaurant shall be completed and open for sales to the public no later than the earlier of one (1) year from the date of this Agreement or one hundred eighty (180) days from the date Franchisee's location is approved by Franchisor (hereinafter referred to as the "Specified Opening Date"). In the event the Restaurant has not opened for business but is under construction on the Specified Opening Date, Franchisor shall be entitled to receive from Franchisee in lieu of the Royalty it would have received, the sum of Fifty Dollars ($50.00) for each day after the Specified Opening Date during which Franchisee is not open for sales to the public. Franchisor may terminate this Agreement upon ten (10) days prior written notice if the Restaurant is not under construction or open for business by the Specified Opening

Date. Upon such a termination of this Agreement, Franchisor shall be entitled to keep as liquidated damages and not as a penalty, all funds Franchisee has previously paid to Franchisor, including but not limited to the Franchise Fee, and Franchisor may pursue such other remedies as are available to it at law and in equity. The Specified Opening Date shall be extended for the number of days the opening is delayed because of Acts of God, strikes, civil disturbances, floods, material or labor shortages or restrictions, enforcement of governmental regulations or requirements and other similar causes beyond Franchisee's control provided, however, Franchisee's inability to pay an obligation or acquire a site shall not be deemed to be a cause beyond Franchisee's control.

(4) If requested by Franchisee in writing, Franchisor will do or cause to be done, with respect to development of the Restaurant, the following:

(a) Use Franchisor's best efforts to negotiate a lease for the Franchise Location. Franchisor shall not be responsible if a landlord refuses to execute a lease on terms and conditions recommended by Franchisor and accepted by Franchisee;

(b) Furnish guidance to Franchisee in the preparation of suitable plans and specifications for leasehold improvements;

(c) Assist Franchisee in arranging for the construction of the leasehold improvements. However, Franchisee shall select and contract with a general contractor, acceptable to Franchisor, for construction of the leasehold improvements;

(d) Assist Franchisee in securing required government approvals, licenses and permits necessary for the development and operation of the Restaurant, the cost of permits and construction shall be paid by Franchisee;

(e) Order and supervise the installation of the equipment, furniture/furnishings, fixtures and signs of the Restaurant; and

(f) Order and stock the initial merchandise inventory and operating supplies of the Restaurant.

In connection with items (a) - (f) above, Franchisee will purchase or lease all of the fixtures, equipment and signs for the Restaurant and pay for same and for all other costs associated with developing the Restaurant.

C. Franchisor may, in its sole discretion, agree to lease the Franchise Location and sublease the premises to Franchisee. In such event:

(1) Franchisor, or an affiliate, shall find a location acceptable to Franchisee for the Restaurant. Such location shall be secured by Franchisor signing as prime tenant on a lease with the owner of such location.

(2) Franchisor shall sublet the location to Franchisee pursuant to the form of sublease set forth in Exhibit "D" hereto. The terms of the lease on which Franchisor is obligated shall be those terms and conditions upon which Franchisee shall be obligated. Franchisee shall be responsible for paying all rent and other charges directly to the lessor. A failure by Franchisee to timely make all such payments, shall constitute a default under this Agreement.

(3) At the election of Franchisee, Franchisor will construct the Restaurant at the location in accordance with Franchisor's typical plans and specifications. In such event, Franchisee shall at the time of execution of the sublease, purchase the fixtures, furniture, and equipment constructed, installed or otherwise affixed to the location, from Franchisor, pursuant to Franchisor's standard Purchase and Sale Agreement,

attached hereto as Exhibit "E". In all other events, Franchisee shall proceed to construct the Restaurant in accordance with Section 5.B. (1)-(3).

D. The Franchise Location shall be used for no purpose other than the operation of a **KELLY'S CAJUN GRILL** Restaurant.

6. TRAINING, PRE-OPENING, AND OPENING ON-SITE ASSISTANCE

Franchisor shall provide an initial training program for Franchisee. If Franchisee is an individual, Franchisee must attend. If Franchisee is a partnership, the managing partner must attend. If Franchisee is a corporation, a designated managing officer must attend. In addition, Franchisee's designated general manager ("General Manager"), and one (1) additional person, may attend, provided they have signed a Confidentiality, Non-Disclosure and Non-Competition Agreement. The initial training will be conducted at such time and place as designated by Franchisor. Franchisee shall be responsible for all travel, lodging, and subsistence expenses of those persons attending the training session. Such training is to be completed no later than two (2) weeks prior to the opening of the Restaurant and will be for a minimum period of 80 hours or as may be modified by Franchisor. Franchisor's training program will include training in on-site food preparation, customer service procedures, and management techniques, together with inventory, cost accounting, and general business procedures.

Franchisor shall provide opening assistance at the Franchise Location for a maximum period of 6 days, extending from 2 days before and continuing for 4 days after the Restaurant is open for business.

Franchisee acknowledges that it is of paramount importance that Franchisee and Franchisee's employees or representatives understand the System and therefore, failure to complete Franchisor's initial training program to the satisfaction of Franchisor shall be grounds for Franchisor to elect to terminate this Agreement. This Agreement is contingent upon Franchisee's satisfactory completion of training.

Franchisor may require Franchisee and/or previously trained and experienced personnel to attend periodic refresher courses at locations designated by Franchisor. Franchisee shall be responsible for all travel, lodging and living expenses that Franchisee and each such person incur in connection with any subsequent training program.

Franchisee has the right to request additional training from time to time and Franchisor shall, at its sole discretion, provide such training to Franchisee or to Franchisee's personnel at such times and places and for such duration as Franchisor deems necessary; provided, that Franchisee pays the cost of such additional training, including the cost of transportation, subsistence, lodging, and the current charge for the services of Franchisor's representative(s), which costs shall be paid in advance.

Franchisee specifically agrees that only persons trained by Franchisor shall have overall responsibility for the operation of the Restaurant and that Franchisee will, at Franchisee's sole cost and expense, send such persons to Franchisor for training, unless such training is waived by Franchisor.

Prior to opening, Franchisor shall also provide Franchisee with: a standard layout, decor, and color scheme for the Restaurant; counter design and materials specifications; employee uniform specifications; an approved suppliers and manufacturers list; and standardized menu format.

7 RESTAURANT OPERATION

In order to maintain uniform standards of operation for all **KELLY'S CAJUN GRILL** Restaurants and to protect the goodwill of Franchisor and its trade practices, it is agreed as follows:

A. Standards

Franchisee acknowledges that each and every detail of the appearance, layout, decor, food products, beverages, paper and plastic goods, materials, and supplies utilized, services offered, and operation of the Restaurant is important to Franchisor and other **KELLY'S CAJUN GRILL** franchisees. Prior to opening, Franchisor will prepare for Franchisee's approval, an initial order of food and supplies. Upon Franchisee's approval, Franchisor will forward the order to the vendors specified by Franchisee. Franchisee shall comply with all mandatory specifications, standards and operating procedures relating to: 1) type, quality, purity, taste, portions, weight and/or dimensions, ingredients, uniformity, and manner of preparation and sale of food products and beverages sold by the Restaurant; 2) layout, decor and color scheme of the Restaurant; 3) counter design and materials; 4) appearance of employees; 5) appearance, cleanliness, sanitation, standards of services, and operation of the Restaurant; 6) food products and beverages, materials, supplies, and distributors and suppliers; and 7) hours and days during which the Restaurant will be open for business. Mandatory specifications, standards, and operating procedures may be prescribed from time to time by Franchisor in the Confidential Operating Manual (hereinafter called "Operating Manual"), or otherwise communicated to Franchisee in writing. All references herein to this Agreement shall include all such mandatory specifications, standards, and operating procedures.

B. Confidential Manuals

The Operating Manual and other manuals provided by Franchisor, collectively the "Confidential Manuals", shall be loaned to Franchisee by Franchisor during the initial term and any renewal of this Agreement. The Confidential Manuals shall govern the operation of the Restaurant. Changes in such requirements may be made by Franchisor from time to time as deemed advisable by Franchisor. Franchisee will operate the Restaurant in accordance with the standards, specifications, and procedures set forth in the Confidential Manuals, will comply with any changes in such standards, specifications, and procedures as may become necessary and desirable from time to time, and will accept as reasonable any modifications, revisions, and additions to the Confidential Manuals which Franchisor, in the good faith exercise of its judgment, believes to be necessary and desirable.

C. Maintenance of Exterior and Interior Decor

Franchisee shall at all times maintain the interior and exterior of the Restaurant and the surrounding area in the highest degree of cleanliness, orderliness, and sanitation, and shall also comply with the requirements of the Confidential Manuals regarding the upkeep and decor of the Restaurant. Franchisee shall immediately comply with all orders and regulations of applicable state and local health and safety administrators. Franchisee shall repair, refinish, or paint the exterior and the interior of the Restaurant at Franchisee's own expense at such times as reasonably directed by Franchisor or as required by the lease for the Franchise Location.

D. Upkeep of Restaurant

Maintenance and repair of the Restaurant is the sole responsibility of Franchisee. Franchisee shall maintain the signs, equipment, decor, furnishings, fixtures, and all other tangible property in the Restaurant in excellent condition and repair and shall replace any of the equipment and fixtures which become obsolete or mechanically impaired to the extent that such equipment or fixtures no longer adequately perform the functions for which they were originally intended. Replacement equipment and fixtures shall be of the same type and quality as are being used in new **KELLY'S CAJUN GRILL** Restaurants at the time replacement is required. All replacement decor, equipment, and fixtures shall comply with Franchisor's requirements and specifications. Remodeling of the Restaurant (including signage) to conform to the then current format and style of **KELLY'S CAJUN GRILL** Restaurants shall be required at the time of renewal of this Agreement and at such other times as Franchisor may specify, but not more frequently than every five years. In addition, Franchisee must renovate the Restaurant at such times as required under the lease.

In addition to the foregoing, in order to introduce new products or services through all **KELLY'S CAJUN GRILL** Restaurants, Franchisee may be required to spend additional amounts on new, different or modified equipment or fixtures necessary for Franchisee to offer such new products or services.

In the event the Franchise Location is, at any time, to be altered or remodeled, or additional decorations, fixtures, furniture, or equipment are to be installed or substituted, or signs are to be erected or altered, all of such work shall be subject to the prior written approval of Franchisor, and, when completed, shall conform to plans and specifications approved by Franchisor.

Franchisor may inspect, but shall not be obligated to inspect, such work at any time to determine that the work is done in accordance with Franchisor's approved plans and specifications.

E. Holidays and Hours of Operation

Franchisee shall continuously operate the Restaurant for the hours and days of the week as specified in the Confidential Manuals, unless different hours have been approved in writing by Franchisor, based upon the circumstances existing with the Franchise Location. The Restaurant may be closed on recognized United States holidays, at the option of Franchisee, consistent with any lease obligations.

F. Restaurant Supervision

Franchisee, if an individual, or a designated partner, if Franchisee is a partnership, or a designated managing officer, if franchisee is a corporation, shall devote full time (a minimum of 40 hours per week) and attendance, as well as such person's best efforts, to the performance of supervisory and day-to-day Restaurant operational duties. The Restaurant shall be managed only by a person(s) who is trained to the satisfaction of and approved by Franchisor in the methods and procedures of the System, who shall be physically at the Restaurant during operating hours.

G. Franchisee's Sales Efforts

Franchisee shall exert its best efforts and abilities to establish, maintain, and increase sales of approved food products under the Proprietary Marks and shall at all times maintain a supply of such food products sufficient to meet public demand.

H. Restaurant Personnel

All personnel employed by Franchisee at the Restaurant shall maintain such standards of sanitation, cleanliness, and demeanor as shall be established by Franchisor. All personnel performing managerial or supervisory functions, all personnel receiving special training and instruction, and all persons employed by Franchisee having access to any of Franchisor's trade practices, shall execute Franchisor's Confidentiality, Non-Disclosure and Non-Competition Agreement (attached hereto as Exhibit "B"), pursuant to which such personnel shall agree not to work for any competitor of Franchisor or Franchisee during the period of their employment and for two (2) years thereafter and further agree not to disclose any of Franchisor's trade practices which may be disclosed to them. Franchisee shall, at its sole expense and upon written order of Franchisor at Franchisor's sole discretion, enforce such Agreement. If requested by Franchisee, Franchisor will provide Franchisee with advice and assistance regarding the recruiting and selection of an initial staff for the Restaurant.

I. Reporting, Monthly and Annual Financial Statements

Franchisee shall record all sales and all receipts of revenue and report same to Franchisor according to Franchisor's prescribed format.

Franchisee must purchase and install at Franchisee's expense at the Franchise Location, such electronic point of sale recording system ("POS System") including POS terminal, cash drawer, secure PCI compliant high

speed internet access, modem(s), integrated software for credit and debit card processing and online monitoring system, back up power supply, printer(s) and other computer-related accessory and peripheral equipment as meets Franchisor's standards and specifications as established in the Confidential Manuals or otherwise in writing. Franchisee is required to provide such assistance and purchase such equipment required by Franchisor to bring such computer system and the Restaurant "on-line" with Franchisor's computer system. Franchisee acknowledges and agrees that Franchisor shall have the free and unfettered right to retrieve such data and information directly from Franchisee's computer as Franchisor shall deem necessary, desirable or appropriate. The telephonic, internet or other transmission costs of such retrieval shall be borne by Franchisee. Franchisee agrees to purchase and install any new or upgraded software programs, manuals and computer-related materials and equipment whenever Franchisor determines to adopt such new or upgraded programs, manuals and computer-related materials and equipment for all franchisees in the System. Franchisee understands and agrees that computer designs and functions change periodically and that Franchisee may be required to make and install substantial modifications to the computer system and make additions, changes and modifications during the term of this Agreement to ensure full operational efficiency and communications capability.

Within twenty-one (21) days after the close of each calendar month, Franchisee shall deliver to Franchisor a complete and accurate profit and loss statement and a balance sheet for the preceding month, along with any other sales data requested by Franchisor, on a form or forms specified by Franchisor.

In addition, on or before the expiration of sixty (60) days after the close of Franchisee's fiscal year, for each year during the initial term and any renewal term of this Agreement, Franchisee shall deliver to Franchisor, a balance sheet and statement of profit and loss, reflecting the financial condition of the Restaurant at the end of such fiscal year. Such statements and balance sheets shall be in the form specified by Franchisor and shall be accompanied by a certified written statement of Franchisee, that same are true and correct.

J. Sale of Franchisor's Products

Franchisee shall not sell, dispense, give away, or otherwise provide products or services bearing the Proprietary Marks, except by means of retail sales in or from the Restaurant.

K. Franchisor's Employees

Franchisee shall not interfere with the employees and agents of Franchisor in the performance of such employees' and agents' duties, and Franchisee further agrees that Franchisee will not employ or seek to employ any of Franchisor's employees or agents, or any employees or agents of Franchisor's parent or affiliate(s) or any employees or agents of other franchisee's of Franchisor, for a period of at least two (2) years following the separation of any such employee from employment by Franchisor or its parent or affiliate(s) or other franchisee or the termination of any agency relationship with Franchisor, its parent or affiliate(s), or other franchisee without the prior written consent of Franchisor, its parent, affiliate or such other franchisee.

L. Franchisee's Cooperation

Franchisee shall cooperate with Franchisor in taking any action, or refraining from taking any action which, in the judgment of Franchisor, is necessary or desirable to promote and enhance the quality of the products of the Restaurant, the service provided by the Restaurant, or the image of the Restaurant in the local community. Franchisee shall attend all System meetings as Franchisor deems mandatory from time to time and as Franchisor deems in the best interest of the System as a whole. The cost of attending said meetings shall be that of Franchisee, including the cost of transportation, subsistence, lodging, and a reasonable tuition or attendance fee, if deemed warranted by Franchisor.

M. Menu Format

No changes, additions, or deletions in or to the menu format to be used at the Restaurant shall be undertaken or implemented by Franchisee, unless approved in writing by Franchisor. Franchisee agrees to indemnify and hold Franchisor, its affiliates, shareholders, directors, officers, employees, and agents harmless from and against any and all loss, damage, cost, or expense, including attorneys' fees at all trial and appellate levels, resulting from any change Franchisee makes in the standard menu or from any deviation of Franchisee's products from the descriptions contained in Franchisor's approved menu. At Franchisor's direction, the standard menu format may contain advertising references to other **KELLY'S CAJUN GRILL** Restaurants. Notwithstanding the foregoing, prices that will appear on the menus shall be established exclusively by Franchisee, although Franchisor may suggest prices. Franchisor's right to approve the menu format shall not apply to approval of the prices at which any products are sold. Franchisor may change the standard menu format at any time and from time to time. Menus shall disclose that sales tax, where applicable, shall be charged on all menu items subject to such tax.

N. Restaurant Compliance with Laws and Procedures

Franchisee shall operate the Restaurant in strict compliance with all applicable laws, rules, and regulations of duly constituted governmental authorities, including, without limitation, obtaining and maintaining all required permits and licenses and payment of all taxes before they are delinquent, and in strict compliance with the standard procedures established by Franchisor from time to time including, without limitation, accounting records and information, on such forms as Franchisor may require; payment procedures; hours of operation; design and color of uniforms; size of servings; standards of sanitation, maintenance, and repair; cleaning and fire prevention service; and all matters that, in Franchisor's judgment, require standardization and uniformity in all **KELLY'S CAJUN GRILL** Restaurants. All costs that may be incurred in order to maintain and implement such standard procedures shall borne by Franchisee, at its sole expense.

O. Uniforms and Attire

Franchisor shall be entitled to prescribe standard uniforms and attire for all Franchisee's Restaurant personnel. Franchisee shall be entitled to obtain such uniforms and attire from any manufacturer or distributor, so long as the uniforms are of a reasonable quality and are in strict accordance with Franchisor's specifications.

P. Vending Machines

No vending machines, amusement devices, video machines, or other devices of any nature, except as approved by Franchisor, whether or not coin operated, shall be installed or used at the Restaurant, without the prior written consent of Franchisor.

Q. Good Business Practices

Franchisee shall secure and maintain in force in its name all required licenses, permits, and certificates relating to the operation of the Restaurant and shall transmit copies of all such licenses, certificates, and permits to Franchisor within ten (10) days of their receipt by Franchisee.

All marketing and promotion by Franchisee shall promote the System in a positive manner, be in good taste in the judgment of Franchisor and shall be subject to Franchisor's approval. Franchisee shall in all dealings with its customers, suppliers, Franchisor and the public adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct. Franchisee agrees to refrain from any business or advertising practice which, in the subjective opinion of Franchisor, may be injurious to the business of Franchisor and the goodwill associated with the Proprietary Marks and other **KELLY'S CAJUN GRILL** Restaurants.

Within seven (7) days of the receipt by Franchisee of any failing report from any health department or other comparable agency, Franchisee shall mail a complete copy of such report to Franchisor. Within seven (7)

days of the receipt by Franchisee of any claim or demand for payment which could have a material effect upon the operations of the Restaurant by any third party based upon an alleged injury suffered at the Restaurant or upon other grounds, whether such claim is in writing and whether such claimant is a customer, Franchisee shall notify Franchisor in writing and, if such claim is in writing, shall deliver a complete copy of such claim to Franchisor. Franchisee shall notify Franchisor in writing within five (5) days of the commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency, or other governmental instrumentality, which may adversely affect the operations or financial condition of Franchisee or the Restaurant or of any notice of violation of any law, ordinance, or regulation relating to health or sanitation. Franchisee acknowledges that maintaining a good reputation for credit-worthiness with its suppliers and vendors is critical to its success in operating the franchise granted hereunder. Accordingly, Franchisee shall pay all obligations owing to third party suppliers and vendors arising out of the operation of the Restaurant not later than they are due.

R. Destruction or Damage

If a casualty destroys or damages the Restaurant so that the Restaurant cannot continue to operate, Franchisee shall repair and restore the Restaurant to Franchisor's then current specifications, subject to the applicable provisions of any lease for the Restaurant. The Restaurant, or a Restaurant at an approved substitute location, shall be open and operating no later than six (6) months from the date of the destruction or damage.

8. RESTAURANT INSPECTION

Franchisor may inspect the Restaurant from time to time to determine compliance with uniformity and quality control. Franchisor's personnel or designated agent(s) shall have the right to enter the Restaurant at any reasonable time and from time to time for the purpose of examining, conferring with Franchisee or its employees, inspecting the operation and testing the products and items sold in the Restaurant, auditing, and all other purposes in connection with the determination that the Restaurant is being operated in accordance with the terms of this Agreement, the Confidential Manuals, and other applicable rules. Franchisee specifically authorizes Franchisor's personnel or representatives who are on the Restaurant premises, to monitor the operation of the cash registers in the Restaurant for such periods of time as Franchisor may determine to be necessary. Franchisee agrees to remedy any defects, deficiencies, or unsatisfactory conditions discovered at the Restaurant by Franchisor's personnel or representatives, no later than seven (7) days after being advised of same in writing.

9. SUPPLIERS OF FOOD PRODUCTS AND SUPPLIES

A. Food Products and Supplies

Franchisor requires that proprietary and perishable products, as same are designated from time to time in writing by Franchisor, be purchased exclusively from Franchisor or Franchisor's designated supplier(s). Franchisor's proprietary spice blends reasonably needed by Franchisee in the operation of the Restaurant will be furnished by Franchisor or Franchisor's designated supplier, upon Franchisee's request, at no additional cost, provided Franchisee is not in default under this Agreement. Franchisor imposes no other obligation on Franchisee to purchase or lease from Franchisor or from its designees any other goods, services, supplies, equipment, or inventory relating to the establishment or operation of the Restaurant. Franchisee shall cause the Restaurant to conform to Franchisor's specifications and quality standards, and shall purchase only from distributors and suppliers approved by Franchisor all other food products, beverages, ingredients, flavorings, and garnishes and all beverages, cartons, bags, boxes, napkins, other containers, paper and plastic goods, packaging supplies, and other materials. In approving such distributors and suppliers, Franchisor may consider such factors as quality of delivery service, inventory capability, financial condition, price and the reliability of the distributor or supplier. Franchisor may arrange for the concentration of purchases with one or more distributors or suppliers to obtain competitive prices and/or the best advertising support and/or services for any group of **KELLY'S CAJUN GRILL** Restaurants franchised or operated by Franchisor or an affiliate. Approval of a distributor or supplier may be conditioned on requirements relating to the frequency

of delivery, standards of service, including prompt attention to complaints, and concentration of purchases, as set forth above, may be temporary, pending a further evaluation of the distributor or supplier by Franchisor, and may be changed from time to time. Franchisor reserves the right at its discretion to develop additional proprietary items, including promotional materials, signs, menus, etc., that may be available only from Franchisor. If Franchisor arranges for, or establishes, a cooperative buying program, Franchisee will be encouraged, but not obligated to participate, so as to maintain the high quality for the products associated with the System.

Franchisor may from time to time require Franchisee to discontinue the use or sale of any product or item, or disapprove a previously approved distributor or supplier which or who in Franchisor's opinion does not meet the standards of quality established by Franchisor.

B. Suppliers of Paper and Plastic Goods and Containers

Franchisee may purchase all printed paper, paper products, plastic goods and containers from any source, provided the supplier meets the standards established from time to time by Franchisor and provided the items to be purchased are in strict accordance with the standards and specifications of Franchisor; bear the Proprietary Marks and text required by Franchisor; and are purchased by Franchisee, where applicable, subject to the terms of Franchisor's written authorization to suppliers.

C. Franchisor's Suggested Suppliers

If Franchisor suggests suppliers or manufacturers of supplies to Franchisee, it does so only as an accommodation to Franchisee, and Franchisee shall not be obligated to purchase such items from such sources, so long as Franchisee maintains the required quality and conforms with Franchisor's standards and requirements. Notwithstanding the foregoing, Franchisor shall have the right to designate by brand name the equipment, including ovens, refrigeration, fountain and dispensing equipment, cash registers and all other mechanical equipment, that Franchisee shall use in the Restaurant. Franchisee shall use only such equipment as Franchisor has previously designated or approved in writing.

D. Franchisee's Recommended Suppliers

If Franchisee desires to recommend sources of supply for any item or items, Franchisor shall evaluate such sources with reasonable promptness and shall approve or disapprove such sources based on Franchisor's tests and evaluations, upon the following conditions:

(1) Franchisee shall submit a written request to Franchisor for approval of the supplier and agree to bear the costs of Franchisor's tests and evaluations.

(2) The supplier shall demonstrate to Franchisor's reasonable satisfaction that it is able to supply the item or product to Franchisee in conformity with Franchisor's specifications for such item or product.

(3) The supplier shall demonstrate to Franchisor's reasonable satisfaction that the supplier is of good standing in the business community with respect to its financial capabilities and the reliability of its product and service.

(4) The supplier shall allow Franchisor's representatives to inspect the supplier's facilities and test samples found therein.

Nothing contained herein shall be deemed to require Franchisor to approve an inordinate number of suppliers of a given item which, in the reasonable judgment of Franchisor, would result in higher costs to Franchisor's franchisees or prevent the effective and economical supervision of suppliers by Franchisor.

E. Trade Accounts

Franchisee agrees to maintain its trade accounts in a current status and to seek to resolve any disputes with trade suppliers promptly. Failure of Franchisee to keep its trade accounts current shall constitute a default under this Agreement. Franchisee shall provide Franchisor with the names, addresses, and telephone numbers of all such trade suppliers promptly upon receipt of written request of Franchisor.

10. **INSURANCE**

Throughout the term of this Agreement, Franchisee shall maintain in effect at all times, a policy or policies of insurance, with a Best's "A" rated insurance carrier, naming Franchisor as an additional insured on the face of each liability and property policy at Franchisee's sole cost and expense, as follows:

A. Bodily Injury and Property Damage

Public liability in no less than $1,000,000 combined single limits for bodily injury and property damage, which amount shall be changed from time to time upon receipt of written demand of Franchisor;

B. Workers' Compensation

Workers' compensation insurance as required by state law;

C. Business Interruption Insurance

Business interruption insurance in a sufficient amount to cover profits, maintenance of competent and desirable personnel, and fixed expenses, including amounts due Franchisor, for one year; and

D. Risk Replacement Coverage

Fire, vandalism, theft, malicious mischief, sprinkler damage and the perils described in extended coverage insurance with primary and excess limits of at least the full replacement value of the supplies, furniture, fixtures, machinery, and inventory used in the Restaurant.

E. Lease Controls

If the lease for the Franchise Location requires higher limits or additional types of insurance, Franchisee shall comply with the lease requirements.

Franchisee shall promptly notify Franchisor of any claims against Franchisee and/or Franchisor under said policies of insurance and shall deliver to Franchisor certificates evidencing that such insurance is in full force and effect within thirty (30) days after signing this Agreement and evidence of renewal at least fifteen (15) days prior to the expiration of each policy. Such insurance certificate(s) shall contain a statement that the policies shall not be canceled without thirty (30) days prior written notice to Franchisee and to Franchisor.

F. Automobile Insurance

If Franchisee offers delivery service, liability insurance covering owned and non-owned vehicles in an amount not less than $1,000,000 per occurrence for bodily injury and property damage (or such greater amount as Franchisor may specify from time to time) and such other insurance as is usual and customary for delivery service.

11. **INDEMNIFICATION**

Franchisee agrees to defend at its own cost and to indemnify and hold harmless Franchisor, its shareholders, directors, officers, employees and agents, from and against any and all losses, costs, expenses (including

attorneys' fees at all levels), damages, and liabilities arising out of Franchisee's use, construction, equipping, decorating, maintenance, or operation of the Restaurant, including the preparation and sale of any product made in or sold from the Restaurant. Such losses, claims, costs, expenses, damages, and liabilities shall include without limitation, those arising from latent or other defects in the Restaurant, whether or not discoverable by Franchisee, and those arising from the death or injury to any person or arising from damage to the property of Franchisee or Franchisor, their agents or employees, or any third person, firm, or corporation.

12. ADVERTISING, MARKETING AND PROMOTION

A. Advertising, Marketing and Promotion

(1) Recognizing the value of marketing to the goodwill and public image of **KELLY'S CAJUN GRILL** Restaurants, Franchisor may establish and administer a marketing fund (the "Marketing Fund") for such marketing (including advertising, promotion, public relations and other marketing programs) as Franchisor may deem necessary or appropriate, in its sole discretion. Franchisor may notify Franchisee in writing that it has elected to commence operation of the Marketing Fund, and Franchisee shall contribute to the Marketing Fund, beginning sixty (60) days after such notice, an amount specified by Franchisor up to a maximum of one percent (1%) of the Gross Sales of the Restaurant. Franchisee's contribution to the Marketing Fund shall be payable at the same time that payment of the Royalty Fee due under this Agreement is payable. Restaurants owned by Franchisor and its affiliates will contribute to the Marketing Fund on the same basis as Franchisee.

(2) Franchisor shall direct all marketing programs financed by the Marketing Fund. Franchisor shall have sole discretion over the creative concepts, materials, and endorsements used therein, and the geographic market and media placement and allocation thereof. Franchisee agrees that the Marketing Fund may be used to pay the costs of conducting marketing surveys and research; employing public relations firms; creative design and production of videos, audio, and printed marketing materials; administering multi-regional marketing programs, including, without limitation, purchasing television, radio, magazine, billboard, newspaper, and other media advertising, and employing advertising agencies to assist therewith; and providing marketing materials to franchisees. The Marketing Fund shall furnish Franchisee with approved marketing materials on the same terms and conditions as Franchisor furnishes such materials to Franchisor's other franchisees.

(3) The Marketing Fund shall be accounted for separately from the other funds of Franchisor and shall not be used to defray any of Franchisor's general operating expenses, except for salaries, administrative costs, and overhead that Franchisor may incur in activities related to the administration of the Marketing Fund and marketing programs financed through the Marketing Fund (including, without limitation, collecting and accounting for contributions to the Marketing Fund).

(4) Franchisor may spend in any fiscal year an amount greater or less than the aggregate contributions of **KELLY'S CAJUN GRILL** Restaurants to the Marketing Fund in that year and the Marketing Fund may borrow from Franchisor or others to cover temporary deficits in the Marketing Funds or cause the Marketing Fund to invest any surplus for future use by the Marketing Fund. Franchisee authorizes Franchisor to collect and contribute to the Marketing Fund any advertising monies or credits due from any distributor or other supplier to Franchisee and any advertising or other rebates or any discounts from distributors and other suppliers based upon purchases or volume purchases by Franchisor and its franchisees (including purchases by Franchisee). Franchisor shall have the right to negotiate with suppliers from time to time to obtain on Franchisor's and/or Franchisee's behalf price reductions, discounts or rebates based on volume purchases. Franchisor shall have the right to cause such suppliers to pay same directly to Franchisor who shall, in turn, contribute such amounts to the Marketing Fund. Such contributions shall be in addition to all other amounts due or contributed under this Agreement. All interest earned on monies contributed to the Marketing Fund will be used to pay marketing costs of the Marketing Fund before other assets of the Marketing Fund are expended. A statement of monies collected and expenditures made by the Marketing Fund shall be prepared annually by Franchisor and shall be provided to Franchisee. Franchisor may terminate

or suspend the Marketing Fund at any time upon reasonable written notice and shall have the right to reinstate the Marketing Fund upon sixty (60) days written notice. In such event, all funds remaining in the Marketing Fund may only be used for advertising and promotional purposes until fully expended.

(5) Franchisee understands and acknowledges that the Marketing Fund is intended to be used to develop general public recognition of the Proprietary Marks and increase patronage of **KELLY'S CAJUN GRILL** Restaurants in general. Franchisor undertakes no obligation to ensure that expenditures by the Marketing Fund in, or affecting any geographic area, are proportionate or equivalent to contributions to the Marketing Fund by **KELLY'S CAJUN GRILL** Restaurants operating in any geographic area or that any **KELLY'S CAJUN GRILL** Restaurant will benefit directly or in proportion to its contribution to the Marketing Fund, from the conduct of marketing programs or the placement of advertising. Except as expressly provided in this Section, Franchisor assumes no direct or indirect liability or obligation to Franchisee with respect to the maintenance, direction, or administration of the Marketing Fund.

(6) Franchisor shall have the right, but not the obligation, to establish a Marketing Fund Advisory Committee consisting of franchisees of Franchisor, to advise and consult with Franchisor in connection with establishment, modification, continuance, or other decisions or considerations affecting marketing programs. The organizational structure and manner of operation of such Committee shall be determined by Franchisor in Franchisor's sole discretion, exercised in good faith. Franchisor shall consult with such Committee and consider such Committee's input and advice concerning the use of the Marketing Fund. However, as described in subsections 1, 2, 4 and 5, Franchisor shall retain sole discretion over all aspects, including but not limited to administration and use, of the Marketing Fund.

(7) Prior to their use by Franchisee, samples of all marketing materials and descriptions of local promotion programs that Franchisee proposes to use, not prepared or previously approved by Franchisor, shall be submitted to Franchisor for approval. If written disapproval is not received by Franchisee within fifteen (15) days from the date of receipt by Franchisor of such materials or descriptions, Franchisor shall be deemed to have given the required approval. Franchisee shall not use any marketing materials that Franchisor has disapproved.

B. Local Advertising Requirements

In addition to any Marketing Fund payments, Franchisee must spend monthly one percent (1%) of Gross Sales on local advertising. Local advertising must be in effect within thirty (30) days after the opening of the Restaurant, and Franchisee is to substantiate local advertising expenditures to Franchisor, by supplying such information as Franchisor may require from time to time, including but not limited to, tear sheets, paid advertising invoices, and like documentation. All local advertising must comply with the requirements of Section 12. A. 7.

Also, Franchisee shall be responsible for any lease/sublease obligations which require contributions(s) to a marketing fund, advertising fund, or any fund of a similar nature or other forms of advertising expense and any such contributions or expenditures made by Franchisee to satisfy such lease/sublease obligations shall only reduce Franchisee's obligation hereunder to engage in local advertising.

13. **FEES**

In addition to all other payments provided for in this Agreement, Franchisee shall pay the following:

Royalty Fee

Franchisee shall pay to Franchisor a sum equal to five and three fourths percent (5.75%) of Franchisee's Gross Sales at the Franchise Location, for each week (Monday - Sunday) during the term of this Agreement. During the term hereof, Franchisee shall deliver to Franchisor, a weekly sales report of the Gross Sales at the Restaurant and the Royalty Fee no later than Wednesday of each week for the week ending the preceding Sunday, along with a "Z" tape summary for each register used in the Restaurant. The report shall be on a

form specified by Franchisor, which shall fully disclose all information requested. In addition, Franchisee shall supply, upon Franchisor's written request, documentation supporting the information disclosed on the weekly reports.

14. GROSS SALES, PAYMENTS, AND FALSE STATEMENTS

A. Definition

The term "Gross Sales" is defined to include the total revenues derived by Franchisee in and from the Restaurant from all sales of foods, goods, wares, merchandise, and services made in, upon, or from the Restaurant, whether for cash, check, credit, or otherwise, without reserve or deduction for inability or failure to collect same, including, without limitation, such sales and services where the orders therefore originated at and are accepted by Franchisee in the Restaurant, but delivery or performance thereof is made from or at any other place or other similar orders received or billed at or from the Restaurant. Gross Sales do not include refunds to customers or the amount of any sales taxes or other similar taxes that Franchisee might be required to and does collect from customers to be paid to any federal, state, or local taxing authority.

B. If requested, Franchisee must participate in an electronic funds transfer program which authorizes Franchisor to utilize a pre-authorized bank draft system. Franchisee must sign and deliver to Franchisor an unconditional, irrevocable authorization to enable Franchisor's financial institution to debit Franchisee's bank account in order to pay Franchisor any royalties, Marketing Fund Contributions and other amounts which Franchisee may owe Franchisor under this Agreement or any other agreement between Franchisee and Franchisor. All royalties, Marketing Fund Contributions and other amounts due Franchisor for each week must be received by Franchisor or credited to Franchisor's account by pre-authorized bank debit before 5:00 p.m. on Wednesday for week ending the preceding Sunday.

In the event Franchisee fails to submit the weekly sales report as required by Section 13.A. above, Franchisor shall have the right to estimate Gross Sales in an amount equal to 150% of the Gross Sales for the most recent week for which Franchisor received a report and to debit Franchisee's bank account based upon such estimate. Franchisor and Franchisee shall reconcile any such estimates, with actual Gross Sales, at the end of each calendar quarter.

C. Late Payment

If Franchisee shall be delinquent in the payment of any obligation to Franchisor under this Agreement, or under any other agreement with Franchisor, Franchisor shall have the absolute right to apply any payments received from Franchisee to any obligation owed, whether under this Agreement or otherwise, notwithstanding any contrary designation by Franchisee as to application. To encourage prompt payment and to cover the costs and expenses involved in handling and processing late payments, Franchisee shall pay a late payment charge of the greater of Ten Dollars ($10) or five percent (5%) of any amount due from Franchisee to Franchisor. In addition, Franchisee shall pay, at the rate of eighteen percent (18%) per annum, interest on all payments due to Franchisor during the period for which such payments are overdue, but in the event the rate charged is more than the highest rate permitted by law, then the rate charged shall be reduced to the maximum rate permitted by law. Any payment not actually received by Franchisor on or before the date due pursuant to this Agreement shall be deemed overdue, unless, in the opinion of Franchisor, the delay was beyond the reasonable control of Franchisee. Notwithstanding the foregoing, each failure to pay the Royalty, the Marketing Fund Contribution and other payments owed to Franchisor when due, will constitute a breach of this Agreement, entitling Franchisor to pursue all remedies available to it under this Agreement and all other remedies available at law and in equity.

D. Security Agreement

In order to secure the prompt performance by Franchisee of the obligations of this Agreement, Franchisee grants Franchisor a security interest in the franchise granted hereby and the equipment, fixtures and improvements at the Restaurant. Franchisee shall execute Franchisor's standard Security Agreement

attached hereto as Exhibit "F". In order to perfect this security interest, Franchisee shall also execute a standard UCC-1 Financing Statement. Franchisee authorizes Franchisor:

(1) To file a copy of the Security Agreement, the UCC-1 Financing Statement and any other documents that may be necessary to perfect the security interest granted herein; and

(2) To sign on behalf of Franchisee and to file in any jurisdiction financing statements with respect to this security interest and Security Agreement.

E. False Statements

Any intentionally false statements in any reports provided to Franchisor shall be grounds for Franchisor to terminate this Agreement.

15. REPORTING, RECORD KEEPING AND ACCOUNTING

A. Reports

Franchisor's standardized reporting forms must be used by Franchisee. This uniform system may be amended or supplemented from time to time by Franchisor and includes, without limitation, royalty statements. Franchisee shall be solely responsible for performing all record keeping duties, and the cost for all such services shall be borne solely by Franchisee.

B. Records and Audits

Franchisee shall maintain and preserve accurate books, records (including corporate minute book), and tax returns, including related supporting material, such as cash register tapes for the Restaurant, for at least five (5) years following the end of the calendar year to which they relate. Such books, records, tax returns, and supporting material shall be available for inspection, examination, or audit, including an audit by a certified public accountant, at any time, at Franchisor's sole discretion. Such examination or audit shall be at Franchisor's expense, unless it is disclosed that any statement of Gross Sales submitted by Franchisee is in error to the extent of two percent (2%) or more, in which case, such expense shall be borne by Franchisee. Franchisee shall also immediately pay Franchisor any deficiency in Royalty and Marketing Fund contribution as disclosed by such audit or examination, together with a late payment fee and interest as specified in Section 14. C.

C. Franchisee shall deliver to Franchisor in the form Franchisor prescribes from time to time:

(1) within thirty (30) days after the end of each calendar quarter, a quarterly balance sheet of Franchisee and an income statement for such quarter;

(2) within sixty (60) days after the end of Franchisee's fiscal year, a year end balance sheet and income statement for such fiscal year (which Franchisor may require to be reviewed by a Certified Public Accountant); and

(3) upon Franchisor's request, such other data, reports, information and supporting records.

Each such report and financial statement submitted by Franchisee shall be verified as correct and signed by Franchisee. Franchisee shall immediately report to Franchisor any events or developments which may have a material adverse impact on the operation of any Restaurant or Franchisee's performance under this Agreement.

D. Tax Returns

Franchisee shall submit to Franchisor copies of Franchisee's federal, state, and city, if any, income tax and sales tax returns, within ten (10) days after their respective filing.

16. TRANSFER OF FRANCHISE

A. In General

This Agreement is personal, being entered into in reliance upon and in consideration of the skill, qualifications and representations of, and trust and confidence reposed in Franchisee, and Franchisee's partners or officers, directors and shareholders, if Franchisee is a partnership or a corporation, who are to actively and substantially participate in the ownership and operation of Franchisee's business. Therefore, neither this Agreement nor any of its rights or privileges nor any interest in Franchisee shall be assigned, hypothecated, transferred, shared or divided (any of the foregoing hereinafter referred to as an "assignment"), by operation of law or otherwise, in any manner, or shall Franchisee permit any other person (except for Franchisee's employees) to occupy or use the Franchise Location or any part thereof without the prior written consent of Franchisor, and any such purported transfer, assignment, sharing or division shall be void. Said consent shall be conditioned upon criteria as adopted from time to time by Franchisor, including but not limited to that which would then be applicable to franchisees acquiring their rights directly from Franchisor. Franchisee shall have no right to grant (and shall not grant) any sub-license.

B. Assignment Procedures

If Franchisee shall desire to assign any of Franchisee's rights hereunder, Franchisee shall serve upon Franchisor a written notice setting forth all of the terms and conditions of the proposed assignment, a suitable current financial statement regarding the proposed assignee and all other information reasonably requested by Franchisor concerning the proposed assignee. If Franchisor does not exercise its right of first refusal as provided in Paragraph L of this Article 16, Franchisor shall endeavor to communicate its consent or disapproval within thirty (30) business days after receipt of Franchisee's notice (or if Franchisor requests additional information, within thirty (30) business days after receipt of the additional information). If Franchisor does not notify Franchisee of its consent to the proposed assignment, then consent to the proposed assignment shall be deemed withheld. If the foregoing conflicts with any applicable law, the provision shall be modified, altered or amended so as to be in full compliance with such law. Consent to an assignment upon specified terms and conditions shall not be deemed to be consent to an assignment upon any other terms or conditions, nor to any other person, nor to any subsequent assignment. Furthermore, such consent shall not be deemed or construed as a release of Franchisee (including guarantors) from the obligations of this Agreement.

C. Incorporation

(1) Franchisee shall not incorporate without the prior written approval of Franchisor, which approval shall not be unreasonably withheld. However, in such event, Franchisee and all shareholders, shall jointly and severally, execute either the Assignment of Franchise Agreement and Guaranty (Exhibit "G" hereto) or Personal Guaranty (Exhibit "H" hereto).

(2) In the event that Franchisee or any successor of Franchisee becomes a corporation, Franchisee will furnish Franchisor with:

(a) a shareholder's agreement, executed by all of the shareholders of Franchisee, stating that no such shareholder will sell, assign, or transfer any of his stock to any person or company without the written consent of Franchisor;

(b) a resolution of the board of directors, which has been ratified by the shareholders of Franchisee, stating that no unissued stock in Franchisee will be issued to any person or company other than the then shareholders of Franchisee, without the written consent of Franchisor;

(3) In the event of a violation of the provisions of Sub-subparagraphs (a) or (b) above, or in the event stock is sold, assigned, transferred, or issued in violation of such shareholder's agreement or resolution, Franchisor shall have the option and right, after giving Franchisee thirty (30) days written notice in which to cure such violation, to forthwith cancel and terminate this Agreement, and thereupon the rights of Franchisee hereunder shall cease, but such termination shall not affect the rights hereunder of Franchisor to take action or abstain from taking action after the termination, as provided elsewhere in this Agreement;

(4) Any merger thereof or sale or transfer of stock of any class in such corporate Franchisee, whether by operation of law or otherwise, shall be deemed an attempted assignment of this Agreement which shall require the prior written consent of Franchisor, and compliance with Section 16. D of this Agreement. If Franchisee is a partnership, the sale or transfer of any general partner's interest or the sale or series of sales or transfers of limited partnership interests (including transfers of shares in corporate partners) whether by operation of law or otherwise, shall be deemed an attempted assignment of this Agreement and shall require the prior written consent of Franchisor.

D. Assignment Requirements

Any assignment, as defined above, sale, or other transfer shall be subject to the following conditions, including the prior written consent of Franchisor, with respect to which Franchisor can consider whether the price and terms of payment will adversely affect the future operation of the Restaurant, it being understood by Franchisee that the following is not an exclusive list of the conditions which Franchisor may impose upon an assignment, sale or other transfer prior to granting written consent:

(1) Assignor (Franchisee) must satisfy fully all obligations to Franchisor or others arising out of the operation of the Restaurant;

(2) Assignee must satisfactorily demonstrate to Franchisor that it meets at least the same financial, managerial and character criteria required of franchisees acquiring a franchise from Franchisor;

(3) Franchisee and its shareholders if a corporation, or its partners if a partnership, must enter into an agreement with Franchisor providing that all obligations of the proposed assignee to make installment payments of the purchase price or interest thereon shall be subordinate to the proposed assignee's obligations to pay Royalties and Marketing Fund contributions, and to pay for purchases from Franchisor or Franchisor's affiliates. In addition to and without limitation of the foregoing, it shall be reasonable for Franchisor to disapprove any proposed transfer if, as a result thereof, the ownership interests in Franchisee will be, in Franchisor's reasonable business judgment, so widely held by different persons as to materially compromise the financial stake and dedication of those person(s) in whose individual or collective character, skill, attitude, and business ability Franchisor has placed reliance in entering into this Agreement or is willing to place reliance in approving such transfer;

(4) Assignee if an individual and, if assignee is a corporation or partnership, a shareholder or partner, together with assignee's General Manager, must agree to and actually attend Franchisor's training program, at a location designated by Franchisor, all at the assignee's sole cost and expense;

(5) Franchisor must receive a general release of all claims by Franchisee;

(6) Assignee must execute the then current form of Franchise Agreement and all other documents customarily required by Franchisor;

(7) Payment to Franchisor of a transfer fee in the amount of Three Thousand Dollars ($3,000); and

(8) Assignee has been furnished with any disclosure statements required by applicable law at least 14 calendar days prior to the consummation of the proposed assignment or the payment of any consideration.

E. Additional Requirements

With respect to a corporate Franchisee, the Articles of Incorporation and the By-Laws shall reflect that the issuance and transfer of shares of stock are restricted, and all stock certificates shall bear the following legend, which shall be printed legibly and conspicuously on each stock certificate;

> "The transfer of this stock is subject to the terms and conditions of a **KELLY'S CAJUN GRILL** Franchise Agreement; reference is made to said Agreement and to restrictive provisions of the charter and by-laws of this corporation."

F. Attempted Assignment

Franchisee acknowledges that any attempt by Franchisee to transfer in any fashion any rights or interests under this Agreement without the prior written consent of Franchisor shall constitute a material breach of this Agreement entitling Franchisor to terminate this Agreement upon written notice to Franchisee.

G Franchisee's Death and Incapacity

In the event of the death of Franchisee (if a corporate Franchisee, the shareholder in control and if a partnership, the managing partner), the franchise granted pursuant to this Agreement may pass by will or intestate succession, as applicable, provided the Restaurant is operated in accordance with this Agreement during any period of probate or administration. Any transfer by will or intestate succession, or the sale of this franchise by the executor or administrator of Franchisee's estate, shall be considered to be a transfer requiring compliance with the provisions of this Article 16, including the requirements concerning Franchisor's written approval of the assignee, qualifications and training, execution of agreements, and the payment of the transfer fee, all as set forth above. The rights of Franchisee's spouse, heirs, personal representative, or successors upon the death and in the event of incapacity of Franchisee, include the right to transfer or sell the franchise to a transferee acceptable to Franchisor within six (6) months after the death or incapacity of Franchisee, which may be extended by Franchisor to a maximum of nine (9) months for good cause shown.

H. Management Fee.

Immediately following the death or determination of incapacity of Franchisee, or a controlling shareholder if Franchisee is a corporation, or the managing partner if Franchisee is a partnership, or upon the dissolution of a partnership, and during any period in which the Restaurant is operated by any executor, administrator, personal representative or trustee of such person or entity, the day-to-day operation of the Restaurant shall be conducted under the supervision of an individual satisfactory to Franchisor. In such circumstances, Franchisor may, in its sole discretion, provide a manager for the Restaurant, and Franchisor shall be reimbursed by Franchisee for all compensation and living costs incurred by Franchisor in providing such a manager and a management fee equal to Two Hundred Dollars ($200) per day to be paid weekly during the management period.

I. Financial Statements of Franchisee

In connection with any assignment of the franchise, Franchisor shall have the right, but not the obligation, to furnish any proposed assignee with copies of all financial statements which have been furnished by Franchisee to Franchisor in accordance with this Agreement during the one (1) year period prior to the date approval of the proposed assignment is sought. Franchisor shall also have the right, but not the obligation, to advise any proposed assignee of any uncured breaches or default by Franchisee under this Agreement or any other agreement relating to the Restaurant.

J. Offerings by Franchisee

Securities or partnership interests (hereinafter "securities") in Franchisee may be offered to the public, by public or private offering or otherwise, only with the prior written consent of Franchisor. All materials required for such offering by federal or state law shall be submitted to Franchisor for review prior to their being filed with any government agency, or if they are to be used in any exempt offering, shall be submitted to Franchisor for review prior to their use. No offering by Franchisee shall imply (by use of the Proprietary Marks of the System that Franchisor is participating in an underwriting, issuance, or offering of Franchisee's securities. Franchisee agrees to fully indemnify Franchisor in connection with the offering and must require other participants in the offering to also indemnify fully Franchisor. For each proposed offering, Franchisee shall pay to Franchisor a non-refundable minimum fee of Two Thousand Dollars ($2,000) or such greater amount as is necessary to reimburse Franchisor for its reasonable costs and expenses associated with reviewing the proposed offering, including, without limitation, legal and accounting fees. Franchisee shall give Franchisor at least sixty (60) days written notice prior to the effective date of any offering or other transaction covered herein.

K. Assignment by Franchisor

This Agreement may be assigned, in whole or in part, by Franchisor without the prior approval of Franchisee, and such assignment shall not modify or diminish Franchisee's obligations hereunder.

L. Right of First Refusal

Franchisee shall not transfer any material assets of the Restaurant or any of Franchisee's rights under this Agreement until Franchisee shall have first offered the interest being transferred to Franchisor on the same terms as have been offered to Franchisee by the proposed transferee. Upon receiving from Franchisee written notice of the proposed transfer, including the name and address of the prospective purchaser, the price and terms of the offer, a copy of the executed sales contract and all other information reasonably requested by Franchisor to evaluate the offer, Franchisor shall have thirty (30) business days in which to exercise its right of first refusal. Failure by Franchisor to notify Franchisee of its decision with the thirty (30) days period shall be deemed an election not to exercise the right of first refusal. If the consideration offered by the proposed transferee is not all cash or an agreement to pay cash, the price which Franchisor shall pay if it exercises the right of first refusal shall be equal to the cash portion of the price plus the fair market value of the non-cash consideration. If Franchisor does not exercise this right of first refusal, Franchisee may, within forty-five (45) days after Franchisor has declined or failed to exercise, transfer the interest to the proposed transferee, provided Franchisor consents to such transfer in accordance with Article 16 and further provided that the transfer is made only upon the terms of the offer that was submitted to Franchisor. Any change in the terms submitted to Franchisor, or if the sale is not completed within the forty-five (45) days period, shall constitute a new offer which must be submitted to Franchisor as in the case of the prospective purchaser's initial offer.

17. **PROPRIETARY RIGHTS AND CONFIDENTIALITY**

Nothing contained in this Agreement shall be construed to require Franchisor to divulge to Franchisee any secret processes, recipes, formulas, or ingredients, except for the material contained in the Confidential Manuals and training materials. Franchisee acknowledges that its knowledge of Franchisor's formulas, recipes, know-how, processes, products, techniques, information, and other proprietary data are derived entirely from information disclosed to Franchisee by Franchisor and that such information is proprietary, confidential, and trade secrets of Franchisor ("Trade Secrets"). Franchisee agrees to adhere fully and strictly to all confidentiality attached to such information and to exercise the highest degree of diligence in safeguarding Franchisor's Trade Secrets during and after the term of this Agreement. Franchisee shall divulge such material only to Franchisee's employees and only to the extent necessary to permit the effective operation of the Restaurant. It is expressly agreed that the ownership of all of the Trade Secrets is and shall remain vested solely in Franchisor.

18. **NON-COMPETITION**

A. Operating Outside of Franchise Location

During the term of this Agreement, Franchisee shall not directly or indirectly sell, dispense, give away, or otherwise provide its menu items for sale outside the physical confines of the Franchise Location, without Franchisor's prior written consent. If Franchisor gives such approval, all such sales shall be included in Gross Sales for all purposes as set forth in this Agreement.

B. Restrictive Covenant

(1) In-Term and Post-term.

During the term of this Agreement and for a period of two (2) years immediately following its expiration, non-renewal or termination for any reason or assignment, Franchisee and if Franchisee is a corporation, the shareholders, directors, officers and key management personnel, and if Franchisee is a partnership, the partners (hereinafter the "Covenantors") will not, either directly or indirectly, as a proprietor, partner, investor, lender, shareholder, director, officer, employee, principal, agent, representative, advisor, franchisor, franchisee or consultant engage in any business which offers or sells any product or service (or component thereof) which comprises or may in the future comprise a material part of the System or which competes directly or indirectly with the System if such other business is located within five (5) miles of any **KELLY'S CAJUN GRILL** Restaurant (whether Franchisor-owned, franchised or otherwise established, and whether now or hereafter established and operated). Nothing in this Agreement shall prevent Covenantor(s) from owning for investment purpose up to an aggregate of two percent (2%) of the capital stock of any competitive business that is a publicly held corporation whose stock is listed and traded on a national or regional stock exchange, or through the National Association of Securities Dealers Automated Quotation System (NASDAQ), provided that the Covenantor(s) does not participate in the management of such company.

(2) Independent Covenants

The Covenantors and Franchisor agree that each of the forgoing covenants shall be construed as independent of any other covenant or provision of this Agreement. They further agree that the foregoing restrictions limit the Covenantors right to compete only to the extent necessary to protect Franchisor from unfair competition. Should any part of one or more of these restrictions be found to be unenforceable by virtue of its scope in terms of area, business activity prohibited or length of time, and should such part be capable of being made enforceable by reduction or modification of the restrictions, Covenantors and Franchisor agree that the same shall be enforced to the fullest extent permissible under the law. In addition, Franchisor may, unilaterally, at any time, in its sole discretion, revise any of the covenants in this Paragraph so as to reduce the obligations of Covenantors hereunder. The running of any period of time specified in this Paragraph shall be tolled and suspended for any period of time in which the Covenantors are found by a court of competent jurisdiction or an arbitrator to have been in violation of any restrictive covenants. Covenantors further expressly agree that the existence of any claim the Covenantors may have against Franchisor whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Article 18.

(3) Enforcement of Covenants Not to Compete.

The Covenantors acknowledge that a violation of the terms of the covenants not to compete in this Agreement would result in immediate or irreparable injury to Franchisor for which no adequate remedy at law may be available. Accordingly, the Covenantors hereby consent to the entry of an injunction prohibiting any conduct by the Covenantors in violation of the terms of the covenants not to compete set forth in this Article 18. The Covenantors further agree to pay all costs and expenses (including reasonable attorney's fees) incurred by Franchisor in connection with the enforcement of the covenants not to compete set forth in this Article 18.

C. Trade Secrets Non-Disclosure

At no time during or after the term of this Agreement shall the Covenantors disclose any Trade Secrets or Trade Practices of Franchisor, including, without limitation, the contents of the Confidential Manuals, other manuals, or training materials, except as provided herein, nor shall the Covenantors use or assist another in the use of any of Franchisor's Trade Secrets or Trade Practices in any other business of Franchisee or of any other person or entity.

D. Separate Agreement

The Covenantors shall execute Franchisor's standard form Confidentiality, Non-Disclosure and Non-Competition Agreement (Exhibit "B").

19. **RELATIONSHIP OF THE PARTIES**

In all matters pertaining to the operation of the Restaurant, Franchisee is and shall be an independent contractor. Franchisee shall conspicuously identify Franchisee in all dealings with customers, suppliers, public officials, and others as the owner of the Restaurant, pursuant a franchise with Franchisor and shall place such other notices of independent ownership on such forms, business cards, stationery, menus, advertising, and other materials as Franchisor may require from time to time. No employee of Franchisee shall be deemed to be an employee of Franchisor. Nothing herein contained shall be construed to create a partnership, joint venture, agency or fiduciary relationship between Franchisee and Franchisor. Neither party shall be liable for the debts or obligations of the other, unless same are expressly assumed in writing.

20. **DEFAULT**

The occurrences of any of the following events shall constitute a default by Franchisee under this Agreement:

A. Acts of Immediate Termination

If during any period in which the franchise is in effect, there occurs any of the following events, immediate notice of termination, without an opportunity to cure, shall be deemed reasonable:

(1) Bankruptcy and Insolvency

Franchisee, or a controlling shareholder if Franchisee is a corporation, or a partner if Franchisee is a partnership, seeks any type of relief under any bankruptcy or insolvency law, or if an involuntary petition in bankruptcy is filed against Franchisee or a controlling shareholder if Franchisee is a corporation, or a partner if Franchisee is a partnership, and not dismissed within sixty (60) day of filing. Franchisee admits in writing its inability to pay its debts as they come due, or makes an assignment for the benefit of creditors, or the appointment of a receiver (permanent or temporary) for any part of Franchisee's property. Franchisee expressly and knowingly waives any rights that Franchisee may have under the Bankruptcy Act to assume this Agreement, and this Agreement shall be deemed rejected upon the occurrence of this event of default. Franchisee agrees not to seek any injunctive order from any court in any insolvency proceeding which would have the effect of staying or enjoining this provision and agrees not to oppose any relief which may be sought in a complaint by Franchisor to lift the provisions of the automatic stay of the Bankruptcy Rules.

(2) Abandonment

Franchisee abandons the franchise by failing to operate the Restaurant for five (5) consecutive days during which Franchisee is required to operate the Restaurant under the terms of this Agreement, or any shorter period, after which it is not unreasonable under the facts and circumstances for Franchisor to conclude that Franchisee does not intend to continue to operate the Restaurant, unless such failure to operate is due to fire, flood, earthquake, or other similar cause beyond Franchisee's control.

(3) Misrepresentation

Franchisee makes any material misrepresentations relating to the acquisition of the franchise or Franchisee engages in conduct which reflects materially and unfavorably upon the operation and reputation of the Restaurant or the System or Franchisor.

(4) Foreclosure

The Restaurant or Franchise Location is seized, taken over, or foreclosed by a government official in the exercise of his duties, or seized, taken over, or foreclosed by a creditor, lienholder, or lessor; or a final judgment against Franchisee remains unsatisfied for thirty (30) days (unless a supersedes or other appeal bond has been filed); or a levy or execution has been made upon the license granted by this Agreement or upon any property used in the Restaurant, and same is not discharged within five (5) days of such levy or execution.

(5) Criminal Misconduct

Franchisee, or a controlling shareholder or officer if Franchisee is a corporation or a partner if Franchisee is a partnership, is convicted of a felony or any other criminal misconduct which is relevant to the operation of the franchise.

(6) Repeated Failures to Comply

Franchisee, after curing any failure in accordance with this Agreement, engages in the same non-compliance within a twelve (12) month period, whether or not such non-compliance is corrected after notice, or Franchisee repeatedly fails to comply with one or more requirements of this Agreement, whether or not corrected after notice.

B. Acts Requiring Period to Cure Before Termination

In the event Franchisee, or a controlling shareholder if Franchisee is a corporation or a partner if Franchisee is a partnership, is in default in the performance of any of the terms of this Agreement (other than those calling for immediate termination set forth above), including, but not limited to, the acts set forth hereinafter, Franchisor, in addition to all remedies that Franchisor has available to it at law or in equity, may declare this Agreement automatically terminated, unless such default is cured within thirty (30) days (or a lesser stated period) after written notice thereof from Franchisor to Franchisee, unless the default is of such a nature that more than thirty (30) days are reasonably required to effect a cure. In such event, Franchisee must commence to cure the default within said thirty (30) day period and proceed with due diligence within the period, if any, designated by Franchisor as the allowable additional time within which the cure must be accomplished. Subject to the aforesaid right to cure, Franchisor may terminate this Agreement under the following circumstances and conditions:

(1) Other Agreements

Default under any other agreement between Franchisee or a controlling shareholder if Franchisee is a corporation, or a partner if Franchisee is a partnership, or an entity under common control as Franchisee, and Franchisor, or under the lease for the Franchise Location, which default is not cured within the period required in said agreement(s).

(2) Transfer Without Prior Consent

Any attempted assignment, transfer, or sublicense of this franchise, or any right under this Agreement, without the prior written consent of Franchisor.

(3) Loss of Franchise Location

If during the term of this Agreement, or any extension or renewal thereof, the right to occupy the Franchise Location is lost and a new location, satisfactory to Franchisor and Franchisee, is not leased within ninety (90) days of the termination of the right to occupy the Franchise Location.

(4) Failure to Operate

Failure to operate the Restaurant during such days and hours as may be specified in accordance with this Agreement.

(5) Failure to Pay Obligations to Third Parties

Failure of Franchisee to make timely payments upon any obligation of Franchisee to persons other than Franchisor.

(6) Failure to Comply

Failure to comply with other terms of this Agreement, whether or not such other terms specifically provide for termination for non-compliance.

(7) Failure to Open

Failure to secure a location for the Restaurant within ninety (90) days after the execution of this Agreement or failure to open the Restaurant for business within one hundred eighty (180) days after execution of this Agreement or any other later scheduled opening date set by Franchisor.

(8) Failure to Pay Obligations to Franchisor

Franchisee fails to pay any amounts due to Franchisor or an affiliate of Franchisor when due and does not cure the breach within five (5) days after receiving written notice that such fees are overdue.

(9) Failure to Comply with Governmental Regulation

Franchisee fails, for a period of ten (10) days after notification of non-compliance, to comply with any federal, state, or local law, rule or regulation applicable to the operation of the franchise.

(10) Danger to Public Health

Franchisor makes a reasonable determination that continued operation of the Restaurant by Franchisee will result in an imminent danger to public health or safety and the condition is not corrected within ten (10) days after notification.

C. Temporary Operation By Franchisor

Upon termination because of a default by Franchisee, Franchisor shall have the right, but not the obligation to enter the Franchise Location and to operate and manage the Restaurant if Franchisor exercises its option to purchase the assets of the Restaurant. If Franchisor operates the Restaurant, it will account to Franchisee for all net income from the operation less its reasonable expenses incurred in operating the Restaurant, and a management fee of Two Hundred Dollars per day ($200) for its operation of the Restaurant.

21. **REMEDIES AND TERMINATION**

A. Discontinued Use of Trade Secrets After Termination

Upon termination of this Agreement, Franchisee forfeits any and all fees paid and may no longer use the Proprietary Marks or any other aspects of the System. Franchisee must immediately cease use of the Proprietary Marks and all formulas, recipes, Confidential Manuals, Trade Secrets and all other proprietary property of Franchisor and shall immediately cancel all fictitious or assumed name registration. Franchisee shall immediately return all Confidential Manuals, training films, videos, training materials, confidential recipes and other property of Franchisor and shall not operate or do business under any name or in any manner that might tend to give the general public the impression that the former Franchisee is dispensing, selling, or servicing any of Franchisor's products or that the former Franchisee is operating a restaurant associated with the System. The foregoing restrictions shall also apply when this Agreement expires.

Franchisee shall, at the election of Franchisor, within thirty (30) days of termination or expiration of this Agreement, either change all telephone numbers and other public information listings which designate the Restaurant as a **KELLY'S CAJUN GRILL** Restaurant, or shall execute all documents necessary to transfer to Franchisor, or Franchisor's nominee, the right to use and control all telephone numbers for the Restaurant. In the event that Franchisee shall fail or refuse to execute such documents within the time period, Franchisor is hereby irrevocably appointed as Franchisee's attorney-in-fact to do so. If Franchisee remains in possession of the Franchise Location, Franchisee, at Franchisor's request, will be required to redecorate the Franchise Location to prevent the public from believing the Franchise Location is associated with the **KELLY'S CAJUN GRILL** System. On any termination of this Agreement due to a default, Franchisor has the option but not the obligation, to purchase the equipment and tangible assets of the Restaurant for an amount equal to the lesser of their then-fair market value or book value. The default by Franchisee under this Agreement may result in a loss by Franchisee of additional **KELLY'S CAJUN GRILL** franchises held by Franchisee.

The election by Franchisor to terminate this Agreement will allow Franchisor to exercise its option to obtain an assignment of Franchisee's lease and force Franchisee to vacate the Franchise Location, as provided in Exhibit "C" attached hereto. Conversely, Franchisee's default under the lease is grounds for termination of this Agreement.

B. Vacating Franchise Location

If Franchisor shall obtain an assignment of the lease for the Franchise Location, Franchisee shall vacate the Franchise Location promptly and completely and permit Franchisor to take possession of the Franchise Location.

C. Return of Confidential Manuals Upon Termination

Immediately upon the termination or expiration of this Agreement, for whatever reason, Franchisee agrees to cease and forever abstain from using any of the Trade Secrets and Trade Practices, to return to Franchisor all copies of the Confidential Manuals and all other documents, instructions, recipes, display items, advertising material, training tools, and other tangible property connected with the franchise, and to remove all signs and other items tending to identify the Restaurant as being connected with Franchisor or the System.

D. Option to Purchase Paper Goods, Etc.

Franchisee hereby grants to Franchisor the option to purchase all paper goods, containers, and all other items containing the Proprietary Marks at the lower of their cost or fair market value, at the time of termination or expiration.

E. Obligations Upon Termination

In the event of termination or expiration, all obligations of Franchisor to Franchisee and all rights of Franchisee under this Agreement shall automatically terminate; however, any obligations of Franchisee to take, or abstain from taking, any action upon termination (or expiration) pursuant to this Agreement, shall not be affected by such termination (or expiration), including the payment to Franchisor of all sums due from Franchisee pursuant to this Agreement.

F. Termination by Franchisee

If Franchisee and its owners are in substantial compliance with this Agreement and Franchisor materially breaches this Agreement, Franchisee will have the right to terminate this Agreement if Franchisor does not cure such breach within thirty (30) days after Franchisor receives a written notice of default from Franchisee, unless the breach cannot reasonably be cured within thirty (30) days, in which case Franchisee may terminate this Franchise Agreement if Franchisor does not within thirty (30) days after receipt of the notice of default undertake and continue efforts to cure such breach until completion. To terminate this Franchise Agreement, Franchisee must give Franchisor a separate written notice of termination, which will be effective ten (10) days after delivery of such notice to Franchisor.

22. **NOTICES**

A. Writing

All notices, requests, demands, consents and other communications hereunder shall be transmitted in writing and shall be deemed to have been duly given when sent by registered or certified United States mail, postage prepaid, or other form of delivery which provides for a receipt, addressed as follows:

FRANCHISOR: KELLY'S CAJUN GRILL FRANCHISE CORPORATION
4531 Ponce de Leon Boulevard, Suite 300
Coral Gables, Florida 33146

FRANCHISEE: _____
_____
_____
_____

B. Address Change

Either party may change such party's address by giving notice of such change of address to the other party.

C. Notice by Telegram or Facsimile

In the case of any notice required to be given by Franchisor to Franchisee, telegraphic notice or facsimile transmission, with delivery verified, shall be sufficient notice hereunder.

D. Mailed Notice

Mailed notices shall be deemed communicated three (3) business days from the time of mailing, if mailed as provided in Section 16. A, regardless if delivery shall be refused by addressee.

23. **MISCELLANEOUS**

A. Injunction

Franchisee recognizes the unique value and secondary meaning attached to the System, the Proprietary Marks, Trade Secrets and Trade Practices and Franchisee agrees that any non-compliance with the terms of this Agreement or any unauthorized or improper use of the System, the Proprietary Marks, the Trade Secrets or Trade Practices will cause irreparable damage to Franchisor and its franchisees. Franchisee therefore agrees, that if it should engage in any such unauthorized or improper conduct or acts during or after the period of this franchise, Franchisor shall be entitled to both permanent and temporary injunctive relief from any court of competent jurisdiction, in addition to any other remedies prescribed by law.

B. Heirs, Successors, and Assigns

This Agreement shall be binding and inure to the benefit of the parties, their heirs, successors, and assigns.

C. Entire Agreement

FRANCHISEE ACKNOWLEDGES HAVING READ THIS AGREEMENT IN FULL; HAVING BEEN SUPPLIED WITH AN DISCLOSURE DOCUMENT IN ACCORDANCE TO FEDERAL AND STATE LAW; BEING COGNIZANT OF EACH AND EVERY ONE OF THE TERMS AND PROVISIONS AND BEING AGREEABLE TO THEM; THAT THIS AGREEMENT IS THE ENTIRE AGREEMENT BETWEEN FRANCHISEE AND FRANCHISOR; THAT NO REPRESENTATIONS, INDUCEMENTS, PROMISES OR AGREEMENTS, WHETHER ORAL OR WRITTEN, EXCEPT AS SET FORTH IN THIS AGREEMENT, HAVE BEEN MADE OR RELIED UPON; THAT ANY AND ALL PRIOR AGREEMENTS OR UNDERSTANDINGS BETWEEN THE PARTIES, WHETHER ORAL OR WRITTEN, ARE AUTOMATICALLY CANCELED BY THE EXECUTION OF THIS AGREEMENT; AND FRANCHISEE HEREBY RELEASES FRANCHISOR, ITS OFFICERS, DIRECTORS, AGENTS AND EMPLOYEES, FROM ANY AND ALL CLAIMS, DEMANDS, AGREEMENTS AND LIABILITIES OF EVERY DESCRIPTION WHATSOEVER, WHICH FRANCHISEE EVER HAD, NOW HAS OR HEREAFTER MAY HAVE, AGAINST ANY OF THE FOREGOING BY REASON OF ANY MATTER, CAUSE OR THING OCCURRING PRIOR TO THE DATE OF THIS AGREEMENT; THAT THE SIGNATURES AFFIXED HERETO WERE AFFIXED AS THE WHOLLY VOLUNTARY ACT OF THE PERSONS WHO SIGNED THIS AGREEMENT; AND THAT THE TERMS AND PROVISIONS OF THIS FRANCHISE AGREEMENT CANNOT BE CHANGED OR MODIFIED UNLESS IN WRITING SIGNED BY AN AUTHORIZED CORPORATE OFFICER OF FRANCHISOR; THAT FRANCHISEE REALIZES THAT THERE CAN BE NO GUARANTY OF SUCCESS, SINCE FRANCHISEE'S BUSINESS ABILITY, APTITUDE, AND INDUSTRIOUS DISPOSITION ARE PRIMARY IN FRANCHISEE'S SUCCESS. NOTHING IN THIS FRANCHISE AGREEMENT OR ANY RELATED AGREEMENT IS INTENDED TO DISCLAIM THE REPRESENTATIONS MADE IN THE FRANCHISE DISCLOSURE DOCUMENT FURNISHED TO FRANCHISEE.

D. Waiver of Rights

Failure by either party to enforce any rights under this Agreement shall not be construed as the waiver of such rights. Any waiver, including waiver of default, shall not constitute a continuing waiver or a waiver in any other instance. Any acceptance of money or other performance by Franchisor from Franchisee shall not constitute a waiver of any default, except as to the amount of the payment or performance so received.

E. Validity of Parts

Any invalidity of any portion of this Agreement shall not affect the validity of the remaining portion, and unless substantial performance of this Agreement is frustrated by any such invalidity, this Agreement shall continue in effect.

F. Headings

The headings used herein are for purposes of convenience only and shall not be used in interpreting the provisions hereof. As used herein, the male gender shall include the female and neuter genders; the neuter gender shall include the male and female genders; the singular shall include the plural; the plural shall include the singular; and termination shall include expiration.

G. Execution by Franchisor

This Agreement shall not be binding on Franchisor unless and until it shall have been accepted and signed by an authorized officer of Franchisor.

H. Third Parties

The parties intend to confer no benefit or right on any person or entity not a party to this Agreement, and no third party shall have the right to claim the benefit of any provision hereof as a third-party beneficiary of any such provision.

I. Attorneys' Fees

If Franchisor becomes a party to any litigation concerning this Agreement, the Franchise Location or the Restaurant by reason of any act or omission of Franchisee or Franchisee's representatives and not by any act or omission of Franchisor or any act or omission of its authorized representatives, Franchisee shall be liable to Franchisor for reasonable attorneys' fees and court costs incurred by Franchisor in such litigation, at all trial and appellate levels. If either party commences an action (whether by way of arbitration or litigation) against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees up to Five Thousand Dollars ($5,000).

J. Dispute Resolution

(1) Any dispute or controversy between the parties arising out of or relating to this Agreement, including, without limitation, a dispute or controversy relating to the construction of any provision or the validity or enforceability of any term or condition (including this provision) or of the entire Agreement, or any claim that all or any part of this Agreement (including this provision) is void or voidable, shall be submitted to arbitration before a panel of three (3) arbitrators in accordance with the Commercial Rules of Arbitration of the American Arbitration Association then in effect, where the principal office of Franchisor is located. All matters relating to such arbitration shall be governed by the Federal Arbitration Act (9 U.S.C. Sec. 1 et seq.). Any arbitration will be conducted and resolved on an individual basis only and not a class-wide, multiple plaintiff or similar basis. Any such arbitration proceeding will not be consolidated with any other arbitration proceeding involving any other person, except for disputes involving affiliates of the parties to such arbitration. Franchisor and Franchisee agree that, in connection with any such arbitration proceeding, each must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding will be barred. All arbitration must be completed within three (3) months from the filing of the claim and there shall be a limit of five (5) depositions per party. The arbitrators will have the right to award any relief which they deem proper in the circumstances, including, for example, money damages [with interest on unpaid amounts from their due date(s)], specific performance, and temporary and/or permanent injunctive relief. The arbitrators will not have the authority to award exemplary or punitive damages. The prevailing party shall be entitled to recover its attorneys' fees up to Five Thousand Dollars ($5,000) and costs in any such proceeding. To the fullest extent permitted by law, Franchisee irrevocably submits to the jurisdiction of such forum and waives any objection to either the jurisdiction or venue of such forum. This arbitration provision shall be deemed self-executing, and if either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party who failed to appear.

(2) The provisions of this Article shall be construed as independent of any other covenant or provision of this Agreement; provided that if a court of competent jurisdiction determines that any such provisions are unlawful in any way, such court shall modify or interpret such provisions to the minimum extent necessary to have them comply with the law.

(3) Judgment upon an arbitration award may be entered in any court having competent jurisdiction and shall be binding, final and non-appealable.

(4) Prior to any arbitration proceeding taking place, Franchisor or Franchisee may, at their respective option, elect to submit the controversy or claim to non-binding mediation before a mutually agreeable mediator, in which event both parties shall execute a suitable confidentiality agreement.

(5) The obligation herein to arbitrate or mediate shall not be binding upon either party with respect to claims relating to the Proprietary Marks or any copyright; claims related to any lease or sublease of real property between the parties or their affiliated entities; requests by either party for a temporary restraining order, preliminary injunction or other procedure in a court of competent jurisdiction to obtain interim relief when deemed necessary by such court to preserve the status quo or prevent irreparable injury pending resolution by arbitration of the actual dispute between the parties.

(6) This provision continues in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

K. Governing Law

This Agreement and the rights of the parties shall be governed by and construed in accordance with the laws of the state of Florida; however, if this Agreement concerns a Restaurant located in a state other than Florida and the laws of that state require terms other than, or in addition to, those contained herein, then this Agreement shall be deemed modified so as to comply with the appropriate laws of such state, but only to the extent necessary to prevent the invalidity of this Agreement or any provision hereof, the imposition of fines or penalties, or the creation of civil or criminal liability on account thereof. Any provision of this Agreement which may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of the prohibition or unenforceability, without invalidating the remaining provisions of this Agreement. Any prohibition against, or unenforceability of, any provision of this Agreement in any jurisdiction, including the state whose law governs this Agreement, shall not invalidate the provision or render it unenforceable in any other jurisdiction. To the extent permitted by applicable law, Franchisee waives any provision of law which renders any provision of this Agreement prohibited or unenforceable in any respect.

L. Jurisdiction and Venue

Each of the parties irrevocably and unconditionally with respect to any matter that is not subject to arbitration: (a) agrees that any suit, action or legal proceeding arising out of or relating to this Agreement shall only be brought in the court(s) of record for the State and County or the United States District Court, whose jurisdiction encompasses the location of the principal office of Franchisor; (b) consents to the jurisdiction of each such court in any suit, action or proceeding; (c) waives any objection which it may have to the laying of venue of any such suit, action or proceeding in any of such courts; and (d) agrees that service of any court paper may be effected on such party by mail, as provided in this Agreement, or in such other manner as may be provided under applicable laws or court rules of the State of Florida.

M. Jury Trial Waiver

Franchisor and Franchisee irrevocably waive trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either of them.

N. Limitation of Actions

Any and all claims and actions arising out of or relating to this Agreement, the relationship of Franchisee and Franchisor or Franchisee's operation of the Restaurant, brought by any party hereto against the other, shall be commenced within eighteen (18) months from the occurrence of the facts giving rise to any such claim or action, or such claims or action shall be barred.

O. WAIVER OF PUNITIVE DAMAGES

FRANCHISOR AND FRANCHISEE (AND ITS OWNERS AND GUARANTORS, IF APPLICABLE), HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF ANY DISPUTE BETWEEN THEM, EACH SHALL BE LIMITED TO THE RECOVERY OF ONLY ACTUAL DAMAGES SUSTAINED BY IT, EITHER IN ARBITRATION OR LITIGATION.

24. **NO PROJECTIONS OR REPRESENTATIONS**

Franchisee acknowledges and represents that no projections or representations regarding the amount of income, sales, or profits Franchisee can expect to earn or receive from the franchise granted hereby has been received from Franchisor. Franchisee acknowledges that no representations or warranties inconsistent with the Franchise Disclosure Document or this Agreement were made to induce Franchisee to execute this Agreement. Franchisee acknowledges that neither Franchisor nor any other person can guarantee the success of the business of Franchisee.

Franchisee, by signing this Agreement, acknowledges having read same and that it has been requested to state in writing hereafter any terms, claims, covenants, promises, or representations, including representations as to any income, sales, or profit projections, that were made to Franchisee by Franchisor or its representatives, including the persons making same, the location, and date thereof. If no such representations, were made, the undersigned is to write the word: "NONE" _____. Initials. (A blank shall be the same as if "NONE" is written.)

25. **ACKNOWLEDGMENTS**

Franchisee hereby acknowledges the following:

A. FRANCHISEE HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS CONTEMPLATED BY THIS AGREEMENT AND UNDERSTANDS AND ACKNOWLEDGES THAT THE BUSINESS CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISKS MAKING THE SUCCESS OF THE VENTURE LARGELY DEPENDENT UPON THE BUSINESS ABILITIES AND PARTICIPATION OF FRANCHISEE AND ITS EFFORTS AS AN INDEPENDENT BUSINESS OPERATOR.

B. FRANCHISEE IS NOT ENTERING INTO THIS AGREEMENT IN RELIANCE UPON ANY REPRESENTATIONS, INDUCEMENTS, PROMISES OR AGREEMENTS BY FRANCHISOR OR ITS OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES, AGENTS OR SERVANTS, ABOUT THE BUSINESS CONTEMPLATED BY THIS AGREEMENT, INCLUDING REVENUE, PROFIT OR SUCCESS OF THE RESTAURANT, THAT ARE CONTRARY TO THE TERMS OF THIS AGREEMENT OR THE DOCUMENTS INCORPORATED INTO THIS AGREEMENT. FRANCHISEE REPRESENTS, AS AN INDUCEMENT TO FRANCHISOR'S ENTRY INTO THIS AGREEMENT, THAT FRANCHISEE HAS MADE NO MISREPRESENTATIONS IN OBTAINING THIS AGREEMENT.

C. FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR OR ITS AGENT HAS PROVIDED FRANCHISEE WITH A FRANCHISE DISCLOSURE DOCUMENT NOT LATER THAN FOURTEEN (14) CALENDAR DAYS BEFORE THE EXECUTION OF THIS AGREEMENT AND BEFORE MAKING ANY PAYMENT TO FRANCHISOR OR AN AFFILIATE. FRANCHISEE FURTHER ACKNOWLEDGES THAT FRANCHISEE HAS READ SUCH FRANCHISE DISCLOSURE DOCUMENT AND UNDERSTANDS ITS CONTENTS.

D. FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR HAS PROVIDED FRANCHISEE WITH A COPY OF THIS AGREEMENT AND ALL RELATED DOCUMENTS, FULLY COMPLETED, AT LEAST FIVE (5) BUSINESS DAYS PRIOR TO FRANCHISEE'S EXECUTION.

E. FRANCHISEE ACKNOWLEDGES HAVING HAD AMPLE OPPORTUNITY TO CONSULT WITH ITS OWN ATTORNEYS, ACCOUNTANTS AND OTHER ADVISORS AND THAT THE ATTORNEYS FOR FRANCHISOR HAVE NOT ADVISED NOR REPRESENTED FRANCHISEE WITH RESPECT TO THIS AGREEMENT OR THE RELATIONSHIP THEREBY CREATED.

F. FRANCHISEE, TOGETHER WITH ITS ADVISORS, HAS SUFFICIENT KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS TO MAKE AN INFORMED INVESTMENT DECISION WITH RESPECT TO THE FRANCHISE.

G. FRANCHISEE IS AWARE OF THE FACT THAT OTHER PRESENT OR FUTURE FRANCHISEES OF FRANCHISOR MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENT(S), AND CONSEQUENTLY THAT FRANCHISOR'S OBLIGATIONS AND RIGHTS WITH RESPECT TO ITS VARIOUS FRANCHISEES MAY DIFFER MATERIALLY IN CERTAIN CIRCUMSTANCES.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

FRANCHISOR:
KELLY'S CAJUN GRILL FRANCHISE CORPORATION

BY: _____
President

FRANCHISEE

_____

_____
(Signature and Printed or Typed Name)

EXHIBIT "A"
TO THE KELLY'S CAJUN GRILL FRANCHISE AGREEMENT

LOCATION DESIGNATION

1. The Franchise Location is: _____

FRANCHISOR:
KELLY'S CAJUN GRILL FRANCHISE CORPORATION

By: _____
Title: _____
Date: _____

FRANCHISEE

_____

_____
Date: _____

EXHIBIT "A-1"
TO THE KELLY'S CAJUN GRILL FRANCHISE AGREEMENT

FRANCHISE AGREEMENT - LOCATION APPROVAL FORM

KELLY'S CAJUN GRILL FRANCHISE CORPORATION ("Franchisor")and _____ _____ ("Franchisee") pursuant to the Franchise Agreement ("Agreement") dated _____, 201__ agree as follows:

1. The Franchise Location as referenced in the Agreement shall be as follows:

_____

_____

2. By execution hereof, Franchisor hereby approves the above stated Franchise Location. Franchisee acknowledges and warrants that Franchisor's approval of the Franchise Location does not constitute a guarantee, recommendation or endorsement of the Franchise Location and the success of Franchisee's KELLY'S CAJUN GRILL Restaurant to be operated at such Franchise Location is dependent upon Franchisee's abilities as an independent business person.

FRANCHISOR:
KELLY'S CAJUN GRILL FRANCHISE CORPORATION

By: _____
Title: _____

FRANCHISEE

_____

_____

EXHIBIT "B"

TO THE KELLY'S CAJUN GRILL FRANCHISE AGREEMENT

CONFIDENTIALITY, NON-DISCLOSURE AND NON-COMPETITION AGREEMENT

Agreement, dated _____, 201__, by and between **KELLY'S CAJUN GRILL FRANCHISE CORPORATION** ("Franchisor"),_____ _____ ("Franchisee"), and _____ a(n) [director, officer, partner, principal, employee, or stockholder] of Franchisee ("Covenantor").

Franchisor and Franchisee have entered into that certain Franchise Agreement dated _____, 201__, (the "Franchise Agreement"). The Covenantor, in consideration of the receipt and/or use of information proprietary to Franchisor, agrees with Franchisor and Franchisee as follows:

SECTION 1. DEFINITION OF CONFIDENTIAL INFORMATION

As used in this Agreement, the term "Confidential Information" means: 1) proprietary information of the Kelly's Cajun Grill System; 2) information marked or designated by Franchisor as confidential; 3) information, whether or not in written form and whether or not designated as confidential, which is known to Covenantor as being treated by Franchisor as confidential; and (4) information provided to Franchisee by Franchisor which Franchisee is obligated to keep confidential. Confidential Information includes, but is not limited to: ideas; designs; specifications; techniques; data; programs; documentation; processes; know-how; customer lists; recipes; marketing plans; and financial and technical information.

SECTION 2. OWNERSHIP

Covenantor acknowledges that all Confidential Information is and shall continue to be the exclusive property of Franchisor, whether or not disclosed or entrusted to Covenantor in connection with Covenantor's work for Franchisee. Anything that would constitute Confidential Information developed by Covenantor during the term of Covenantor's employment by, service to, or affiliation with Franchisee shall be the property of Franchisor and Covenantor relinquishes all right, title and interest in and to any such development(s).

SECTION 3. ACKNOWLEDGMENT OF RECEIPT OF CONFIDENTIAL INFORMATION

Covenantor acknowledges that in the course of performing Covenantor's duties for Franchisee, Covenantor will have access to Confidential Information, the ownership and confidential status of which are highly important to Franchisor, and Covenantor agrees, in addition to the specific covenants contained in this Agreement, to and procedures for the protection of Confidential Information.

SECTION 4. ACKNOWLEDGMENT OF IRREPARABLE HARM

Covenantor acknowledges that any disclosure of Confidential Information will cause irreparable harm to Franchisor.

SECTION 5. COVENANT OF NON-DISCLOSURE

Covenantor agrees not to disclose Confidential Information directly or indirectly, under any circumstances or by any means, to any third person, without the express written consent of Franchisee or Franchisor.

SECTION 6. COVENANT OF NON-USE

Covenantor agrees that Covenantor will not copy, transmit, reproduce, summarize, quote, or make any commercial or other use whatsoever of Confidential Information, except as may be necessary to perform Covenantor's duties for Franchisee.

SECTION 7. SAFEGUARDING OF CONFIDENTIAL INFORMATION

Covenantor agrees to exercise the highest degree of care in safeguarding Confidential Information against loss, theft, or other inadvertent disclosure, and agree generally to take all steps necessary to ensure the maintenance of the confidentiality.

SECTION 8. EXCLUSIONS

This Agreement shall not apply to any information now or hereafter voluntarily disseminated by Franchisor to the public, or which otherwise becomes part of the public domain through lawful means.

SECTION 9. RETURN OF CONFIDENTIAL INFORMATION

Upon termination of Covenantor's relationship with Franchisee, Covenantor will deliver promptly to Franchisee or Franchisor as requested, all Confidential Information, in whatever form that same may be in Covenantor's possession or under Covenantor's control.

SECTION 10. DURATION

The obligations set forth above in this Agreement, will continue beyond the term of Covenantor's employment by, service to, or affiliation with Franchisee and for so long as Covenantor possesses, in any manner or form, Confidential Information.

SECTION 11. NON-COMPETITION

Covenantor agrees that during the term of Covenantor's employment by, service to, or, affiliation with, Franchisee and for a period of two (2) years thereafter, Covenantor shall not, either directly or indirectly, engage in any business giving, offering, or selling any services or products (or components thereof) which comprise or may in the future comprise a material part of the **KELLY'S CAJUN GRILL** System or which compete directly or indirectly with the **KELLY'S CAJUN GRILL** System, either as a proprietor, partner, investor, shareholder, employee, agent, or consultant within the Protected Territory as defined in the Franchise Agreement between Franchisor and Franchisee or within five (5) miles of any **KELLY'S CAJUN GRILL** Restaurant (whether Company-owned, franchised, or otherwise established) that either now or hereafter is or may be operated.

It is the intention of this provision to preclude not only direct competition, but also all forms of indirect competition, such as consultation for competitive businesses, service as an independent contractor for such competitive business, or any assistance or transmission of information of any kind or nature whatsoever which would be of any material assistance to a competitor. Nothing herein shall prevent Covenantor from owning for investment purposes, directly or indirectly up to an aggregate of two (2%) percent of the capital stock of any such competitive business, provided that such business is a publicly held corporation, whose stock is listed and traded on a national or regional stock exchange, or through the National Association of Securities Dealers Automated Quotation System (NASDAQ), provided that Covenantor does not participate in the management of such company.

SECTION 12. INVALIDITY

If all or any portion of the foregoing covenant not to compete is held unreasonable, void, vague, or illegal by any court or agency having valid jurisdiction in any non-appealed final decision to which Covenantor,

Franchisee and/or Franchisor is a party, the court or agency shall be empowered to revise and/or construe said covenant so as to cause same to fall within permissible legal limits and shall not invalidate the entire covenant. Covenantor expressly agrees to be bound by any lesser covenant subsumed within the terms of this Agreement, as if the resulting covenant were separately stated in and made a part hereof.

SECTION 13. REMEDIES

If Covenantor fails to abide by this Agreement, Franchisee and/or Franchisor will be entitled to specific performance, including immediate issuance of a temporary restraining order or preliminary injunction enforcing this Agreement, to judgment for damages caused by Covenantor's breach, to any other remedies provided by applicable law and to payment of all of its costs and expenses in pursuing such remedies, including its attorneys fees, at all trial and appellate levels.

Dated this ___ day of _____, 201__.

COVENANTOR:

_____

FRANCHISOR:
KELLY'S CAJUN GRILL FRANCHISE CORPORATION

By: _____
Title: _____

FRANCHISEE

_____

_____

EXHIBIT "C"

TO THE KELLY'S CAJUN GRILL FRANCHISE AGREEMENT

AGREEMENT WITH LANDLORD

THIS AGREEMENT dated this ___ day of _____, 201__, by and among KELLY'S CAJUN GRILL FRANCHISE CORPORATION, a Florida Corporation, (the "Franchisor");_____ _____ (the "Landlord") and _____ ("Tenant/Franchisee").

WHEREAS, the Landlord and the Tenant/Franchisee are parties to that certain Lease Agreement dated the ___ day of _____, 201__ (the "Lease") relating to the premises described in Exhibit "A" attached hereto (the "Premises");

WHEREAS, the Tenant/Franchisee is a Franchisee of Franchisor under that certain **KELLY'S CAJUN GRILL** Franchise Agreement between Franchisor and the Tenant/Franchisee dated _____, 201___, relating to the operation of a **KELLY'S CAJUN GRILL** Franchise at the Premises (the "Franchise Agreement "); and

WHEREAS, in order to assure that a **KELLY'S CAJUN GRILL** Franchise continues to operate at the Premises, the Landlord hereby grants certain rights to Franchisor under the Lease to protect the Franchisor's interest under the Franchise Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth the parties agree as follows:

1. Notices of Default. The Landlord shall mail, by first class mail, postage prepaid, to Franchisor at 4531 Ponce de Leon Boulevard, Suite 300, Coral Gables, Florida, 33146, or such other address as Franchisor may specify, copies of all written notices sent to or received from the Tenant/Franchisee, including without limitation, all notices of default, at the time such notices are sent to or received from Tenant/Franchisee.

2. Right to Cure. In the event the Tenant/Franchisee shall be in default under the Lease, Franchisor may (but shall be under no obligation to) cure such default within thirty (30) days after the expiration of any period which Tenant/Franchisee has under the Lease to cure the default, or such longer period of time if the default is not capable of being cured within thirty (30) days and Franchisor is diligently proceeding to cure the default and take immediate occupancy of the Premises without the Landlord's consent. Franchisor may, at any time after taking occupancy, relet the Premises to another **KELLY'S CAJUN GRILL** franchisee with the Landlord's written approval of the new tenant/franchisee, which consent shall not be unreasonably withheld or delayed.

3. Assignment of Lease. Tenant/Franchisee assigns to Franchisor effective as of the Assignment Date and without any further action by or on behalf of Tenant/Franchisee all of the Tenant/Franchisee's right, title and interest under the Lease. This assignment shall be effective, at the option of Franchisor, upon the termination or expiration of the Franchise Agreement or a default under the Lease by Tenant/Franchisee which is cured by Franchisor, and the election by Franchisor to assume the obligations of and replace Tenant/Franchisee as tenant under the Lease (the "Assignment Date"). Tenant/Franchisee agrees that Landlord may rely on a notice of election by Franchisor and will not be obligated to verify that Franchisor has the right to exercise the right to cause the assignment to become effective. Upon this assignment becoming effective, Tenant/Franchisee shall vacate the Premises.

4. Right to Assign. Tenant/Franchisee shall be permitted to assign its interest under the Lease and all rights and obligations thereunder at any time to Franchisor without Landlord's consent. Franchisor shall be permitted to assign the Lease and all rights and obligations thereunder to another **KELLY'S CAJUN GRILL** tenant/franchisee upon Landlord's written approval of the new tenant/franchisee, which approval shall not be unreasonably withheld or delayed.

5. Vacate on Assignment. Tenant/Franchisee agrees that at the time Franchisor exercises its option to become the lessee under the Lease, Tenant/Franchisee will immediately vacate the Premises, without removing any equipment, parts or supplies, except as authorized under the Franchise Agreement and will permit Franchisor to enter upon and take possession of the Premises.

6. Landlord's Reliance. Lessor is authorized to rely solely upon written notice by Franchisor of its option to become the lessee under the Lease, and is relieved of all liability to Franchisor and/or Tenant/Franchisee for any action it takes in so relying that is undertaken in good faith and in the absence of gross negligence or intentional misconduct. Franchisor and Tenant/Franchisee, jointly and severally, agree that they will defend, indemnify and hold Lessor harmless from claims, demands, losses, costs, expenses (including attorneys' fees and court costs), that may arise in any dispute between Franchisor and Tenant/Franchisee with respect to their rights and obligations under this Agreement, including attorney's fees and costs incurred by Lessor in the prosecution of or participation in any suit for declaratory decree, construction or interpretation of this Agreement.

7. Acknowledgment of Rights. Landlord acknowledges Franchisor's rights under the Franchise Agreement, upon reasonable notice to the Landlord, to enter the Premises to take such steps as may be necessary to protect its interest under the Franchise Agreement including the removal of any signs and other uses of the trademarks, service marks, logos, or the like of the Franchisor (without damage to the Premises).

8. Modification of Lease. Landlord and Tenant/Franchisee will not make any material modifications to the Lease without Franchisor's prior written consent, which consent shall not be unreasonably withheld or delayed.

9. Conflict. In the event of any inconsistency between the terms of this Agreement and the terms of the Lease, the terms of this Agreement shall supersede and control.

10. Binding Effect. This Agreement shall be binding upon the personal representatives, heirs, successors and assigns of the parties hereto.

11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Florida, unless the laws of the state where the Premises are located require the application of the laws of such state.

IN WITNESS WHEREOF, this Agreement has been executed the date and year first above written.

FRANCHISOR:
KELLY'S CAJUN GRILL FRANCHISE CORPORATION

By: _____
Title: _____

LANDLORD:

_____

By: _____
Title: _____

TENANT/FRANCHISEE

_____

_____

EXHIBIT "D"

SUBLEASE AGREEMENT

THIS SUBLEASE made and entered into this ___ day of ____, 201__, by and between _____ _____, a _____ corporation, (the "COMPANY") and _____, a _____ corporation (the "Subtenant").

COMPANY has heretofore entered into that certain Lease dated _____, between the COMPANY (as Lessee/Tenant) and _____ (as Lessor/Landlord), a copy of which is either attached hereto or has been previously furnished to Subtenant and by this reference made a part hereof (the "Lease"), relating to the premises commonly known as _____ ___ ("the Premises"), and Subtenant desires to sublease the Premises from the COMPANY for the rent and on the terms and conditions hereinafter set forth.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. COMPANY hereby leases to Subtenant, and Subtenant hereby leases from COMPANY, the Premises, for the rent and on the terms and conditions hereinafter set forth.

2. The term of this Sublease shall begin on _____, 201__ and end on _____ _____, unless sooner terminated as hereinafter set forth, but in no event shall the term of this Sublease extend beyond the term of the Lease. This Sublease is not intended as and shall not be deemed an assignment of the Lease.

3. Subtenant shall pay to, or upon the order of, COMPANY, as rent for the Premises, at such places as COMPANY may designate in writing from time to time, without notice or any prior demand thereof and without any deduction or set-off, not later than the date specified in the Lease:

(a) the rent required to be paid by COMPANY pursuant to the Lease from and after the commencement date of this Sublease, including all base and percentage rent, CAM, food court charges, and taxes; and

(b) all other charges required to be paid by COMPANY pursuant to the Lease from and after the commencement date of this Sublease.

In the event, Subtenant makes the payments described in 3(a) and (b) directly to the Lessor/Landlord, such payment shall not create a landlord tenant relationship between Subtenant and Lessor/Landlord, rather same shall only be a payment mechanism and nothing more. COMPANY shall always be and remain as Lessee/Tenant under the Lease. In the event Subtenant makes such payments to COMPANY, then same must be received by COMPANY at least five (5) days prior to the date such amount is due under the lease. If not so paid then, without any requirement for notice, Subtenant shall pay to COMPANY such overdue amount, plus a late charge equal to ten percent (10%) of the overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the cost COMPANY will incur by reason of the late payment. Payment of the late charge by Subtenant shall not be considered alternative performance under this Sublease, nor shall the acceptance of the amount due or the late charge by COMPANY constitute a waiver of Subtenant's default with respect to any such overdue amount or prevent COMPANY from exercising any other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for three (3) consecutive installments of rent, then the rent, including amounts reasonably estimated to cover additional amounts due under this Sublease, shall automatically become payable quarterly, in advance rather than monthly, notwithstanding any other provisions of this Sublease to the contrary.

4. Subtenant hereby acknowledges that it has received a copy of the Lease, has read the Lease and in consideration of the grant of this Sublease, Subtenant hereby agrees that the terms and conditions of the

Lease are incorporated herein by reference; that the sub-tenancy granted under this Lease is subject to all such terms and conditions; that Subtenant is obligated to make all payments, perform and be bound by all of COMPANY'S covenants contained in the Lease as if Subtenant were the tenant thereunder and the Subtenant agrees with all of such terms and conditions. Subtenant acknowledges that it will fulfill all duties and obligations of COMPANY under the Lease and the Subtenant agrees with all of such terms and conditions. Subtenant further acknowledges that COMPANY does not, pursuant to this Sublease, covenant or agree to do or perform any obligations undertaken or assumed by the Landlord under the Lease.

5. All alterations and improvements to the Premises shall be subject to COMPANY and Landlord's prior written consent pursuant to the terms and provisions of the Lease and shall be at Subtenant's sole cost and expense.

6. Subtenant agrees to use the Premises for a Kelly's Cajun Grill restaurant and for no other use, unless such other proposed use is first consented to by COMPANY and Landlord, in writing.

7. Subtenant agrees that under all applicable insurance provisions of the Lease, whenever Landlord is named as an additional insured and provided with proof of such insurance, COMPANY will also be named as an additional insured and provided with proof of insurance, pursuant to the terms of said insurance provisions.

8. Subtenant, concurrently with the execution of this Sublease, has deposited with COMPANY the sum of _____ (the "Security Deposit"), which sum, as diminished and replenished from time to time, shall be retained by COMPANY as security for the payment by Subtenant of the rents agreed to be paid by Subtenant and for the faithful performance by Subtenant of the terms and covenants of this Sublease. In the even of any default by Subtenant, COMPANY, at its option, may at anytime apply some or all of the Security Deposit toward the payment of any rentals in default and toward any and all other sums payable by Subtenant under this Sublease which are in default, but such covenants and Subtenant's liability under this Sublease shall be discharged only pro-tanto and that Subtenant shall remain liable for any amounts that the Security Deposit shall be insufficient to pay; that COMPANY may exhaust any or all rights and remedies against Subtenant before resorting to the Security Deposit, and nothing in this Sublease shall require, or be deemed to require COMPANY to use the Security Deposit; if COMPANY uses or applies any of the Security Deposit as permitted in this Section 8, Subtenant will immediately deliver to COMPANY the amount necessary to restore the Security Deposit to its original amount; that in the event the Security Deposit is not utilized for any such purposes, then the Security Deposit shall be returned by COMPANY to Subtenant within a reasonable time after the expiration of the term of this Sublease. If Subtenant pays the rent late more than two times, the Security Deposit will be increased to an amount equal to three months rent, and Subtenant will, within five days of request, pay to COMPANY the amount necessary to increase the Security Deposit to three month's rent. COMPANY shall not be required to pay Subtenant any interest on the Security Deposit, nor need it be kept in a separate or segregated account.

9. In the event that: (i) Subtenant shall be in default under any of the provisions of this paragraph or any of the other provisions of this Sublease, and shall continue to be in default after three (3) days written notice thereof from COMPANY or Landlord; (ii) the Franchise Agreement (the "Franchise Agreement") dated _____, 201__, by and between KELLY'S CAJUN GRILL FRANCHISE CORPORATION and Subtenant expires and is not renewed, or is terminated for any reason whatsoever; (iii) the Lease should be canceled or terminated for any reason whatsoever prior to the expiration date thereof; or (iv) Subtenant should suffer or permit the occurrence of any act or thing which would constitute an event of default by COMPANY pursuant to the terms of the Lease, then COMPANY shall have the immediate right to terminate this Sublease, to take possession of the Premises referred to herein and to recover from Subtenant all sums for which Subtenant is obligated to pay pursuant to Paragraph 3, above, together with all costs and expenses incurred or paid by COMPANY or for which COMPANY is or may become liable under the Lease, of whatever nature, including attorney's fees at all trial and appellate proceedings, occasioned by such default.

10. This Sublease is expressly conditioned upon Subtenant's faithful, timely and complete performance of the terms and conditions of the Franchise Agreement governing the operation of the franchised business on the Premises. Any default under the Franchise Agreement shall constitute a default under this Sublease and any default under this Sublease shall likewise constitute a default by Subtenant (as Franchisee) under the Franchise Agreement.

11. Subtenant agrees to indemnify and hold COMPANY free and harmless from any and all claims, liabilities, losses, damages, costs, expenses (including attorneys' fees and court costs) or demands of any kind whatsoever and however arising, resulting from the Lease, this Sublease or the tenancy created hereby, including but not limited to, mechanics liens, any acts by Subtenant which result in a breach of the Lease, any other damage caused by Subtenant, or any loss, damage or costs incurred in connection with the Premises as a result of alterations or improvements to the Premises performed by Subtenant or Subtenant's agents or independent contractors after the commencement of this Sublease term, unless such claims, liabilities, losses, damages, costs, expenses (including attorney's fees and court costs) or demands result form the negligence of COMPANY.

12. Subtenant acknowledges that COMPANY'S execution of this Sublease does not in any way constitute a guaranty, recommendation or endorsement of the Lease as it affects or relates to Subtenant. COMPANY has prepared and/or executed this Sublease and the Lease for its own account and not on behalf of or for the benefit of Subtenant.

13. If Subtenant is or becomes a partnership or corporation, or if this Sublease is assigned to a partnership or corporation, all general partners or shareholders shall execute a guaranty of Subtenant's obligations and agree to be jointly and severally responsible for all provisions of this Sublease.

IN WITNESS WHEREOF, the parties hereto have executed this Sublease on the day and year first above written.

COMPANY:

_____

BY: _____

Title: _____

SUBTENANT:

_____

_____

GUARANTEE OF SHAREHOLDERS/PARTNERS

As an inducement to COMPANY to enter into this Sublease, and for other valuable consideration, the receipt and sufficiency of which is acknowledged, the undersigned, jointly and severally if more than one person, absolutely and unconditionally guarantee the payment of all sums to be paid by the Subtenant under the Sublease and the performance of each and every covenant, condition, term and provision in the Sublease to be performed by the Subtenant without the Company or its successors having to take any action to compel or enforce payment or performance.

If Subtenant or an assignee shall default in any payment or in the performance of any other obligations required by the Sublease, the undersigned will, on demand, promptly make the delinquent payment or perform the obligation and pay Company or its successor any damages that Company or its successor may suffer as a consequence of the default, including reasonable attorneys' fees and other expenses incurred in enforcing this Guaranty.

The undersigned covenant that this Guaranty will not be discharged except by complete performance of all obligations under the Sublease. The modification, extension or waiver of performance of obligations under the Sublease or the assignment of the Sublease or the bankruptcy of Subtenant shall not affect the liability of the undersigned under this Guaranty. The undersigned agree that notwithstanding the fact that the Sublease is between Company and Subtenant, the undersigned is and shall be unconditionally obligated, primarily and not secondarily, for the performance of obligations and compliance with all restrictions whether for money or duties imposed by the Sublease.

The undersigned's liability will not be affected by any compromise or settlement agreement between Company and Subtenant, the waiver or deferral of performance under the Sublease, or an assignment of the Sublease, or an agreement to (i) renew, extend, accelerate or otherwise change the time for payment of, or accept partial payment or performance of obligations, or (iii) take and hold security for the payment of any indebtedness and exchange, enforce or release the security.

At the option of Company, an action or proceeding may be brought against the undersigned without any requirement that Company first assert, prosecute or exhaust any remedy or claim against Subtenant. The undersigned agree that Company's failure to file a claim in the event of the appointment of a receiver for Subtenant's assets, or a reorganization, insolvency or bankruptcy of Subtenant shall not affect the undersigned's obligations under this Guaranty.

If more than one person signs this Guaranty, each person shall be unconditionally liable for the total performance of Subtenant. This Guaranty shall be binding upon the undersigned, their heirs and assigns, and shall be for the benefit of Company, its successors and assigns.

Wherever possible, each provision of this Guaranty shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision shall be prohibited by such law or invalid as written, the undersigned agree that the provision be amended so that it is enforceable to the fullest extent permissible under applicable law and public policy. The provisions of this Guaranty are severable, and this Guaranty is to be interpreted and enforced as if all unenforceable provisions were not in the Guaranty and partially valid provisions shall be enforced to the extent that they are enforceable.

The undersigned waive notice of any modification, extension or waiver of performance and all demands for performance and notice of non-performance.

This Guaranty shall be deemed an instrument made under and shall be construed in accordance with and governed by the laws of the State of Florida. The undersigned consent to the jurisdiction of the courts of the State of Florida and the courts of the United States located in the State of Florida, and agrees not to contest or challenge the jurisdiction or venue of these courts.

EXHIBIT "E"

AGREEMENT FOR PURCHASE AND SALE

THIS AGREEMENT made and entered into this __ day of _____, 201__ by and between KELLY'S CAJUN GRILL FRANCHISE CORPORATION, a Florida corporation, hereinafter referred to as SELLER, and _____, hereinafter referred to as BUYER.

W I T N E S S E T H:

In consideration of the provisions of this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. PURCHASE AND SALE:

SELLER shall sell and deliver to BUYER, free from all debts and encumbrances, the furniture, fixtures and equipment (the "assets") for the operation of the **KELLY'S CAJUN GRILL** Restaurant located at ____ _____.

2. PURCHASE PRICE:

The total purchase price for the assets shall be _____ _____ DOLLARS ($_____), plus or minus prorations and inventory. A deposit of _____ DOLLARS ($_____) has previously been made by BUYER.

3. PAYMENT OF PURCHASE PRICE:

The purchase price as aforesaid shall be paid and/or applied as follows:

4. CLOSING:

The Closing hereunder ("closing") shall take place on the ____ day of _____, 201__, at such time and place as shall be mutually agreed upon by the parties. The delivery of the assets, and the effective date of the Franchise Agreement and Lease/Sublease Agreement (as hereinafter specified) shall be as of the Closing.

5. REPRESENTATIONS OF SELLER:

A. SELLER is a duly organized and validly existing corporation under the laws of the State of Florida and has the authority, right and power to carry on its business as it is now being conducted; and

B. SELLER has full authority and power to execute, deliver and perform this Agreement and to sell, transfer, convey and deliver all of the assets covered by this Agreement.

C. SELLER makes no representation or warranties concerning the assets or the restaurant, except as set forth herein. Specifically, SELLER disclaims any representations concerning the prospects for success or future profitability of the restaurant.

6. REPRESENTATIONS AND WARRANTIES OF BUYER:

This Agreement is a valid and binding obligation of BUYER, enforceable in accordance with its terms. Neither the execution nor the delivery of this Agreement, nor the consummation of the transaction contemplated by it, will result in a breach of, or give rise to termination of, or accelerate the performance required by any terms of any agreement to which BUYER is a party, or constitute a default thereunder, or result in the creation of any lien, charge or encumbrance upon any of the assets of BUYER. The consent or approval of a third party is not required in order that BUYER may enter into this Agreement, BUYER knows of no broker, finder, intermediary, or other person acting in a similar capacity who may have been involved in this transaction who would be entitled to a fee or commission upon its consummation.

7. CONDITIONS:

The obligations of SELLER herein are, at the option of SELLER, subject to the following conditions:

A. All representations and warranties of BUYER contained in this Agreement shall be true and correct in all material respects on and as of the date of closing.

B. BUYER shall have performed and complied with the terms and conditions of this Agreement in all material respects prior to or at the closing.

C. BUYER shall have satisfactorily completed its obligation to attend and complete SELLER'S training program, as required by the Franchise Agreement.

8. FRANCHISE AND LEASE AGREEMENTS:

As a part of the consideration for the execution of this Agreement, SELLER and BUYER shall enter into a Franchise Agreement and Lease/Sublease Agreement for the premises. The effective date of the Franchise Agreement and Lease/Sublease Agreement shall be as of the Closing.

9. INDEMNIFICATION:

BUYER and SELLER shall each indemnify and save the other harmless against and from all costs, expenses, liabilities, losses, damages, suits, actions, fines, penalties, and demands of every kind or nature, including reasonable counsel fees, by or on behalf of any person, party or governmental authority whatsoever arising out its failure to perform any of the agreements, terms, covenants, or conditions of this Agreement which it is obligated to perform.

10. BULK SALES LAW:

BUYER agrees to waive any formal requirements of the Bulk Sales Law of the state in which the premises are located. SELLER represents and warrants to the BUYER that the assets sold hereunder are free and clear of all debts and encumbrances.

11. CONDITION OF ASSETS:

BUYER accepts the assets conveyed hereunder and the premises which are the subject of the Lease/Sublease referred to in Paragraph 1. of this Agreement, in an "AS IS" condition as of the date of the Closing.

12 DELIVERY OF DOCUMENTS AT CLOSING:

At the closing, SELLER shall deliver, or cause to be delivered to BUYER, the following:

All documents and schedules required to be delivered by or for SELLER in accordance with the provisions of this Agreement.

At the closing, BUYER shall deliver or cause to be delivered to SELLER the following:

A. The payment referred to in Paragraph 3.

B. The Franchise Agreement as referred to in Paragraph 8, executed by BUYER.

C. The Lease/Sublease as referred to in Paragraph 8 hereof, executed by BUYER.

D. Such other documents and instruments as may be reasonably required by, and in form and substance satisfactory to, counsel for SELLER.

13. MISCELLANEOUS:

A. This Agreement, together with the Exhibits, sets forth the entire agreement and understanding between the parties as to the subject matter hereof and merges and supersedes all prior discussions, agreements and understandings of each and every nature between them with regard to the subject matter hereof; and no party shall be bound by any condition, definition, warranty or representation, other than as expressly set forth or provided for in this Agreement, as supplemented by the Exhibits, or as may be on or subsequent to this date set forth in writing and signed by the parties.

B. All of the terms and conditions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the successors in interest of the respective parties.

C. This Agreement shall be construed and interpreted according to the laws of the State of Florida.

D. This Agreement may not be assigned by either party without the consent of the other party, and any attempted assignment without such consent shall be void and of no avail.

E. All notices, requests, demands and other communications shall be in writing and shall be deemed to have been given if delivered by hand or by certified or registered mail, return receipt requested:

(1) If to SELLER: **KELLY'S CAJUN GRILL FRANCHISE CORPORATION**, Attention: KELLY YEUNG, 4531 Ponce de Leon Boulevard, Suite 300, Coral Gables, Florida 33146, or to such other person and place as the SELLER shall designate to BUYER in writing.

(2) If to BUYER: _____

_____,
or to such other person and place as the BUYER shall furnish to SELLER in writing.

14. REMEDIES IN THE EVENT OF BREACH:

In the event that BUYER withdraws from this Agreement, other than as a result or on account of a breach by SELLER of any of its warranties, representations or covenants made in this Agreement, any earnest money deposit made by BUYER shall be considered as liquidated damages paid to SELLER. SELLER shall

accept this sum in full payment of all claims against BUYER, and the parties shall have no further obligation to one another. In this event, all of the terms and conditions set forth in this Agreement shall be considered void and of no further force and effect between the parties. If there is no earnest money deposit, SELLER shall have all rights and remedies available at law or equity.

In the event it shall be necessary to institute any legal proceedings to enforce any of the rights or remedies for any breach of either party's obligations hereunder, then the prevailing party in such litigation shall be entitled to recover its costs and reasonable attorney's fees at all trial and appellate levels.

IN WITNESS WHEREOF, the parties have caused these presents to be executed on the day and year first above written.

SELLER:
KELLY'S CAJUN GRILL FRANCHISE CORPORATION

_____

BY: _____
President
(Corporate Seal)

_____

BUYER:

_____

_____

_____

EXHIBIT "F"

SECURITY AGREEMENT

KELLY'S CAJUN GRILL FRANCHISE CORPORATION, a Florida corporation ("Secured Party"), and __ _____, ("Debtor") agree as follows:

1. Background.

Secured party, as Franchisor, and Debtor, as Franchisee, are parties to a franchise agreement of even date (the "Franchise Agreement") pursuant to which, among other things, Debtor is obligated to pay, from time to time, certain sums to Secured Party. In order to induce Secured Party to enter into the Franchise Agreement, Debtor, among other things, is entering into this Security Agreement pursuant to which Debtor's payment and performance of all obligations under the Franchise Agreement are secured on the terms and conditions hereinafter provided for. Capitalized terms which are defined in the Franchise Agreement shall have the same meaning herein as therein.

2. Security Interest.

To secure the payment and performance by Debtor of all obligations and liabilities under the Franchise Agreement (such payment and performance of such obligations and liabilities being hereinafter collectively referred to as the "Obligations"), Debtor shall and hereby does grant, convey, assign and transfer to Secured Party, a security interest in and to all signs and other appurtenances and other property, real and personal, bearing any of the Proprietary Marks used at, located on or affixed to the Restaurant ("Restaurant"), and all equipment, fixtures, furnishings and improvements located at the Restaurant, now owned or hereafter acquired by Debtor (the "Collateral").

3. Default.

a. Definitions. The term "Event of Default", as used, herein, shall mean the occurrence and continuation of any one or more of the following events:

(1) any failure of Debtor promptly and faithfully to pay, observe and perform, when due, any of the Obligations; or

(2) if Debtor becomes insolvent, commits an act of bankruptcy, files a voluntary petition in bankruptcy, or an involuntary petition in bankruptcy is filed against Debtor and not dismissed within sixty (60) days, or a permanent or temporary receiver or trustee for the Restaurant or all or substantially all of the Debtor's property is appointed by any court and such appointment is not actively opposed through legal action, or Debtor makes an assignment or arrangement for the benefit of creditors or calls a meeting of creditors, or Debtor makes a written statement to the effect that Debtor is unable to pay Debtor's debts as they become due, or a levy of execution is made upon Debtor, or an attachment or lien remains outstanding with respect to the Restaurant for thirty (30) days, unless the attachment or lien is being duly contested in good faith by Debtor, and Secured Party is so advised in writing;

(3) if Debtor loses possession or the right of possession of all or a significant part of the Restaurant through condemnation or casualty and the Restaurant is not relocated or reopened as required by the Franchise Agreement;

(4) if Debtor is a corporation, partnership, joint venture or other legal entity, any action is taken which purports to merge, consolidate, dissolve or liquidate Debtor without the prior written consent of Secured Party.

b. Remedies.

Upon the occurrence of an Event of Default, all amounts payable to Secured Party shall become immediately due and payable and Secured Party shall have all the rights and remedies of a secured party under the Uniform Commercial Code as in effect in the state in which the Collateral may be located, including the right to enter upon the Restaurant peaceably and remove all Collateral. Secured Party shall give Debtor reasonable notice of the time and place of any public or private sale or other intended disposition of all or any particular Collateral, as the case may be. Debtor agrees that the requirement of reasonable notice shall be met if notice is mailed to Debtor at the address for notices not less than five (5) business days prior to the sale or other disposition. Expenses of retaking, holding, preparing for sale, selling or the like shall include, without limitation, Secured Party's reasonable attorneys' fees and other legal expenses. Secured Party's rights and remedies, whether pursuant hereto or pursuant to the Uniform Commercial Code of the state where the restaurant is located, shall be cumulative and not alternative.

4. Notices.

Any notice, request or other communication to either party by the other as provided for herein shall be given in writing and shall be deemed given on the date the same is (i) actually received or (ii) three days after being mailed by certified or registered mail, return receipt requested, postage prepaid and addressed to the parties as follows:

Secured Party: Kelly's Cajun Grill Franchise Corporation
Attention: President
4531 Ponce de Leon Boulevard, Suite 300
Coral Gables, FL 33146

Debtor: _____

_____

_____

The person and the place to which notices or copies of notices are to be mailed to either party may be changed form time to time by such party by written notice to the other party.

5. Applicable Law.

This Agreement shall be governed by and interpreted under the laws of the State of Florida and the rights of the parties shall be governed by the laws of the State of Florida, without regard to the principles of conflict of laws.

6. Miscellaneous.

A. This Security Agreement shall inure to the benefit of, and shall be binding upon, the respective successors, assigns and legal representatives of the parties hereto.

B. The captions used herein are inserted for reference purposes only and shall not affect the interpretation or meaning of this Security Agreement.

c. Debtor hereby authorizes Secured Party, from time to time, to file financing statements in such form as may be necessary to perfect the security interest in the Collateral in any or all pertinent jurisdictions and in this regard, to execute said financing statements for itself (as secured party) and for

Debtor (as debtor), as Debtor's agent. Upon Secured Party's request, Debtor shall execute any such financing statement as debtor.

SECURED PARTY:
KELLY'S CAJUN GRILL FRANCHISE CORPORATION

BY: _____
President

DEBTOR:

_____

_____

EXHIBIT "G"

ASSIGNMENT OF FRANCHISE AGREEMENT AND GUARANTY

This Agreement, made this __ day of _____, 201__, by and among _____ _____, ("Assignor"), _____ _____, ("Assignee"), and KELLY'S CAJUN GRILL FRANCHISE CORPORATION, a Florida corporation (the "Franchisor").

Witnesseth:

Whereas, Franchisor and Assignor did enter into an agreement dated _____, 201__ (the "Franchise Agreement") wherein and whereby Assignor became entitled to certain rights and privileges and subject to certain duties and obligations, all as more particularly described in the Franchise Agreement; and

Whereas, Assignor desires to transfer all of Assignor's right, title and interest in and to such Franchise Agreement to Assignee, and Assignee is desirous of accepting such transfer; and

Whereas, such transfer shall be ineffective and of no force or effect without the consent thereto by Franchisor.

Now, Therefore, in consideration of the sum of $10.00, and other good and valuable consideration exchanged among the parties hereto, the receipt and sufficiency of which are hereby acknowledged, it is AGREED:

1. Assignor by these presents does sell, grant, assign and convey unto Assignee all of Assignor's right, title and interest in and to the Franchise Agreement, and Assignor fully authorizes and empowers Assignee to exercise all rights of Assignor under the terms of said Franchise Agreement, and in the same manner as Assignor might or could do thereunder.

2. Assignee hereby expressly assumes all of the terms, covenants and conditions of the franchisee under the terms of the Franchise Agreement, and expressly agrees to be bound thereby and assumes full performance thereunder.

3. The assignment of the Franchise Agreement by Assignor shall not constitute a novation as between Franchisor and Assignor, and Franchisor's consent to such assignment shall not in any manner relieve or release Assignor from his responsibility, financial or otherwise, under and pursuant to the Franchise Agreement, and Assignor does hereby unconditionally guaranty the performance by Assignee of all of the terms, covenants and conditions of the Franchise Agreement, and does expressly guaranty payment by Assignee of any and all sums due and payable, now or in the future, by Assignee to Franchisor pursuant to the Franchise Agreement or any renewal, extension or modification thereof, and pursuant to any contract(s) or arrangement(s) entered into in connection therewith.

In connection with Assignor's unconditional guaranty, Assignor consents and agrees that: (1) Assignee's and Assignor's liability shall be joint and several; (2) Assignor shall make any payment or perform any other obligation required under the Franchise Agreement upon demand if Assignee fails or refuses punctually to do so; (3) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Assignee or any other person; and (4) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence with Franchisor may from time to time grant to Assignee or Assignor to any other person, including without limitation the acceptance of any partial payment or performance, or the compromise or release of any claims, or a subsequent assignment, none of which shall in any way modify or amend Assignor's guaranty, which shall be continuing and irrevocable during the term of the Franchise Agreement.

4. The parties hereto do hereby expressly ratify and reaffirm the Franchise Agreement, and the terms, covenants, and conditions therein contained.

5. Nothing herein contained shall in any way operate to modify or abrogate any requirement(s) in the Franchise Agreement respecting any further or future assignment of the Franchise Agreement, or the rights or obligations thereunder, in whole or in part.

6. Expressly subject to the terms herein contained, Franchisor does hereby consent to the assignment by Assignor to Assignee.

In Witness Whereof, the parties hereto have set their respective hand and seal the day and year first above written.

Assignor:

_____

_____

Assignee:

_____

_____

FRANCHISOR:
KELLY'S CAJUN GRILL FRANCHISE CORPORATION

By:_____
Title:_____

EXHIBIT "H"

PERSONAL GUARANTY

The undersigned, in order to induce KELLY'S CAJUN GRILL FRANCHISE CORPORATION, a Florida corporation (hereinafter referred to as "Franchisor"), to enter into or permit assignment of a certain **KELLY'S CAJUN GRILL** Franchise Agreement (hereinafter "Franchise Agreement"), dated the __ day of _____, 201_, to or with _____ (hereinafter referred to as the "Corporation"), irrevocably and unconditionally, jointly and severally, personally guarantees to Franchisor, its successors or assigns, the prompt, full payment and performance of all obligations of the Corporation which are or may become due and owing to Franchisor, including, but not limited to, all obligations arising out of said Franchise Agreement or any other agreement between the Franchisor and Corporation, and all extensions or renewals thereof, in the same manner as if said Franchise Agreement was executed between Franchisor and the undersigned.

The undersigned expressly waive(s) any and all notices and demands. This Personal Guaranty shall not be affected by the modification, extension, or renewal of any agreement between Franchisor and Corporation, the taking of a note or other obligation from Corporation or others, the taking of security for payment, the granting of extension(s) of time for payment, the filing by or against Corporation of bankruptcy, insolvency, reorganization or other debtor's relief afforded Corporation pursuant to the present or future provision of the Federal Bankruptcy Act or any other state or federal statute or by the decision of any court, or any other matter, whether similar or dissimilar to any of the foregoing; and this Personal Guaranty shall cover the terms and obligations of any such modifications, notes, security agreements, extensions, or renewals. The obligations of the undersigned shall be unconditional, notwithstanding any defect in the genuineness, validity, regularity, or enforceability of the Corporation's obligations or liability to Franchisor, or any other circumstances whether or not referred to herein, which might otherwise constitute a legal or equitable discharge of a surety or guarantor.

This is a continuing, irrevocable, unconditional and absolute guaranty of payment and performance and the undersigned agree(s) that the undersigned's liability on this Personal Guaranty shall be immediate and shall not be contingent upon the exercise or enforcement by Franchisor of whatever remedies it may have against Corporation or others, or the enforcement of any lien or realization upon any security Franchisor may at any time possess.

The undersigned further covenant and agree that as long as Corporation owes any monies to Franchisor (other than Royalty and advertising fee payments that are not past due), Corporation will not pay, and the undersigned will not accept, payment of any part of any indebtedness owed by Corporation to the undersigned, or any one of the undersigned if more than one person, either directly or indirectly, without the consent of Franchisor.

If this Personal Guaranty is executed by more than one individual, each person executing this Personal Guaranty shall be jointly and severally liable for the obligations created herein.

This Personal Guaranty shall remain in full force and effect until all obligations arising out of and pursuant to the Franchise Agreement and any other agreement between Franchisor and Corporation (including, but not limited to monetary obligations), including all renewals and extensions thereof, are fully paid and satisfied, notwithstanding the termination or expiration of the relationship set forth in the Franchise Agreement or any other agreement between Franchisor and the Corporation.

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the date set forth below.

(Witness)	(Signature without title)
(Witness)	(Signature without title)

Date: _____

EXHIBIT B

AREA DEVELOPMENT AGREEMENT

KELLY'S CAJUN GRILL

AREA DEVELOPMENT AGREEMENT

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EXHIBITS

Exhibit A	Current form of Franchise Agreement
Exhibit B	Development Area
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Exhibit D	Assignment of Development Agreement and Guarantee
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Exhibit F	Personal Guaranty

KELLY'S CAJUN GRILL

AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT is entered to this ___ day of _____, 201_, between **KELLY'S CAJUN GRILL FRANCHISE CORPORATION**, a Florida corporation, located at 4531 Ponce de Leon Boulevard, Suite 300, Coral Gables, Florida 33146 ("Franchisor") and _____ _____, located at _____ ("Developer"), with reference to the following facts:

A. Franchisor owns the trade name, service mark and trademark **"KELLY'S CAJUN GRILL"** and related trade names, trademarks, service marks, logotypes, insignias and designs (the "Trademarks").

B. Franchisor has developed unique training, management and marketing techniques, procedures and operating methods for restaurants known as **KELLY'S CAJUN GRILL** restaurants (the "Restaurants"), which sell specialty food items with a Cajun theme, beverages and related products (the "System Products") under the Trademarks, according to the Franchisor's specifications (all of the foregoing collectively the "**KELLY'S CAJUN GRILL** System").

C. Franchisor grants to persons who meet certain qualifications and are willing to undertake the required investment and effort, the right to develop and operate multiple **KELLY'S CAJUN GRILL** Restaurants in a defined geographic area, and Developer has applied for the right to develop and operate multiple **KELLY'S CAJUN GRILL** Restaurants in a defined geographic area.

D. Franchisor is willing to grant Developer such right subject to this Agreement's provisions.

E. Developer has independently investigated the business contemplated by this Agreement. Developer recognizes that the nature of such business may change over time, that an investment in the Restaurants involves business risks and that the venture's success depends primarily upon Developer's business abilities and efforts.

F. Franchisor has not made and Developer acknowledges that Developer has not received and is not relying on any warranty, guarantee, or representation, express or implied, as to revenues, profits or success of the business contemplated by this Agreement, or contrary to any statement in Franchisor's Franchise Disclosure Document or the terms in this Agreement.

THEREFORE, in consideration of the representations, covenants, and conditions set forth herein, the parties hereby agree as follows:

1. DEFINITIONS

1.1 Franchise Agreement. "Franchise Agreement" means the then-current form of agreement (including all exhibits, riders, and instruments used in connection with such agreement) used by Franchisor to grant franchises to own and operate Restaurants in the state or states where the Development Area is located. A copy of the current form of Franchise Agreement is attached to this Agreement as Exhibit A.

1.2 Development Area. "Development Area" means the geographic area described in Exhibit B attached to this Agreement.

1.3 Development Schedule. "Development Schedule" means the number of Restaurants to be opened and operated by Developer and the time frame for doing so, as set forth on Exhibit "C" to this Agreement.

2. GRANT OF RIGHTS

Provided that Developer fully complies with this Agreement, including, without limitation the Development Schedule, and with each Franchise Agreement between Franchisor and Developer or any Controlled Affiliate (as hereinafter defined) or related person or entity, and subject to this Agreement's provisions, Franchisor grants to Developer, the right to own, operate and develop as a minimum the number of Restaurants only in the Development Area set forth on Exhibit "C"; and Franchisor shall not own and/or operate or grant to any person other than Developer a franchise to own and/or operate a Restaurant in the Development Area during the term of this Agreement. Developer may open and operate greater than the minimum number of restaurants in any development period, upon the approval of Franchisor; however Developer is required to open a minimum of one new Restaurant during each development period, even if Developer has satisfied the cumulative number of open Restaurants in any development period. The rights to use the Trademarks and the **KELLY'S CAJUN GRILL** System are only as set forth in the individual Franchise Agreements. Developer is not granted the right to sub-franchise or to license others to use the Trademarks or the **KELLY'S CAJUN GRILL** System within or without the Development Area. Franchisor reserves the right, without limitation to (i) own and operate and/or grant to others the right to own and operate Restaurants at locations outside the Development Area and on terms and conditions that Franchisor deems appropriate; (ii) sell the proprietary spices and other proprietary products of the **KELLY'S CAJUN GRILL** System to wholesale and retail businesses and other distribution channels inside or outside the Development Area; and (iii) to own and operate and/or grant franchises to parties other than Developer to own and operate Restaurants in Captive Markets within the Development Area. Captive Markets include military bases, schools, hospitals, limited access roads, stadiums, arenas, convention centers, entertainment parks, airports, bus and train stations, business or industrial contract feeding settings, shopping center in which the landlord requires a single food court operator or any similar captive market location not readily available to Developer. Any Restaurant opened in a Captive Market location in the Development Area shall be counted toward the Development Schedule.

3. TERM AND RENEWAL

3.1 Term. The initial term of this Agreement shall commence on the date this Agreement is signed by the last party to sign and shall expire on the last day of the Development Schedule, unless sooner terminated in accordance with the terms hereof (the "Initial Term").

3.2 Renewal. Upon expiration of the Initial Term, if Developer is not in default of this Agreement or any Franchise Agreement between Franchisor and Developer or a Controlled Affiliate, and if Developer and/or a Controlled Affiliate has substantially complied with each such agreement, then Developer shall have the one time option to enter into an Area Development Agreement for a renewal term of five years (the "Renewal Term").

3.3 Renewal Procedure. If Developer desires a Renewal Term, at least one hundred eighty (180) days before the end of the Initial Term, Developer shall notify Franchisor in writing. Subject to Section 3.2, within fifteen (15) days after receipt of such notice, Franchisor shall deliver to Developer, Franchisor's then current form of Area Development Agreement to be executed by the parties in connection with such renewal, with modifications to reflect the fact that it is for a renewal and not an Initial Term. Such modifications shall include, but not be limited to:

(i) requirements for Developer to further develop the Development Area in accordance with a development schedule then established by Franchisor, including payment of a Development Fee; (ii) deletion of provisions for further renewal; and (iii) deletion of provisions for initial training. If required by applicable law, Franchisor shall deliver to Developer, along with the Area Development Agreement, the applicable Franchise Disclosure Document or equivalent disclosure document. Developer's failure or refusal to execute and return the Area Development Agreement to Franchisor within twenty (20) days after its delivery to Developer shall constitute an election by Developer to not renew.

4. CONDITIONS FOR GRANTS OF FRANCHISES

Franchisor's obligation to grant any of the franchises described in Section 2 shall be subject in each case to all the following conditions:

4.1 Location Approval. Each proposed location shall be subject to Franchisor's written approval, which Franchisor shall not unreasonably withhold. In approving or disapproving any proposed location, Franchisor shall have the right to consider any factors that Franchisor deems material, including, without limitation, demographic characteristics of the proposed location; traffic patterns; parking; accessibility; the predominant character of the neighborhood; the proximity to other businesses and to other **KELLY'S CAJUN GRILL** restaurants; purchase price; lease terms for the proposed location; the size and appearance of premises; and other physical and commercial characteristics.

4.2 Location Report. Before Franchisor shall be obligated to consider approving a proposed location, Developer shall submit to Franchisor a report concerning the proposed Restaurant location. Such report shall contain the information that Franchisor requests concerning such proposed location (the "Location Report").

4.3 Developer Information. Before Franchisor shall be obligated to deliver to Developer a Franchise Agreement for any location, Developer shall furnish Franchisor such information about the development and operation of the proposed Restaurant, such as pro forma statements and investment and financing plans that Franchisor requests (the "Developer Information"). Without limitation of any of the foregoing, Franchisor shall have the right to refuse to grant Developer a franchise for a proposed Restaurant if Developer fails to demonstrate to Franchisor's satisfaction sufficient financial capability to properly develop and operate the proposed Restaurant.

4.4 Approval. Franchisor shall deliver to Developer written notice of approval or disapproval of each proposed location within thirty (30) days after Franchisor receives the Location Report.

4.5 Lease for Location. Any lease for a proposed location shall conform to the requirements of the Franchise Agreement.

4.6 Failure to Obtain Location. If Developer fails to obtain lawful possession of an approved location by lease, purchase or other method within ninety (90) days after delivery to Developer of Franchisor's notice of approval of such proposed location, Franchisor shall have the right to withdraw approval of such proposed location.

4.7 Quality Standards. Developer's existing Restaurants must satisfy Franchisor's standards of operation as evidenced by satisfactory results of Franchisor's inspections.

4.8 Payments of Fees. Developer must be and have been in compliance with the payment obligations to Franchisor as set forth in Developer's existing Franchise Agreements.

4.9 Procedure After Approval. If Franchisor has approved a proposed location, as above provided, Franchisor shall offer Developer a franchise for a Restaurant at such location by delivering to Developer a Franchise Agreement for execution by Developer. If required by applicable law, Franchisor shall deliver to Developer together with such Franchise Agreement, the applicable Disclosure Document, or equivalent disclosure document. Within twenty (20) days after receipt by the Developer, Developer shall execute such Franchise Agreement and return it to Franchisor, with payment of the applicable initial franchise fee. If Developer fails to execute and return the Franchise Agreement with such payment within such time, Franchisor shall have the right to revoke its offer to grant to Developer a franchise to operate a Restaurant at such proposed location and to withdraw its approval of such proposed location.

4.10 Identity of Franchise Owner. Developer may execute a Franchise Agreement in Developer's name or in the name of a "Controlled Affiliate". A "Controlled Affiliate" is an entity controlled by Developer which meets Franchisor's then current standards and requirements to become a franchisee. For the purposes of this definition, an entity shall be deemed to be controlled by Developer if and only during such times as: (1) Developer owns a minimum of fifty-one percent (51%) of all classes of equity interests in such entity (including without limitation, both general partnership and limited partnership interests and common and preferred stock); (2) if the entity is a corporation, Developer has at least the percentage of voting power required under applicable law to authorize a transfer of substantially all of the assets of a corporation; (3) if the entity is a limited partnership, Developer is the sole general partner of the limited partnership; (4) if the entity is a general partnership, Developer is the managing partner of the general partnership; and (5) such corporation or partnership conducts no business other than the operation of Restaurant(s).

5. DEVELOPMENT OBLIGATIONS

5.1 Rate. Developer shall open Restaurants according to the Development Schedule and each Restaurant shall remain open and operating for the term specified in the respective Franchise Agreement. If a cause other than a voluntary act of Developer destroys or damages an open and operating Restaurant so that such Restaurant cannot continue to operate, Developer shall repair and restore such Restaurant to Franchisor's then existing specifications, subject to the applicable provisions of any lease for the Restaurant. Such Restaurant, or if necessary a Restaurant at an approved substitute location, shall be open and operating no later than six (6) months from the date of the destruction or damage. In the event of any other involuntary cessation of operations, Developer shall re-open and recommence operating such Restaurant no later than fourteen (14) days from the date of such cessation of operations. In any of the foregoing circumstances, such Restaurant shall continue to satisfy the Development Schedule. If a Restaurant ceases to operate for any other reason or if Developer fails to repair, restore, reopen or recommence operations of a Restaurant as aforesaid, such Restaurant shall not be included as satisfying the Development Schedule, which may be cause for Franchisor to terminate this Agreement and the Franchise Agreement for that Restaurant.

5.2 Consequence of Failure to Satisfy Development Schedule. Developer's failure at any time to satisfy the Development Schedule, shall be a default which shall entitle Franchisor to terminate this Agreement as provided in Section 9, unless Developer pays to Franchisor as liquidated damages:

(i) by the thirtieth (30th) day after the date when Developer failed to satisfy the Development Schedule, an amount equal to the initial franchise fee(s) which would have been paid if the Restaurant(s) necessary to satisfy the development schedule had been opened; plus

(ii) a monthly royalty fee of Four Thousand Dollars ($4,000.00) on or before the first day of each month commencing with the second month after the date when Developer failed to satisfy the Development Schedule, and continuing while the Development Schedule remains unsatisfied.

Franchisor may immediately terminate this Agreement if Developer fails to timely make the payments under Sections 5.2(i) and (ii). If Developer fails to fulfill the Development Schedule in any two (2) consecutive Development Periods, this Agreement shall terminate at the option of Franchisor, with no right of Developer to retain the rights granted by payment of the amounts described in Sections 5.2(i) and (ii). The Development Schedule shall be extended by time lost due to delays resulting from acts of God, strikes, civil disturbances, material or labor shortages or restrictions, enforcement of government regulations or requirements and other similar causes beyond Developer's reasonable control provided, however, that the inability to pay an obligation or acquire a location shall not be deemed to be a cause beyond Developer's control.

5.3 Application. Amounts paid under Section 5.2(i) shall be credited toward the initial franchise fee for the next Restaurant(s) opened by Developer during the term of this Agreement. At the time of execution of a Franchise Agreement for each such Restaurant, the applicable Franchise Agreement shall be modified to reflect credit for Developer's payment pursuant to Section 5.2 (i).

5.4 Records. Developer agrees, at its expense, to maintain and preserve at its principal office full, complete and accurate records pertaining to the development and operation of Restaurants within the Development Area and Developer's performance of its obligations under this Agreement, including, but not limited to, records and information of the following: site reports, leases for Restaurants, supervisory reports on the operation of Restaurants, records reflecting Developer's financial condition and such records and reports as Franchisor may prescribe from time to time.

Developer shall deliver to Franchisor in the form Franchisor prescribes from time to time:

(i) within thirty (30) days after the end of each quarter of Developer's fiscal year, a quarterly balance sheet for Developer and an income statement for such quarter;

(ii) within sixty (60) days after the end of Developer's fiscal year, a fiscal year end balance sheet for Developer and an income statement for such fiscal year (which Franchisor may require to be reviewed by a Certified Public Accountant); and

(iii) upon Franchisor's request, such other data, reports, information and supporting records.

Each such report and financial statement submitted by Developer shall be verified as correct and signed by Developer. Developer shall immediately report to Franchisor any events or developments which may have a material adverse impact on the operation of any Restaurant or Developer's performance under this Agreement.

6. FEES

6.1 Development Fee. Upon execution of this Agreement, Developer shall pay Franchisor a Development Fee equal to Ten Thousand Dollars ($10,000) times the minimum number of Restaurants to be opened pursuant to the Development Schedule, or a total of _____ Dollars ($_____). The Development Fee shall be fully earned by Franchisor when paid and shall be non-refundable.

6.2 Initial Franchise Fee. The initial franchise fee for each Franchise Agreement executed by Developer and Franchisor shall be the then-current franchise fee charged by Franchisor for a **KELLY'S CAJUN GRILL** Restaurant franchise. Ten Thousand Dollars ($10,000) of the Development Fee described in Section 6.1, shall apply against the initial franchise fee due under _ Franchise Agreements executed pursuant to this Agreement.

7. TRADE SECRETS

7.1 Disclosure. Franchisor possesses confidential information consisting of methods of operation, product specifications, purchase and sales statistics, and other methods, techniques, formats, specifications, procedures, information, systems, knowledge of and experience in operating and franchising **KELLY'S CAJUN GRILL** Restaurants (the "Trade Secrets"). Franchisor will disclose some or all of the Trade Secrets in the Operating Manual(s) for **KELLY'S CAJUN GRILL** Restaurants, the initial training program, and in providing guidance and assistance pursuant to this Agreement and the Franchise Agreements.

7.2 Interest and Use. Developer shall acquire no interest in the Trade Secrets other than the right to use them in developing and operating Restaurants pursuant to the individual Franchise Agreements granted pursuant to this Agreement. Developer acknowledges that it would be an unfair method of competition to use or duplicate any Trade Secrets other than in connection with the operation of Restaurants.

Developer shall:

(i) not use the Trade Secrets for any purpose other than the operation of **KELLY'S CAJUN GRILL** Restaurants pursuant to Franchise Agreements granted by Franchisor;

(ii) maintain absolute confidentiality of the Trade Secrets during and after the term of this Agreement;

(iii) not make unauthorized copies of any portion of the Trade Secrets disclosed in written form; and

(iv) adopt and implement all reasonable procedures prescribed from time to time by Franchisor to prevent unauthorized use or disclosure of the Trade Secrets, including, without limitation, restrictions on disclosure to employees of Developer and the use of non-disclosure and non-competition clauses in employment agreements with employees who have access to the Trade Secrets.

7.3 Non-Competition. Developer shall exert substantially full time efforts to the venture that this Agreement contemplates and shall deal exclusively with Franchisor. Because of the difficulty in proving unauthorized use of the Trade Secrets and because Developer will have access to the Trade Secrets during the term of this Agreement and any extension or renewal, Developer (or any shareholder, officer, director or key management personnel, if Developer is a corporation or any partner if Developer is a partnership) shall not, during the term of this Agreement or any extension or renewal, directly or indirectly, engage in any business in competition with **KELLY'S CAJUN GRILL** Restaurants, either as a disclosed or beneficial owner, proprietor, partner, shareholder, director, officer, manager, employee, principal, agent, representative, lender, or consultant. If Developer is or becomes a corporation, Developer shall prohibit its shareholders, directors, officers and employees from engaging in such activities during this Agreement and any extension or renewal. This provision shall preclude not only direct competition, but also all forms of indirect competition, such as consultation for competitive businesses or any assistance or transmission of information of any kind or nature that would assist a business competitor of the Kelly's Cajun Grill System contemplated by this Agreement. However, this section shall not prevent any person from owning for investment purposes, two (2%) percent or less of the shares of capital stock of a publicly held corporation whose stock is listed and traded on a national or regional stock exchange.

Developer agrees not to employ or seek to employ any person who is at that time, or within the previous four (4) months was, employed by Franchisor or another developer or franchisee of the **KELLY'S CAJUN GRILL** System, or seek or induce the employee to leave his or her employment with a developer, franchisee or Franchisor. Developer acknowledges that any violation of the terms of this section will result in irreparable injury to Franchisor and consents to the issuance of an injunction prohibiting any such conduct by Developer which would violate the terms of sections 7.2. and 7.3. and to pay all costs and expenses of Franchisor in enforcing these sections, including, but not limited to, reasonable attorneys' fees.

7.4 Covenant Not to Compete. During a period of two (2) years, commencing upon termination, expiration, or non-renewal of this Agreement for any reason, neither Developer, any shareholder (if Developer becomes a corporation) or partner (if Developer is a partnership), nor any member of Developer's immediate family, shall have any direct or indirect interest as a disclosed or beneficial owner, investor, partner, lender, director, officer, employee, manager, consultant, representative or agent or in any other capacity in, or perform services for:

(i) any business within the Development Area or if outside the Development Area or within twenty-five (25) miles of any KELLY'S CAJUN GRILL Restaurant wherever so located, which business is the same as or similar to a Restaurant or which offers items or services which are the same as or similar to those offered by **KELLY'S CAJUN GRILL** Restaurants; or

(ii) any person, firm or entity that grants or has granted franchises or licenses to others to operate a business that is the same as or similar to a Restaurant within the Development Area or within twenty five (25) miles of a **KELLY'S CAJUN GRILL** Restaurant that is not within the Development Area.

7.5 Exceptions. The restrictions of section 7.4 shall not prevent any person from owning for investment two percent (2%) or less of the total number of shares of capital stock of a publicly held corporation whose stock is listed and traded on a national or regional stock exchange; or Restaurants operated under Franchise Agreements or other agreements with Franchisor.

8. TRADEMARKS

Developer acknowledges that Franchisor owns or has exclusive rights to the Trademarks and that Developer's right to use the Trademarks shall derive solely from Franchise Agreements executed pursuant to this Agreement. Developer shall use the Trademarks only in strict conformity with the terms of each applicable Franchise Agreement. All usage of the Trademarks by Developer, and all good will resulting from such use, shall inure to Franchisor's exclusive benefit.

9. TERMINATION

Franchisor shall have the right, but not the obligation, to terminate this Agreement effective upon delivery to Developer of written notice of termination, if:

9.1 Developer, or a controlling shareholder if Developer is a corporation or a partner if Developer is a partnership, seeks any type of relief under any bankruptcy or insolvency law, or if an involuntary petition in bankruptcy is filed against Developer or a controlling shareholder if Developer is a corporation or a partner if Developer is a partnership, and not dismissed within sixty (60) days of filing. Developer admits in writing its inability to pay its debts as they come due, or makes an assignment for the benefit of creditors, or the appointment of a receiver (permanent or temporary) for any part of Developer's property. Developer expressly and knowingly waives any rights that Developer may have under the Bankruptcy Act to assume this Agreement or any Franchise Agreement, and this Agreement shall be deemed rejected upon the occurrence of this event of default. Developer agrees not to seek any injunctive order from any court in any insolvency proceeding which would have the effect of staying or enjoining this provision and agrees not to oppose any relief which may be sought in a complaint by Franchisor to lift the provisions of the automatic stay of the Bankruptcy Rules.

9.2 Developer fails at any time to satisfy the Development Schedule or fails to make any of the payments set forth in section 5.2:

9.3 Developer, or any shareholder or partner, if Developer is a corporation or partnership, attempts to make an unauthorized assignment or transfer of this Agreement or an ownership interest in Developer;

9.4 Developer, or any shareholder or partner, if Developer is a corporation or partnership, has made any material misrepresentation or omission in Developer's application for the development rights under this Agreement;

9.5 Developer, or any shareholder or partner, if Developer is a corporation or partnership, is convicted of or pleads no contest to a felony or other crime or offense that may adversely affect the goodwill associated with the Trademarks;

9.6 Developer, or any shareholder or partner, if Developer is corporation or partnership, makes any unauthorized use of the Trademarks or unauthorized use or disclosure of the Trade Secrets;

9.7 Developer fails to comply with any other provision of this Agreement and does not correct such failure with thirty (30) days after written notice of such failure to comply is delivered to Developer;

9.8 Developer fails on three (3) or more separate occasions, within any twelve (12) consecutive month period, to comply with this Agreement, regardless of whether such failures to comply are corrected after notice thereof is delivered to Developer;

9.9 Any Franchise Agreement is terminated because of a default by Developer or a Controlled Affiliate or related person or entity;

9.10 Developer abandons the development relationship without the prior consent of Franchisor;

9.11 A final judgment against Developer remains unsatisfied for a period of thirty (30) days, or a levy of execution is granted against the development rights granted by this Agreement or any Restaurant developed pursuant to this Agreement.

If no notice period is set forth, then termination shall be effective upon delivery of such notice.

10. EFFECT OF TERMINATION OR EXPIRATION

10.1 Continuing Obligations. All obligations of Franchisor and Developer under this Agreement that expressly or by their nature survive the expiration, termination or non-renewal of this Agreement shall continue in full force and effect subsequent to and regardless of such expiration, termination or non-renewal until they are satisfied in full or by their nature expire.

10.2 Development Area. After expiration, termination or non-renewal of this Agreement, Franchisor shall have the right to operate or grant franchises or licenses for the operation of **KELLY'S CAJUN GRILL** Restaurants in the Development Area.

10.3 Reservations of Rights. Upon expiration or termination of this Agreement, Franchisor shall have the right without limitation, to offer and grant franchises to others or itself to own or operate Restaurants in the Development Area.

10.4 No Refund. Developer shall not be entitled to a refund or credit for any uncredited portion of the Development Fee upon the termination of this Agreement.

10.5 Expiration of this Agreement does not affect rights of Developer under any Franchise Agreements executed during the term of this Agreement.

11. ASSIGNMENT

11.1 By Franchisor. This Agreement shall be fully assignable by Franchisor and shall inure to the benefit of any assignee or other legal successor to the interest of Franchisor.

11.2 Developer and its Owners May Not Assign Without Franchisor's Approval. Developer understands and acknowledges that the rights and duties created by this Agreement are personal to Developer (and its partners if Developer is a partnership, and its shareholders if Developer is a corporation). Franchisor enters this Agreement in reliance upon the individual or collective character, skill, attitude, business ability and financial capacity of Developer (or its partners if Developer is a partnership). Therefore, neither this Agreement nor any interest in this Agreement nor any or all of the ownership interests of Developer may be voluntarily, involuntarily, directly or indirectly assigned, sold, subdivided, sub-franchised or otherwise transferred by Developer, including without limitation, by incorporation, consolidation, merger, issuance of securities representing an ownership or beneficial interest in Developer, testamentary instrument, declaration of or transfer in trust or the laws of intestate succession, without Franchisor's prior written approval. An assignment shall include the following events: (i) an assignment of this Agreement or the sale of any of the development rights granted under this Agreement; (ii) transfer of ownership of stock of a corporate Developer, or of a partnership interest if the Developer is a partnership; (iii) transfer of an interest in Developer or this Agreement in a divorce, insolvency, corporate or partnership dissolution proceeding or otherwise by operation of law; (v) merger or consolidation or issuance of additional securities representing an ownership interest in Developer (or convertible into ownership interest): or (vi) transfer or an interest in Developer or this Agreement in the event of the death of Developer or

an owner of Developer by will, declaration of transfer in trust or under the laws of intestate succession. Developer may not pledge this Agreement as collateral or otherwise encumber this Agreement. Any attempt at such an assignment or transfer without prior approval shall constitute a breach of this Agreement, and shall be grounds for immediate termination of this Agreement.

11.3 Assignment Requirements/Procedures. Developer shall notify Franchisor at least thirty (30) days prior to the date any such proposed transfer is to take place, and shall provide such information and documentation as Franchisor may reasonably request. Developer agrees that any such transfer is subject to Franchisor's Right of First Refusal as described in section 12 of this Agreement, and the qualification of the proposed transferee under Franchisor's then current developer selection standards. Any assignment or transfer shall be subject to the conditions required by Franchisor in addition to the prior written consent of Franchisor. Developer understands that the conditions which Franchisor may impose upon an assignment, sale or transfer shall include, but are not limited to, the following:

(i) Satisfaction of all existing obligations of Developer to Franchisor and its affiliates;

(ii) Assignee must agree to assume and discharge all such obligations of assignor to Franchisor;

(iii) Assignee must satisfactorily demonstrate to Franchisor that it meets at least the same financial, managerial and character criteria required of developers dealing directly with Franchisor;

(iv) Developer and the assignee shall not create a security interest in the Area Development Agreement to be executed by the assignee;

(v) Assignee, or a controlling shareholder and manager if the Assignee is a corporation or the managing partner if the Assignee is a partnership, attend and must satisfactorily complete Franchisor's initial training program, at a time and place designated by Franchisor, at the Assignee's sole cost and expense;

(vi) Execution of a general release of all claims by Developer and the shareholders if Developer is a corporation and the partners if developer is a partnership;

(vii) Execution by Assignee of the then current form of Area Development Agreement and all other documents customarily required by Franchisor (except that the Development Schedule and initial franchise fee calculation shall be as set forth in this Agreement);

(viii) Payment to Franchisor of a transfer fee in the amount of Twenty-Five Thousand Dollars ($25,000) or five percent (5%) of the gross value of the consideration for the assignment, whichever is greater.

(ix) Franchisor must deliver to assignee, as required by the rules and regulations of the Federal Trade Commission or any applicable state requirement, all information required to be delivered at least fourteen (14) calendar days or such applicable time period prior to consummation of any such proposed assignment or the payment of any consideration therefor.

11.4 No Transfer. Developer has represented to Franchisor that it is entering into this Agreement with the intention of complying with its terms and conditions itself and not for the purpose of resale of the development rights granted under this Agreement or the individual Franchise Agreements granted pursuant to this Agreement. Therefore, Developer agrees that this Agreement may not be assigned prior to the time that at least thirty three and one-third (33 1/3%) percent of the Restaurants to be developed under this Agreement are opened or under construction in accordance with the Development Schedule.

11.5 Developer's Death and Incapacity. Any transfer by will or intestate succession, or the sale by the executor or administrator of the decedent's estate, shall be considered to be a transfer requiring compliance with the provisions of Section 11.3, including the requirements concerning Franchisor's written approval of the

assignee, satisfactorily completion of training, execution of agreements, and the payment of the transfer fee. The rights of Developer's spouse, heirs, personal representative, or successors upon the death and/or in the event of incapacity of Developer include the right to transfer or sell to a transferee acceptable to Franchisor within six (6) months after the death or incapacity of Developer, which may be extended by Franchisor to a maximum of nine (9) months for good cause shown. "Incapacity" shall be defined as "that type of incapacity recognized by federal agencies as qualifying an employee as unable to work because of incapacitation." If such a sale is not concluded within that period, Franchisor may terminate this Agreement.

12. FRANCHISOR'S RIGHT OF FIRST REFUSAL

If Developer or its owner(s) shall at any time determine to sell, assign or transfer this Agreement, any Franchise Agreement, an interest in any such agreement, or any ownership interest in Developer, then Developer or its owners shall obtain a bona fide, executed written offer from a responsible and fully disclosed proposed purchaser and submit an exact copy of such offer to Franchisor. Franchisor shall have the right, exercisable by written notice delivered to Developer or its owner(s) within thirty (30) days after receipt of the offer to notify Developer that Franchisor or its designee will purchase the interest for the price and on the terms and conditions contained in such offer, provided that Franchisor may substitute cash for any non-cash form of payment proposed in such offer and that Franchisor shall have at least 60 days to prepare for closing. If Franchisor does not exercise this right of first refusal, for a period of one hundred twenty (120) days, Developer or its owners may complete the sale to the proposed purchaser pursuant to and on the terms of such offer, subject to Franchisor's approval as provided in Section 11. If the sale to such proposed purchaser is not completed within one hundred twenty (120) days after delivery of such offer to Franchisor, or if there is a material change in the terms of the sale, then Franchisor shall again have the right of first refusal provided herein.

13. CORPORATE/PARTNERSHIP DEVELOPER

13.1 Limitations on Activities. If Developer is a partnership or if this Agreement is assigned to a corporation or partnership, such corporation or partnership shall conduct no business other than the business contemplated hereunder and under the Franchise Agreements. All partners of any such partnership shall be bound jointly and severally to perform Developer's obligations hereunder, and shall represent and warrant their percentage ownership interest and that they are all the persons having an interest in this Agreement. The articles of partnership, partnership agreement, articles of incorporation, by-laws and other organizational documents of such partnership or corporation shall recite that the issuance and transfer of any interest therein is subject to the restriction of this Agreement. All issued and outstanding stock certificates of such corporation shall bear a legend referring to the restrictions in this Agreement.

13.2 Offerings by Developer. Securities or partnership interests (hereinafter "securities") in the Developer may be offered to the public, by public or private offering or otherwise, only with the prior written consent of Franchisor. All materials required for such offering by federal or state law shall be submitted to Franchisor for review prior to their being filed with any government agency, or if they are to be used in any exempt offering, shall be submitted to Franchisor for review prior to their use. No offering by Developer shall imply (by use of the trademarks, trade names or service marks of the **KELLY'S CAJUN GRILL** System or otherwise) that Franchisor is participating in an underwriting, issuance, or offering of the Developer's securities. Developer agrees to fully indemnify Franchisor in connection with any offering and must require other participants in the offering to also indemnify fully Franchisor. For each proposed offering, Developer shall pay to Franchisor a non-refundable minimum fee of Two Thousand Dollars ($2,000) or such greater amount as is necessary to reimburse Franchisor for its reasonable costs and expenses associated with reviewing the proposed offering, including, without limitation, legal and accounting fees. Developer shall give Franchisor at least sixty (60) days written notice prior to the effective date of any offering or other transaction covered herein.

14. ASSIGNMENT AND GUARANTY

Developer may, with the written approval of an officer of Franchisor, assign this Agreement to a single purpose corporation organized for the sole purpose of operating Restaurants in which only Developer has an ownership interest. Developer agrees not to use any name confusingly similar to the Trademarks as the corporation's name. However, if Developer assigns this Agreement to a corporation, Developer shall guaranty such corporation's performance hereunder by executing the Assignment of Development Agreement and Guaranty attached as Exhibit D hereto. Any such corporation shall only conduct the business of operating **KELLY'S CAJUN GRILL** franchises.

15. ENFORCEMENT

15.1 Severability and Substitution of Valid Provisions. Except as expressly provided to the contrary herein, each provision of this Agreement, and any portion thereof, shall be severable. If, for any reason, any provision of this Agreement is held invalid, contrary to, or in conflict with any applicable present or future law or regulation in a final, unappealable ruling by any court, agency, or tribunal with competent jurisdiction in a proceeding to which Franchisor is a party, that ruling shall not impair the operation of, or have any other effect upon, such other portions of this Agreement which shall continue to be given full force and effect and bind the parties. To the extent that section 7.3 or 7.4, or any clause thereof, is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited and/or length of time, but could be enforceable by reducing any or all thereof, the same shall be enforced to the fullest extent permissible under the laws and public policies in the jurisdiction where enforcement is sought. If any applicable and binding law or rule of any jurisdiction requires greater prior notice of termination or refusal to renew this Agreement than is required hereunder, or some other action not required hereunder, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by Franchisor is invalid or unenforceable, the prior notice and/or other action required by such law or rule shall be substituted for the comparable provision hereof, and Franchisor shall have the right, in its sole discretion, to modify such invalid or unenforceable provision, specification, standard, or operating procedure to the extent required to be valid and enforceable.

15.2 Specific Performance/Injunctive Relief. Nothing herein shall bar Franchisor's or Developer's right to obtain specific performance of this Agreement and injunctive relief against threatened conduct that will cause it losses or damages, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. Developer agrees that Franchisor may have such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and Developer's sole remedy in the event of the entry of such injunction shall be the dissolution of such injunction, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived).

15.3 Rights of Parties are Cumulative. The rights of Franchisor and Developer hereunder are cumulative. No exercise or enforcement by Franchisor or Developer of any right or remedy hereunder shall preclude the exercise or enforcement by Franchisor or Developer of any other right or remedy hereunder or which Franchisor or Developer is entitled by law to enforce.

15.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Florida; however, if this Agreement requires development of a Restaurant located in a state other than Florida and the laws of that state require terms other than those or in addition to those contained herein, then this Agreement shall be deemed modified so as to comply with the appropriate laws of such state, but only to the extent necessary to prevent the invalidity of this Agreement or any provision hereof, the imposition of fines or penalties, or the creation of civil or criminal liability on account thereof. Any provision of this Agreement which may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of the prohibition or unenforceability, without invalidating the remaining provisions of this Agreement. Any prohibition against or unenforceability of any provision of this Agreement in

any jurisdiction, including the state whose law governs this Agreement, shall not invalidate the provision or render it unenforceable in any other jurisdiction. To the extent permitted by applicable law, Developer waives any provision of law which renders any provision of this Agreement prohibited or unenforceable in any respect.

15.5 Dispute Resolution

(i) Any dispute or controversy between the parties arising out of or relating to this Agreement, including, without limitation, a dispute or controversy relating to the construction of any provision or the validity or enforceability of any term or condition (including this provision) or of the entire Agreement, or any claim that all or any part of this Agreement (including this provision) is void or voidable, shall be submitted to arbitration before a panel of three (3) arbitrators in accordance with the Commercial Rules of Arbitration of the American Arbitration Association then in effect, which arbitration is to be conducted where the principal office of Franchisor is located. All matters relating to such arbitration shall be governed by the Federal Arbitration Act (9 U.S.C. Sec. 1 et seq.). Any arbitration will be conducted and resolved on an individual basis only and not a class-wide, multiple plaintiff or similar basis. Any such arbitration proceeding will not be consolidated with any other arbitration proceeding involving any other person, except for disputes involving affiliates of the parties to such arbitration. Franchisor and Franchisee agree that, in connection with any such arbitration proceeding, each must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding will be barred. All arbitration must be completed within three (3) months from the filing of the demand and there shall be a limit of five (5) depositions per party. The arbitrators will have the right to award any relief which they deem proper in the circumstances, including, for example, money damages [with interest on unpaid amounts from their due date(s)], specific performance, and temporary and/or permanent injunctive relief. The arbitrators will not have the authority to award exemplary or punitive damages. The prevailing party shall be entitled to recover its attorneys' fees up to Five Thousand Dollars ($5,000) and costs in any such proceeding. To the fullest extent permitted by law, Franchisee irrevocably submits to the jurisdiction of such forum and waives any objection to either the jurisdiction or venue of such forum. This arbitration provision shall be deemed self-executing, and if either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party, notwithstanding such failure to appear.

(ii) The provisions of this Article shall be construed as independent of any other covenant or provision of this Agreement; provided that if a court of competent jurisdiction determines that any such provisions are unlawful in any way, such court shall modify or interpret such provisions to the minimum extent necessary to have them comply with the law.

(iii) Judgment upon an arbitration award may be entered in any court having competent jurisdiction and shall be binding, final and non-appealable.

(iv) Prior to any arbitration proceeding taking place, Franchisor or Franchisee may, at their respective option, elect to submit the controversy or claim to non-binding mediation before a mutually agreeable mediator, in which event both parties shall execute a suitable confidentiality agreement.

(v) The obligation herein to arbitrate or mediate shall not be binding upon either party with respect to claims relating to the Trademarks; claims related to any lease or sublease of real property between the parties or their affiliated entities; requests by either party for a temporary restraining order, preliminary injunction or other procedures in a court of competent jurisdiction to obtain interim relief when deemed necessary by such court to preserve the status quo or prevent irreparable injury pending resolution by arbitration of the actual dispute between the parties.

(vi) This provision continues in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement for any reason.

15.6 Jurisdiction and Venue. Each of the parties irrevocably and unconditionally with respect to any matter that is not subject to arbitration: (a) agrees that any suit, action or legal proceeding arising out of or relating to this Agreement shall only be brought in the court(s) of record for the State and County or the United States District Court, whose jurisdiction encompasses the location of the principal office of Franchisor; (b) consents to the jurisdiction of each such court in any suit, action or proceeding; (c) waives any objection which it may have to the laying of venue of any such suit, action or proceeding in any of such courts; and (d) agrees that service of any court paper may be effected on such party by mail, as provided in this Agreement, or in such other manner as may be provided under applicable laws or court rules of the State of Florida.

15.7 Jury Trial Waiver. Franchisor and Developer irrevocably waive trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either of them.

15.8 Limitation of Actions. Any and all claims and actions arising out of or relating to this Agreement or the relationship of Developer and Franchisor, brought by any party hereto against the other, shall be commenced within eighteen (18) months from the occurrence of the facts giving rise to any such claim or action, or such claim shall be barred.

15.9 Waiver of Punitive Damages. Franchisor and Developer (and its owners and guarantors, if applicable) hereby waive to the fullest extent permitted by law, any right to or claim for punitive or exemplary damages against the other and agree that, in the event of a dispute between them, each shall be limited to the recovery of any actual damages sustained by it.

15.10 Costs and Attorney's Fees. In any judicial proceeding or appeal thereof, the party prevailing in such proceeding shall be entitled to reimbursement of its costs and expense, including reasonable arbitrators', accounting and legal fees up to Five Thousand Dollars ($5,000), whether incurred prior to, in preparation for or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce the obligations of this Agreement.

15.11 Binding Effect. This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns, and successors in interest, and shall not be modified except by written agreement signed by both Developer and Franchisor.

15.12 Construction. The preambles and exhibit(s) are a part of this Agreement, which constitutes the entire agreement of the parties. There are no other oral or written understandings or agreements between Franchisor and Developer relating to the subject matter of this Agreement. Nothing in this Agreement is intended, or shall be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto. Except where this Agreement expressly obligates Franchisor to reasonably approve or not unreasonably withhold its approval of any action or request by Developer, Franchisor has the absolute right to refuse any request by Developer or to withhold its approval of any action or request by Developers. Headings and paragraphs are for convenience only and do not define, limit, or construe the contents of such sections or paragraphs. The term "Developer" as used herein is applicable to one or more persons, a corporation or a partnership, as the case may be. The singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If two or more persons are at any time Developer hereunder, whether or not as partners or joint venturers, their obligations and liabilities to Franchisor shall be joint and several. References to "Developer", "owner" and "transferee" which are applicable to any individual or individuals shall mean, unless expressly made applicable to all shareholders and partners, principal owners of Developer (any person owning of record or beneficially ten percent (10%) or more of the equity or control of Developer) if Developer or the transferee is a corporation or partnership. This Agreement may be executed in multiple copies, each of which shall be deemed an original.

15.13 Force Majeure. Neither Franchisor nor Developer shall be liable for loss or damage or deemed to be in breach of this Agreement if their failure to perform their obligation(s) results from: (1) transportation shortages, strikes, inadequate supply of equipment, merchandise, supplies, material, or energy, or the voluntary

foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations, or instructions of any federal, state, or municipal government or any agency thereof; (2) compliance with any law, ruling, order, regulation, requirement, or instruction of any federal, state, or municipal government or any department or agency thereof (other than an order requirement or instruction arising out of a violation of law by Developer); (3) acts of God or the public enemy; or (4) acts or omissions of the other party hereunder. Any delay resulting from any of said causes shall extend performances accordingly or excuse performance, in whole or in part, as may be reasonable, except that such causes shall not excuse payments of amounts owed at the time of such occurrence nor extend the term of this Agreement.

15.14 Indemnification. Developer agrees to defend at its own cost and to indemnify and hold harmless Franchisor, its affiliates, shareholders, directors, officers, employees and agents, from and against any and all losses, costs, expenses (including attorney's fees at all levels), damages, and liabilities arising out of Developer's negligence, breach of contract, or other civil or criminal wrong, resulting directly or indirectly from or pertaining to the conduct of Developer's business.

15.15 Waiver. Failure by either party to enforce any rights under this Agreement shall not be construed as the waiver of such rights. Any waiver, including waiver of default, in any one instance, shall not constitute a continuing waiver or a waiver in any other instance. Any acceptance of money or other performance by Franchisor from Developer shall not constitute a waiver of any default, except as to the payment of the particular payment or performance so received. Should Franchisor at any time agree to reduce Developer's development obligations for any period, such reduction shall not constitute a waiver of Developer's obligations for any subsequent period(s). No custom or practice of the parties shall constitute a waiver of any provisions of this Agreement, and no delay or failure of Franchisor to exercise any right under this Agreement shall constitute a waiver of Franchisor's right to enforce and demand strict compliance within the terms of this Agreement.

16. ENTIRE AGREEMENT

DEVELOPER ACKNOWLEDGES HAVING READ THIS AGREEMENT IN FULL; BEING COGNIZANT OF EACH AND EVERY ONE OF THE TERMS AND PROVISIONS OF THIS AGREEMENT AND BEING AGREEABLE TO THEM; THAT ANY AND ALL PRIOR AGREEMENTS OR UNDERSTANDINGS BETWEEN THE PARTIES, WHETHER ORAL OR WRITTEN, ARE AUTOMATICALLY CANCELED BY THE EXECUTION OF THIS AGREEMENT; THAT THE SIGNATURES AFFIXED HERETO WERE AFFIXED AS THE WHOLLY VOLUNTARY ACT OF THE PERSONS WHO SIGNED THIS AGREEMENT; AND THAT THE TERMS AND PROVISIONS OF THIS AGREEMENT CANNOT BE CHANGED OR MODIFIED UNLESS IN WRITING SIGNED BY AN AUTHORIZED CORPORATE OFFICER OF FRANCHISOR; THAT THE DEVELOPER REALIZES THAT THERE CAN BE NO GUARANTY OF SUCCESS, SINCE DEVELOPER'S BUSINESS ABILITY, APTITUDE, AND INDUSTRIOUS DISPOSITION ARE PRIMARY IN DEVELOPER'S SUCCESS. NOTHING IN THIS AREA DEVELOPMENT AGREEMENT OR ANY RELATED AGREEMENT IS INTENDED TO DISCLAIM THE REPRESENTATIONS IN THE FRANCHISE DISCLOSURE DOCUMENT FURNISHED TO DEVELOPER.

17. NOTICES AND PAYMENTS

17.1 Writing

All notices, requests, demands, payments, consents and other communications hereunder shall be transmitted in writing and shall be deemed to have been duly given when sent by registered or certified United States mail, postage prepaid, or other form of delivery which provides for a receipt, addressed as follows:

FRANCHISOR: KELLY'S CAJUN GRILL FRANCHISE CORPORATION
Attention: President
4531 Ponce de Leon Boulevard, Suite 300
Coral Gables, Florida 33146

DEVELOPER: _____

_____

_____

_____

Either party may change such party's address by giving notice of such change of address to the other party.

17.2 Notice by Telegram or Facsimile.

In the case of any notice required to be given by Franchisor to Franchisee, telegraphic notice or facsimile transmission, with delivery verified, shall be sufficient notice hereunder.

17.3 Mailed Notice

Mailed notices shall be deemed communicated within three (3) days from the time of mailing, if mailed as provided in this paragraph, regardless if delivery shall be refused by addressee.

18. ACKNOWLEDGMENTS

Developer hereby acknowledges the following:

18.1 DEVELOPER HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS CONTEMPLATED BY THIS AGREEMENT AND UNDERSTANDS AND ACKNOWLEDGES THAT THE BUSINESS CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISKS MAKING THE SUCCESS OF THE VENTURE LARGELY DEPENDENT UPON THE BUSINESS ABILITIES AND PARTICIPATION OF DEVELOPER AND ITS EFFORTS AS AN INDEPENDENT BUSINESS OPERATOR.

18.2 DEVELOPER REPRESENTS, AS AN INDUCEMENT TO FRANCHISOR'S ENTRY INTO THIS AGREEMENT, THAT DEVELOPER HAS MADE NO MISREPRESENTATIONS IN OBTAINING THIS AGREEMENT.

18.3 DEVELOPER ACKNOWLEDGES THAT FRANCHISOR OR ITS AGENT HAS PROVIDED DEVELOPER WITH A FRANCHISE DISCLOSURE DOCUMENT IN ACCORDANCE WITH FEDERAL AND STATE LAW NOT LATER THAN FOURTEEN (14) CALENDAR DAYS BEFORE THE EXECUTION OF THIS AGREEMENT AND BEFORE PAYMENT OF ANY CONSIDERATION TO FRANCHISOR OR AN AFFILIATE. DEVELOPER FURTHER ACKNOWLEDGES THAT DEVELOPER HAS READ SUCH FRANCHISE DISCLOSURE DOCUMENT AND THIS AGREEMENT IN FULL AND UNDERSTANDS THE CONTENTS.

18.4 DEVELOPER ACKNOWLEDGES THAT ANY AND ALL PRIOR AGREEMENTS OR UNDERSTANDINGS BETWEEN THE PARTIES, WHETHER ORAL OR WRITTEN, ARE AUTOMATICALLY CANCELED BY THE EXECUTION OF THIS AGREEMENT AND DEVELOPER HEREBY RELEASES FRANCHISOR AND ITS AGENTS AND EMPLOYEES FROM ANY AND ALL CLAIMS, DEMANDS, AGREEMENTS AND LIABILITIES OF EVERY DESCRIPTION WHATSOEVER, WHICH DEVELOPER EVER HAD, NOW HAS OR HEREAFTER MAY HAVE, AGAINST ANY OF THE FOREGOING BY REASON OF ANY MATTER, CAUSE OR THING OCCURRING PRIOR TO THE DATE OF THIS AGREEMENT.

18.5 DEVELOPER ACKNOWLEDGES THAT DEVELOPER HAS HAD AMPLE OPPORTUNITY TO CONSULT WITH DEVELOPER'S OWN ATTORNEYS, ACCOUNTANTS AND OTHER ADVISORS AND THAT THE ATTORNEYS FOR FRANCHISOR HAVE NOT ADVISED OR REPRESENTED DEVELOPER WITH RESPECT TO THIS AGREEMENT OR THE RELATIONSHIP THEREBY CREATED.

18.6 DEVELOPER, TOGETHER WITH DEVELOPER'S ADVISERS, HAS SUFFICIENT KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS TO MAKE AN INFORMED INVESTMENT DECISION WITH RESPECT TO THE AREA DEVELOPER'S RIGHTS.

18.7 DEVELOPER ACKNOWLEDGES THAT THE SIGNATURES AFFIXED HERETO WERE AFFIXED AS THE WHOLLY VOLUNTARY ACT OF THE PERSONS WHO SIGNED THIS AGREEMENT.

18.8 DEVELOPER ACKNOWLEDGES THAT THE TERMS AND PROVISIONS OF THIS AGREEMENT CANNOT BE CHANGED OR MODIFIED UNLESS IN WRITING SIGNED BY AN AUTHORIZED CORPORATE OFFICER OF FRANCHISOR.

18.9 DEVELOPER IS AWARE OF THE FACT THAT OTHER PRESENT OR FUTURE DEVELOPERS OF FRANCHISOR MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENT(S), AND CONSEQUENTLY THAT FRANCHISOR'S OBLIGATIONS AND RIGHTS WITH RESPECT TO ITS VARIOUS FRANCHISEES MAY DIFFER MATERIALLY IN CERTAIN CIRCUMSTANCES.

The parties hereto have executed, and delivered this Agreement on the day and year first above written.

FRANCHISOR:
KELLY'S CAJUN GRILL FRANCHISE CORPORATION

By: _____

Title: _____

DEVELOPER:

_____

_____

EXHIBIT "A"

CURRENT FORM OF **KELLY'S CAJUN GRILL** FRANCHISE AGREEMENT

EXHIBIT "B"

TO KELLY'S CAJUN GRILL AREA DEVELOPMENT AGREEMENT

Development Area referred to in Section 1.2 shall be:

FRANCHISOR:
KELLY'S CAJUN GRILL FRANCHISE CORPORATION

DEVELOPER:

By: _____ _____

Title: _____ _____

EXHIBIT "C"

TO KELLY'S CAJUN GRILL AREA DEVELOPMENT AGREEMENT

DEVELOPMENT SCHEDULE

Development Period	Cumulative Number of Restaurants to be Opened

FRANCHISOR:
KELLY'S CAJUN GRILL FRANCHISE CORPORATION

DEVELOPER:

By:_____ _____

Title:_____ _____

EXHIBIT "D"

TO KELLY'S CAJUN GRILL AREA DEVELOPMENT AGREEMENT

ASSIGNMENT OF AREA DEVELOPMENT AGREEMENT AND GUARANTY

This Agreement, made this ____ day of _____, 201__, by and among _____, ("Assignor"), _____, ("Assignee"), and **KELLY'S CAJUN GRILL FRANCHISE CORPORATION**, a Florida corporation ("Franchisor").

Witnesseth:

Whereas, Franchisor and Assignor did enter into an agreement dated _____, 201__ (the "Development Agreement") wherein and whereby Assignor became entitled to certain rights and privileges and subject to certain duties and obligations, all as more particularly described in the Development Agreement; and

Whereas, Assignor is desiring of transferring all of Assignor's right, title and interest in and to such Development Agreement to Assignee, and Assignee is desirous of accepting such transfer; and

Whereas, such transfer shall be ineffective and of no force or effect without the consent thereto by Franchisor.

Now, Therefore, in consideration of the sum of $10.00, and other good and valuable consideration exchanged among the parties hereto, the receipt and sufficiency of which are hereby acknowledged, it is AGREED:

1. Assignor by these presents does sell, grant, assign and convey unto Assignee all of Assignor's right, title and interest in and to the Development Agreement.

2. Assignee hereby expressly assumes all of the terms, covenants and conditions under the terms of the Development Agreement, and expressly agrees to be bound thereby.

3. The assignment of the Development Agreement by Assignor shall not constitute a novation as between Franchisor and Assignor, and Franchisor's consent to such assignment shall not in any manner relieve or release Assignor from responsibility, financial or otherwise, under and pursuant to the Development Agreement, and Assignor does hereby unconditionally guaranty the performance by Assignee of all of the terms, covenants and conditions of the Development Agreement, and does expressly guaranty payment by Assignee of all sums payable by Assignee to Franchisor pursuant to the Development Agreement or any renewal, extension or modification thereof, and pursuant to any contract(s) or arrangement(s) entered into in connection therewith.

In connection with Assignor's unconditional guaranty, Assignor consents and agrees that: (1) his or her liability shall be joint and several; (2) he or she shall render any payment or performance required under the Development Agreement upon demand if Assignee fails or refuses punctually to do so; (3) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Assignee or any other person; and (4) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Assignee or to any other person, including without limitation the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend Assignor's guaranty, which shall be continuing and irrevocable during the term of the Development Agreement.

4. The parties hereto do hereby expressly ratify and reaffirm the Development Agreement, and the terms, covenants, and conditions therein contained.

5. Nothing herein contained shall in any way operate to modify or abrogate any requirement(s) in the Development Agreement respecting any further or future assignment of the Development Agreement, or the rights or obligations thereunder, in whole or in part.

6. Expressly subject to the terms herein contained, Franchisor does hereby consent to the within Assignment.

In Witness Whereof, the parties hereto have set their respective hand and seal the day and year first above written.

Assignor:

_____

_____

Assignee:

_____

_____

FRANCHISOR:
KELLY'S CAJUN GRILL FRANCHISE CORPORATION

By: _____

Title: _____

EXHIBIT E

TO THE AREA DEVELOPMENT AGREEMENT
BY AND BETWEEN KELLY'S CAJUN GRILL FRANCHISE CORPORATION

AND _____

DATED _____

Owners

Owner: List the full name and mailing address of each person or entity who directly or indirectly owns an equity or voting interest in DEVELOPER, and describe the nature of the interest.

Name:_____ Number of Shares Owned: _____

Address: _____ Number of Shares Entitled to Vote: _____

_____ % of Total Shares: _____

_____ Other Interest (Describe): _____

Name:_____ Number of Shares Owned: _____

Address: _____ Number of Shares Entitled to Vote: _____

_____ % of Total Shares: _____

_____ Other Interest (Describe): _____

Name:_____ Number of Shares Owned: _____

Address: _____ Number of Shares Entitled to Vote: _____

_____ % of Total Shares: _____

_____ Other Interest (Describe): _____

Name:_____ Number of Shares Owned: _____

Address: _____ Number of Shares Entitled to Vote: _____

_____ % of Total Shares: _____

_____ Other Interest (Describe): _____

EXHIBIT F

PERSONAL GUARANTY

The undersigned, in order to induce Kelly's Cajun Grill Franchise Corporation, a Florida corporation (hereinafter referred to as "Franchisor"), to enter into or permit assignment of a certain **KELLY'S CAJUN GRILL** Area Development Agreement (hereinafter "Development Agreement"), dated the ___ day of _____, 201__, to or with _____ (hereinafter referred to as the "Corporation"), irrevocably and unconditionally, jointly and severally, personally guarantees to Franchisor, its successors or assigns, the prompt, full payment and performance of all obligations of the Corporation which are or may become due and owing to Franchisor, including, but not limited to, all obligations arising out of said Development Agreement or any other agreement between the Franchisor and Corporation, and all extensions or renewals thereof, in the same manner as if said Development Agreement was executed between Franchisor and the undersigned.

The undersigned expressly waive(s) any and all notices and demands. This Personal Guaranty shall not be affected by the modification, extension, or renewal of any agreement between Franchisor and Corporation, the taking of a note or other obligation from Corporation or others, the taking of security for payment, the granting of extension(s) of time for payment, the filing by or against Corporation of bankruptcy, insolvency, reorganization or other debtor's relief afforded Corporation pursuant to the present or future provision of the Federal Bankruptcy Act or any other state or federal statute or by the decision of any court, or any other matter, whether similar or dissimilar to any of the foregoing; and this Personal Guaranty shall cover the terms and obligations of any such modifications, notes, security agreements, extensions, or renewals. The obligations of the undersigned shall be unconditional, notwithstanding any defect in the genuineness, validity, regularity, or enforceability of the Corporation's obligations or liability to Franchisor, or any other circumstances whether or not referred to herein, which might otherwise constitute a legal or equitable discharge of a surety or guarantor.

This is a continuing, irrevocable, unconditional and absolute guaranty of payment and performance and the undersigned agree(s) that the undersigned's liability on this Personal Guaranty shall be immediate and shall not be contingent upon the exercise or enforcement by Franchisor of whatever remedies it may have against Corporation or others, or the enforcement of any lien or realization upon any security Franchisor may at any time possess.

The undersigned further covenant and agree that as long as Corporation owes any monies to Franchisor (other than royalty and advertising fee payments that are not past due), Corporation will not pay, and the undersigned will not accept, payment of any part of any indebtedness owed by Corporation to the undersigned, or any one of the undersigned if more than one person, either directly or indirectly, without the consent of Franchisor.

If this Personal Guaranty is executed by more than one individual, each person executing this Personal Guaranty shall be jointly and severally liable for the obligations created herein.

This Personal Guaranty shall remain in full force and effect until all obligations arising out of and pursuant to the Development Agreement and any other agreement between Franchisor and Corporation (including, but not limited to monetary obligations), including all renewals and extensions thereof, are fully paid and satisfied, notwithstanding the termination or expiration of the relationship set forth in the Development Agreement or any other agreement between Franchisor and the Corporation.

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the date set forth below.

(Witness)	(Signature without title)
(Witness)	(Signature without title)

Date: _____

EXHIBIT C

STATE INFORMATION

EXHIBIT C

STATE AGENCIES

CALIFORNIA

Department of Business Oversight
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
(213) 576-7505
(866) 275-2677

CONNECTICUT

Securities and Business Investment Division
Connecticut Department of Banking
260 Constitutional Plaza
Hartford, Connecticut 06103
(203) 240-8299

FLORIDA

Department of Agriculture and Consumer Services
Division of Consumer Services
P.O. Box 6700
Tallahassee, Florida 32314
(850) 488-2221

HAWAII

Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance
334 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS

Franchise Bureau
Office of Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA

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

IOWA

Iowa Securities Bureau, Regulated Industries Unit
340 East Maple
Des Moines, Iowa 50319-0066
(515) 281-4441

MARYLAND

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

MICHIGAN

Michigan Attorney General's Office
Consumer Protection Division
Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48913
(517) 373-7117

MINNESOTA

Minnesota Department of Commerce
85 7th Place East - Suite 500
St. Paul, Minnesota 55101
(651) 539-1500

NEBRASKA

Department of Banking and Finance
1200 N Street, Suite 311
P. O. Box 95006
Lincoln, Nebraska 68509
(402) 471-3445

NEW YORK

Bureau of Investor Protection and Securities
New York State Department of Law
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8285

NORTH DAKOTA

North Dakota Securities Department
600 East Boulevard, Fifth Floor - Dept. 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

OREGON

Department of Consumer and Business Services
Division of Finance and Corporate Securities
Labor and Industries Building
Salem, Oregon 97310
(503) 378-4387

RHODE ISLAND

Department of Business Regulations
Division of Securities
Bldg. 69, First Floor
John O. Pastore Center
1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9527

SOUTH DAKOTA

Department of Labor and Regulation
Division of Securities
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-4013

TEXAS

Statutory Document Section
Secretary of State
P. O. Box 12887
Austin, Texas 78711
(512) 475-1769

UTAH

Division of Consumer Protection
Utah Department of Commerce
160 East Three Hundred South
P. O. Box 45804
Salt Lake City, Utah 84145-0804
(801) 530-6601

VIRGINIA

State Corporation Commission
Division of Securities and Retail Franchising
1300 E. Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

WASHINGTON

Department of Financial Institutions
Securities Division
150 Israel Road, S.W., 3rd Floor
Tumwater, Washington 98501
(360) 902-8700

WISCONSIN

Office of the Commissioner of Securities
Division of Securities
Department of Financial Institutions
P. O. Box 1768
201 W. Washington Avenue, Suite 300
Madison, Wisconsin 53701
(608) 261-9555

Federal Trade Commission
Division of Marketing Practices
Bureau of Consumer Protection
Pennsylvania Avenue at 6th Street, NW
Washington, D. C. 20580
(202) 326-3128

EXHIBIT D

REGISTERED AGENTS

EXHIBIT D

REGISTERED AGENTS FOR SERVICE OF PROCESS

CALIFORNIA

Commissioner of Business Oversight
Department of Business Oversight
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
Telephone (213) 576-7500
(866) 275-2677

FLORIDA:

Hoi-Sang Yeung
4531 Ponce de Leon Boulevard, Suite 300
Coral Gables, FL 33146
Telephone (305) 476-1611

HAWAII

Commissioner of Securities of the State of Hawaii
Department of Commerce & Consumer Affairs
Business Regulation Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
Telephone (808) 586-2727

ILLINOIS

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
Telephone (217) 782-4465

INDIANA

Secretary of State
302 West Washington, Room E-111
Indianapolis, Indiana 46204
Telephone (317) 232-6681

MARYLAND

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202
Telephone (410) 576-6360

MICHIGAN

Michigan Attorney General's Office
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48913
Telephone (517) 373-7117

MINNESOTA

Commissioner of Commerce
85 7th Place East - Suite 500
St. Paul, Minnesota 55101
Telephone (651) 539-1500

NEW YORK

New York Secretary of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, New York 12231
Telephone (518) 473-2492

VIRGINIA

Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219
Telephone (804) 371-9733

WASHINGTON

Director of Department of Financial Institutions
Securities Division
150 Israel Road, SW
Tumwater, Washington 98501
Telephone (360) 902-8760

WISCONSIN

Commissioner of Securities
201 W. Washington Avenue, Suite 300
Madison, Wisconsin 53703
Telephone (608) 261-9555

EXHIBIT E

FINANCIAL STATEMENTS

Kelly's Cajun Grill Franchise Corporation
Financial Statements
as of December 31, 2019 and 2018
and
for the Years in the
Three-Year Period Ended December 31, 2019

Perez & Company Financial Auditors LLC
CERTIFIED PUBLIC ACCOUNTANTS

Kelly's Cajun Grill Franchise Corporation
Financial Statements
as of December 31, 2019 and 2018
and
For the Years in the
Three-Year Period Ended December 31, 2019

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Perez & Company Financial Auditors, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Kelly's Cajun Grill Franchise Corp.
Coral Gables, Florida

We have audited the accompanying financial statements of Kelly's Cajun Grill Franchise Corporation, (a Florida corporation), which comprise the balance sheet as of December 31, 2019 and 2018, and the related statements of income, retained earnings, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kelly's Cajun Grill Franchise Corporation as of December 31, 2019 and 2018, 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.

Perez & Company Financial Auditors

April 1, 2020

2600 DOUGLAS ROAD, PH-8 • CORAL GABLES, FLORIDA 33134
TEL: (305) 559-3000 • FAX: (786) 655-9920

Kelly's Cajun Grill Franchise Corporation
Balance Sheets
As of December 31,

	2019	2018
Assets		
Current Assets		
Cash	$ 1,387,514	$ 884,597
Accounts receivable	97,245	84,845
Due from related party	19,828	450,895
Total Current Assets	1,504,587	1,420,337
Property and Equipment - net of accumulated depreciation of $93,824 for 2019 and 2018	-	-
Total Assets	$ 1,504,587	$ 1,420,337
Liabilities & Stockholders' Equity		
Current Liabilities		
Accounts payable & accrued expenses	$ 10,300	$ 10,300
Customer deposits	30,000	-
Due to related party	154,922	149,119
Total Current Liabilities	195,222	159,419
Shareholders' Equity		
Common Stock - $1 par value, 500 shares authorized, issued and outstanding	$ 500	$ 500
Additional paid in capital	315,608	315,608
Retained earnings	993,257	944,810
Total Stockholders' Equity	1,309,365	1,260,918
Total Liabilities & Stockholders' Equity	$ 1,504,587	$ 1,420,337

Read independent auditor's report
Read the accompanying notes to the financial statements.

Kelly's Cajun Grill Franchise Corporation
Statements of Income

	For the Years Ended December 31,		
	2019	**2018**	**2017**
Revenues	$ 647,918	$ 606,673	$ 704,994
Expenses			
Selling, general and administrative expenses	599,471	577,045	649,046
Income from Operations	48,447	29,628	55,948
Other Income and Expenses			
Other expense	-	-	-
Total Other Income	-	-	-
Income before Income Taxes	48,447	29,628	55,948
Foreign Income Taxes	-	1,973	1,236
Net Income	$ 48,447	$ 27,655	$ 54,712

Read independent auditor's report
Read the accompanying notes to the financial statements.

Kelly's Cajun Grill Franchise Corporation
Statement of Changes in Shareholders' Equity

	Shares	Amount	Additional Paid - In Capital	Retained Earnings	Total Shareholders' Equity
Balance, January 1, 2017	500	$ 500	$ 315,608	$ 862,443	$ 1,178,551
Net Income	-	-	-	54,712	54,712
Balance, December 31, 2017	500	$ 500	$ 315,608	$ 917,155	$ 1,233,263
Net Income	-	-	-	27,655	27,655
Balance, December 31, 2018	500	$ 500	$ 315,608	$ 944,810	$ 1,260,918
Net Income	-	-	-	48,447	48,447
Balance, December 31, 2019	500	$ 500	$ 315,608	$ 993,257	$ 1,309,365

Read independent auditor's report
Read the accompanying notes to the financial statements.

Kelly's Cajun Grill Franchise Corporation
Statements of Cash Flows

	For the Years Ended December 31,		
	2019	**2018**	**2017**
Cash Flows from Operating Activities			
Net Income	$ 48,447	$ 27,655	$ 54,712
Adjustments to reconcile net income to net cash provided by operating activities:			
Bad debt (recoveries), net	-	(36,384)	8,555
Changes in operating assets and liabilities:			
Decrease (Increase) in accounts receivable	(12,400)	69,972	(34,155)
Decrease (Increase) in prepaid expenes	-	1,973	(737)
(Decrease) Increase in accounts payable & accrued expenses	-	(3,266)	136
(Decrease) Increase in customer deposits	30,000	-	-
Net Cash Provided by Operating Activities	66,047	59,950	28,511
Cash Flows from Financing Activities			
Change in due to/from related parties, net	436,870	(202,418)	180,165
Net Cash Provided by (Used for) Financing Activities	436,870	(202,418)	180,165
Net Increase (Decrease) in Cash and Cash Equivalents	502,917	(142,468)	208,676
Cash and Cash Equivalents at Beginning of Period	884,597	1,027,065	818,389
Cash and Cash Equivalents at End of Period	$ 1,387,514	$ 884,597	$ 1,027,065
Supplemental Disclosures			
Cash paid for foreign income taxes	$ -	$ 1,973	$ 1,236

Read independent auditor's report
Read the accompanying notes to the financial statements.

1. The Company

Kelly's Cajun Grill Franchise Corporation (the Company), was incorporated in the State of Florida on September 15, 1995 and has elected a December 31, fiscal year-end. The Company was incorporated for the purpose of the development and sale of franchise units.

The Company generates revenue primarily from franchise revenues, consisting of royalties based on a percentage of sales reported by the franchise restaurants and franchise fees paid by new franchisees.

Restaurant sales are affected and fluctuate from month to month as a result of seasonal trends, timing of restaurants openings and closings, and acquisition of franchise restaurants, among other factors. Because the restaurants are primarily located in shopping malls, the Company's sales tend to be at their highest during the last months of the year, which is the holiday shopping season.

2. Summary of Significant Accounting Policies

Cash and Cash Equivalents
For the purpose of the statement of cash flows, the Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable and Bad Debts
The Company evaluates the status of outstanding balances on a regular basis. Accounts receivable considered uncollectible are charged against the allowance account in the year they are deemed uncollectible. The allowance for doubtful accounts is adjusted annually, based upon a review of outstanding receivables.

Property and Equipment
Property and equipment are carried historical cost. Depreciation is computed using the straight-line method and is based on the estimated useful lives of the related assets. Leasehold improvements to properties where the Company is the lessee are amortized over the lesser of the remaining term of the lease or the estimated useful life of the improvement.

Revenue Recognition
On January 1, 2019 the Company adopted ASU 2014-09 *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively, "ASC 606"), which creates a single framework for recognizing revenue from contracts with customers that fall within its scope. Revenue from sales of franchises is recognized when all material services and conditions relating to the sales have been substantially performed, generally prior to commencement of operations. Franchise royalties generally are reported as revenue as the royalties are earned and becomes receivable from the franchises, unless collection is not assured.

2. Summary of Significant Accounting Policies (Continued)

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the Company's financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

Fair Value of Financial Statements
The fair value of the company's financial instruments such as accounts receivable, accounts payable, related party accrued expenses, shareholder loan approximate their carrying value.

Advertising Expense
The Company expenses the cost of advertising as the expense is incurred. Advertising expense totaled $76, $126 and $155 for the year ended December 31, 2019, 2018 and 2017, respectively.

3. Income Taxes

Domestic
The Company has elected to be taxed under the provisions of Subchapter "S" of the Internal Revenue Code. Under those provisions, the Company does not pay federal corporate income taxes on its taxable income. Instead, the stockholders are liable for individual federal income taxes on their respective shares of the Company's net operating income. The Company accounts for uncertain tax positions using the Accounting Standards Codification ("ASC") Subtopic 740-10. This requires the Company to review all open tax years in all tax jurisdictions to determine if there are any uncertain income tax positions that require recognition in the Company's financial statements, including any penalties and interest, based on the more-likely-than-not criterion. Based on its review, the Company has concluded that there were no significant income tax positions that would require the recording of additional income taxes or the recognition of any tax benefit in the Company's financial statements at December 31, 2019. Tax years that remain subject to examination by federal authorities are 2018, 2017 and 2016.

Foreign
The Company receives royalties from foreign entities. Most countries tax entities without permanent establishment (non-residents) on income effectively connected with that country. In general, these countries ensure this tax is paid by requiring the national entity making the payment to withhold the applicable tax from the payment made to the non-resident company. Accordingly, the tax liability is generally satisfied when the resident entity making the payment to the non-resident Company withholds the applicable tax from the payment. The withholding rates vary from country to country, ranging from 5% to 34%.

4. Concentration of Credit Risk

The Company maintains its cash balances in a financial institution, which is insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per bank account. For the years ended December 31, 2019 and 2018 the uninsured cash balance was $1,137,514 and $634,597, respectively.

5. Property and Equipment

Property and equipment consists of the following:

			Estimated Useful Life
Equipment	$	41,361	7 years
Computers		11,209	5 years
Leasehold improvements		41,254	5 years
		93,824	
Less: accumulated depreciation		93,824	
	$	-	

6. Related Party Transactions

Rent

The Company leases office space for its corporate headquarters from its majority stockholder. The Company has a verbal month to month lease. Total rent expense was $54,175 for the year ended December 31, 2019, $58,774 for the year ended December 31, 2018 and $61,230 for the year ended December 31, 2017.

Due from/to Related Parties

The receivable and payable balances reported are due from/to a company controlled by the major stockholder. These amounts are due on demand are unsecured and non interest bearing.

Overhead Allocation

The Company pays a related party for its proportional charge of overhead, use of human resources and other support services. The total paid to the related party for such services was $579,404 for the year ended December 31, 2019, $558,186 for the year ended December 31, 2018 and $560,291 for the year ended December 31, 2017.

7. Subsequent Events

The Company has evaluated events and transactions through April 1, 2020, the date the financial statements were available for issuance, and has determined that there are no changes in operations or additional information that would need to be disclosed.

EXHIBIT F

STATE ADDENDA

CALIFORNIA

APPENDIX TO FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF CALIFORNIA

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

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

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

Under California law the maximum rate of interest which can be charged is generally 10% per annum.

Section 31125 of the California Corporations Code requires the Franchisor to give the Franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, prior to a solicitation of a proposed material modification of an existing franchise.

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

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforcable.

The Franchise Agreement and Area Development Agreement require binding arbitration. The arbitration will be where our principal office is located (currently, Miami-Dade County, Florida) with the costs to be borne by the losing party except that the maximum recovery for attorneys fees is $5,000.

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

Prospective franchisees are encouraged to consult with private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement and Area Development Agreement require application of the laws of the State of Florida. This provision may not be enforceable under California law.

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

ILLINOIS

ADDENDUM TO DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF ILLINOIS

For franchises located in the State of Illinois, the charts in Item 17 are amended as follows:

Franchise Agreement

i. Franchisee's obligations on termination/ non-renewal	Section 21 (also Confidentiality Non-Disclosure and Non-Competition Agreement)	Complete de-identification; return all Manuals and materials; pay all amounts due; vacate location (subject to sections 19 and 20 of the Illinois Franchise Disclosure Act)
v. Choice of forum	Section 23.L	Litigation in Illinois
w. Choice of Law	Section 23.K and Section 23.M	Illinois Law applies; any condition, stipulation or provision waiving compliance with the Illinois Franchise Disclosure Act is void

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF ILLINOIS

Illinois Law governs the Franchise Agreement(s).

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

Your rights upon termination and non-renewal of a Franchise Agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In accordance 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 any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.

MARYLAND

ADDENDUM TO DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MARYLAND

For franchises located in the State of Maryland, the charts in Item 17 are amended as follows:

Franchise Agreement

m. Conditions for our approval of transfer	Section 16.D	Full compliance; transferee qualifies; all amounts due are paid in full; completion of training; transfer fee paid; transferee agrees to be bound by the terms of the Franchise Agreement; you sign or deliver other required documents, including release (excluding claims under the Maryland Franchise Registration and Disclosure Law)
v. Choice of forum	Section 23.L	Litigation in Florida, except that you may sue us in a court located in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law
w. Choice of Law	Section 23.K	Florida law applies (subject to any valid franchise law in the state where the franchise business is located). Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise

Area Development Agreement

m. Conditions for our approval of transfer	Section11.3	Full compliance; transferee qualifies; all amounts due are paid in full; completion of training; transfer fee paid; transferee agrees to be bound by the terms of the Franchise Agreement; you sign or deliver other required documents, including release (excluding claims under the Maryland Franchise Registration and Disclosure Law)
v. Choice of forum	Section 15.5	Litigation in Florida, except that you may sue us in a court located in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law
w. Choice of Law	Section 15.4	Florida law applies (subject to any valid franchise law in the state where the franchise business is located). Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise

ADDENDUM TO FRANCHISE AGREEMENT
BETWEEN
KELLY'S CAJUN GRILL FRANCHISE CORPORATION ("FRANCHISOR")
AND
_____ ("FRANCHISEE")
REQUIRED BY THE STATE OF MARYLAND

The parties to the attached Franchise Agreement dated _____, 201__, agree as follows:

1. Section 3.B. concerning renewal is amended by adding "The general release will exclude claims for breaches of any rights conferred upon Franchisee by the provisions of the Maryland Franchise Registration and Disclosure Law."

2. Section 16.D.(5). concerning assignment is amended by adding "The general release will exclude claims for breaches of any rights conferred upon Franchisee by the provisions of the Maryland Franchise Registration and Disclosure Law."

3. Section 23.L. concerning venue for litigation is amended by adding "The provisions of this section are not intended to preclude Franchisee from filing a lawsuit alleging a cause of action arising under the Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction located in Maryland."

4. Section 23.N. concerning the time period for asserting claims is amended by adding at the end", except that the period of limitations for causes of action under the Maryland Franchise Registration and Disclosure Law shall be 3 years."

5. Sections 1 and 25 are amended by adding "No representation of Franchisee in this section is intended to nor shall it act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

Franchisor: Kelly's Cajun Grill Franchise Corporation

By: _____
Title: _____

Franchisee:

_____

ADDENDUM TO AREA DEVELOPMENT AGREEMENT
BETWEEN
KELLY'S CAJUN GRILL FRANCHISE CORPORATION ("FRANCHISOR")
AND
_____ ("DEVELOPER")
REQUIRED BY THE STATE OF MARYLAND

The parties to the attached Area Development Agreement dated _____, 20__, agree as follows:

1. Section 11.3 (vi) concerning assignment is amended by adding "The general release will exclude claims for breaches of any rights conferred upon Developer by the provisions of the Maryland Franchise Registration and Disclosure Law."

2. Section 15.5 (i) concerning dispute resolution is amended by adding "The provisions of this section are not intended to preclude Developer from filing a lawsuit alleging a cause of action arising under the Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction located in Maryland."

3. Section 15.8 concerning the time period for asserting claims is amended by adding at the end ", except that the period of limitations for causes of action under the Maryland Franchise Registration and Disclosure Law shall be 3 years."

4. Section 18 is amended by adding "No representation of Developer in this section is intended to nor shall it act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

Franchisor: Kelly's Cajun Grill Franchise Corporation

By: _____
Title: _____

Developer:

_____

GENERAL RELEASE

This General Release is executed this _____ day of _____, 201___, by _____ _____ ("Franchisee").

RECITALS

A. Kelly's Cajun Grill Franchise Corporation ("Franchisor") and _____ _____ are parties to a Franchise Agreement dated _____ (the "Franchise Agreement") pursuant to which Franchisee was granted a franchise to operate a Kelly's Cajun Grill Restaurant at _____ _____ _____.

B. Franchisee has requested that Franchisor consent to the transfer by Franchisee of his interest in the Franchise Agreement to _____.

C. The Franchise Agreement provides that Franchisor must receive a general release of all claims by Franchisee as a condition to Franchisor consenting to an assignment, sale or other transfer.

NOW, THEREFORE, in consideration for Franchisor consenting to the assignment, Franchisee agrees as follows.

1. Franchisee, to the fullest extent permitted by law, forever releases and discharges Franchisor, its past and present parent, subsidiary and affiliated companies and their respective directors, officers, shareholders, employees, agents, representatives, successors and assigns ("Released Parties"), from all claims, demands, causes of action, obligations, suits, contracts, damages, losses, expenses, torts and liability of every kind, in law or in equity, arising from any matter, act, omission or thing whatsoever, whether known or unknown, foreseen or unforeseen, arising out of, or in connection with, the Franchise Agreement or the business relationship of the parties from the beginning of time through the date of this General Release, including for unfair or deceptive acts or practices, misrepresentation, violation of trade practice or antitrust laws, or any other form of action or otherwise. This General Release does not apply to any liability the Released Parties may have to Franchisee under the Maryland Franchise Registration and Disclosure Law.

2. This General Release shall be binding upon Franchisee (and, if Franchisee is a corporation, its stockholders) and his heir, personal representatives, successors and assigns.

IN WITNESS WHEREOF, Franchisee has executed this General Release as of the date indicated in the beginning.

_____

Print Name: _____

GENERAL RELEASE

This General Release is executed this ____ day of _____, 201___, by _____ _____ ("Developer").

RECITALS

A. Kelly's Cajun Grill Franchise Corporation ("Franchisor") and _____ _____ are parties to an Area Development Agreement dated _____ (the "Development Agreement").

B. Developer has requested that Franchisor consent to the transfer by Developer of his interest in the Development Agreement to _____ _____.

C. The Development Agreement provides that Franchisor must receive a general release of all claims by Developer as a condition to Franchisor consenting to an assignment, sale or other transfer.

NOW, THEREFORE, in consideration for Franchisor consenting to the assignment, Developer agrees as follows.

1. Developer, to the fullest extent permitted by law, forever releases and discharges Franchisor, its past and present parent, subsidiary and affiliated companies and their respective directors, officers, shareholders, employees, agents, representatives, successors and assigns ("Released Parties"), from all claims, demands, causes of action, obligations, suits, contracts, damages, losses, expenses, torts and liability of every kind, in law or in equity, arising from any matter, act, omission or thing whatsoever, whether known or unknown, foreseen or unforeseen, arising out of, or in connection with, the Development Agreement or the business relationship of the parties from the beginning of time through the date of this General Release, including for unfair or deceptive acts or practices, misrepresentation, violation of trade practice or antitrust laws, or any other form of action or otherwise. This General Release does not apply to any liability the Released Parties may have to Franchisee under the Maryland Franchise Registration and Disclosure Law.

2. This General Release shall be binding upon Developer (and, if Developer is a corporation, its stockholders) and his heir, personal representatives, successors and assigns.

IN WITNESS WHEREOF, Developer has executed this General Release as of the date indicated in the beginning.

_____

Print Name: _____

MICHIGAN

NOTICE REQUIRED BY THE STATE OF MICHIGAN

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 and your franchised restaurant is located in Michigan, 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 thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

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

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

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

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

(i) The failure of the proposed 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, Consumer Protection Division, 670 Law Building,525 W. Ottawa Street, Lansing, Michigan 48913, telephone: (517) 373-7117.

NEW YORK

For franchises offered in the State of New York, add to State Cover page:

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

The following is inserted into the disclosure document following the Table of Contents:

FACTORS TO BE CONSIDERED

WE MAY ASSIGN A FRANCHISE AGREEMENT OR AREA DEVELOPMENT AGREEMENT WITHOUT ENSURING THAT THE ASSIGNEE OR TRANSFEREE IS ABLE, FINANCIALLY OR OTHERWISE, TO PERFORM THE OBLIGATIONS OF THE FRANCHISOR UNDER THE AGREEMENTS.

THIS FACTOR SHOULD BE TAKEN INTO ACCOUNT IN DETERMINING WHETHER OR NOT TO PURCHASE THE FRANCHISE.

Item 3 is modified to read:

Except for the one Concluded Action described in Item 3, neither Franchisor, any parent, predecessor, person identified in item 2, or an affiliate offering franchises under Franchisor's principal trademark:

A. Has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations, or any pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

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

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

Item 4 is amended to add:

Neither Franchisor, any parent, its affiliate, predecessor or officer during the 10-year period immediately before the date of the disclosure document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or the laws of any foreign nation; (b)

obtained a discharge of its debts under the bankruptcy code or the laws of any foreign nation; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or the laws of any foreign nation or that obtained a discharge of its debts under the U.S. Bankruptcy Code or the laws of any foreign nation during or within 1 year after the officer of Franchisor held this position in the company or partnership.

The following is added between the exhibits and Receipts:

FRANCHISOR'S REPRESENTATIONS

Franchisor represents that the registered prospectus does not knowingly omit any material fact or contain any untrue statement of a material fact.

RIDER TO FRANCHISE AGREEMENT
BETWEEN
KELLY'S CAJUN GRILL FRANCHISE CORPORATION ("FRANCHISOR") AND
_____ ("FRANCHISEE")

The parties to the attached Franchise Agreement dated _____, 201__, agree as follows:

1. Paragraph 3.B. is amended by adding "The general release(s) will exclude claims for breaches of any rights conferred upon Franchisee by the provisions of Article 33 of the General Business Law of the State of New York and related regulations."

2. Paragraph 16.D.(5). is amended by adding "The general release will exclude claims for breaches of any rights conferred upon Franchisee by the provisions of Article 33 of the General Business Law of the State of New York and related regulations."

3. Paragraph 23.K. is amended by adding "Having the Agreement governed by and construed in accordance with the laws of the State of Florida shall not be deemed a waiver of any right conferred upon Franchisee by the provisions of Article 33 of the General Business Law of New York and the related regulations.

FRANCHISOR:
KELLY'S CAJUN GRILL FRANCHISE CORPORATION

By: _____
Title: _____

FRANCHISEE:

_____

RIDER TO AREA DEVELOPMENT AGREEMENT
BETWEEN
KELLY'S CAJUN GRILL FRANCHISE CORPORATION ("FRANCHISOR") AND
_____ ("DEVELOPER")

The parties to the attached Area Development Agreement dated _____, 201__, agree as follows:

1. Paragraph 11.3 (vi) is amended by adding "The general release will exclude claims for breaches of any rights conferred upon Franchisee by the provisions of Article 33 of the General Business Law of the State of New York and related regulations."

2. Paragraph 15.4 shall be amended by adding "Having the Agreement governed by and construed in accordance with the laws of the State of Florida shall not be deemed a waiver of any right conferred upon Franchisee by the provisions of Article 33 of the General Business Law of New York and the related regulations."

FRANCHISOR:
KELLY'S CAJUN GRILL FRANCHISE CORPORATION

By: _____
Title: _____

DEVELOPER:

_____

VIRGINIA

ADDENDUM TO DISCLOSURE DOCUMENT
REQUIRED BY THE COMMONWEALTH OF VIRGINIA

For franchises located in the Commonwealth of Virginia:

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

EXHIBIT G

LIST OF FRANCHISEES

The names, addresses and telephone numbers of all franchisees in the United States as of December 31, 2019 are:

Colorado

Park Meadows
KCG Ben, Inc. (Lin Gao)
8515 Park Meadows Drive, Suite 3019
Lone Tree, CO 80124
(303) 768-8074

Colorado Mills
KCG Sze, Inc. (Lin Gao & Shuk-Kam Sze)
14500 West Colfax Avenue, Suite FC7
Lakewood, CO 80401
(347) 922-1168

Florida

Broward Mall
Cajun Connection, Inc. (Bonnie Y. Lau)
8000 W. Broward Blvd., #5010
Plantation, FL 33388
(954) 382-9550

Southland Mall
Golden Leaf Corporation (Stanley Tit-Shan Wong & Roy Chi)
20505 South Dixie Highway, #187
Miami, FL 33189
(954) 684-8745

Westland Mall
Galilee Gourmet, LLC (Bowen Zheng & Yanting Zheng)
1635 W. 49th Street, #1242
Hialeah, FL 33012
(305) 746-6515

Wellington Green
Cajun Connection of Wellington, Inc. (Bonnie Ma-Lau)
10300 W. Forest Hill Boulevard - FC109
Wellington, FL 33414
(561) 795-1233

Louisiana

Prien Lake Mall
TJY Louisiana, Inc. (Thomas Lee)
584 W. Prien Lake Road, Space VC-04
Lake Charles, LA 70601
(303) 478-0025

Maryland

Arundel Mills
MTR Cajun LLC (Matt Lau, Anthony Napoliello and Wen Baio Li)
7000 Arundel Mills Circle
Hanover, MD 21076
(617) 512-3856

Lakeforest

Two Enterprise, Inc. (Jenn Wu Twu)
701 Russell Avenue, Space FC 105
Gaithersburg, MD 20877
(202) 459-3975

Mississippi

Northpark Mall
Chen's Fortune Garden II, Inc. (Huan Ye)
1200 East County Line Road, FC #5
Ridgeland, MS 39257
(601) 206-1660

New Jersey

Jersey Gardens Metro Mall - 651 Kopkowski Road, Elizabeth, NJ 07201
HMS Host USA, LLC
Attn.: Michael Caveny
6600 Rockledge Drive
Bethesda, MD 20817
(240) 694-4431

Ohio

Tower City
Chao Hua Yang, Inc. (Chao Hua Yang)
230 W. Huron Road, Suite 7244
Cleveland, OH 44113
(216) 687-8055

Pennsylvania

Franklin Mills
China Buddha Inn, Inc. (Kam Keung Lee & Mei Ling Lee)
1224 Franklin Mills Circle
Philadelphia, PA 19914
(215) 632-8515

Puerto Rico

Las Catalinas
CG at Las Catalinas, LLC (Ji Jiang Zhu)
FC #-180, PR-52 Esquina 156
Caguas, PR 00725
(787) 653-5777

Texas

Grapevine Mills
Xin Sheng, Inc. (Kong Sheng Wang, Guo Bin Zhang and Dianyi Jiang)
3000 Grapevine Mills Parkway
Grapevine, TX 76051
(972) 724-6701

Greenspoint Mall
Cajun + Lotus Greenspoint, Inc. (Wayne Situ)
138 Greenspoint Mall
Houston, TX 77060
(281) 872-8868

Willowbrook Mall
Xing Li, Inc. (Fen Zheng & Jin Ching Liu)
7925 FM 1960 West, # 1190
Houston, TX 77070
(832) 628-1552

EXHIBIT H

LIST OF FORMER FRANCHISEES

Florida

Chen & Dong LLC (Yu Chen)
St. Petersburg, FL 33710
(727) 381-6688

EXHIBIT I

FRANCHISEE ORGANIZATIONS WE HAVE CREATED, SPONSORED OR ENDORSED

None

EXHIBIT J

INDEPENDENT FRANCHISEE ASSOCIATIONS

None

RECEIPT

This disclosure document summarizes provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Kelly's Cajun Grill Franchise Corporation 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. Iowa, New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days (14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan and Washington require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Kelly's Cajun Grill Franchise Corporation does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agencies identified on Exhibit C.

The franchise seller for this offering is Hoi Sang Yeung ☐, Sing Yan Stephen Yeung ☐, Emma Choy ☐, Anthony Napoliello ☐, or _____ ☐, 4531 Ponce de Leon Boulevard, Suite 300, Coral Gables, Florida 33146, telephone (305) 476-1611.

Issuance date: April 1, 2020

Kelly's Cajun Grill Franchise Corporation authorizes Hoi-Sang Yeung, at 4531 Ponce de Leon Boulevard, Suite 300, Coral Gables, FL 33146, to receive service of process for it, except where Kelly's Cajun Grill Franchise Corporation has authorized the respective state agents identified in Exhibit D.

I have received a disclosure document dated April 1, 2020, that included the following exhibits:

Exhibit A	Franchise Agreement and Exhibits
Exhibit B	Area Development Agreement and Exhibits
Exhibit C	State Agencies
Exhibit D	Registered Agents
Exhibit E	Financial Statements (Audited Balance Sheets as of December 31, 2019 and December 31, 2018 and the related statements of income, shareholders' equity and cash flows for the years ended December 31, 2019, December 31, 2018 and December 31, 2017)
Exhibit F	State Addenda
Exhibit G	List of Franchisees
Exhibit H	List of Former Franchisees
Exhibit I	Franchisee Organizations We Have Created, Sponsored or Endorsed
Exhibit J	Independent Franchisee Associations

_____ Your name (Please print)_____

Date

Your signature _____

RECEIPT

This disclosure document summarizes provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Kelly's Cajun Grill Franchise Corporation 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. Iowa, New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days (14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan and Washington require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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Exhibit J	Independent Franchisee Associations

_____ Your name (Please print)_____

Date

Your signature _____

(THIS COPY IS TO BE SIGNED BY THE PROSPECTIVE FRANCHISEE AND RETURNED TO KELLY'S CAJUN GRILL FRANCHISE CORPORATION AS PROOF OF DELIVERY OF THE DOCUMENTS REFERRED TO ABOVE)