The Melting Pot®

FONDUE RESTAURANT

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Department of
Business Oversight

FRANCHISE DISCLOSURE DOCUMENT
2016

7886 Woodland Center Blvd, Tampa, FL 33614 | phone 813-881-0055 | meltingpot.com

FRANCHISE DISCLOSURE DOCUMENT

The Melting Pot Restaurants, Inc
A Florida Corporation
7886 Woodland Center Boulevard
Tampa, Florida 33614
(813) 881-0055
info@meltingpot com
www meltingpot com
www meltingpotfranchise com

The franchise is for the establishment and operation of restaurants offering a wide variety of menu items and serving a variety of food and beverages, featuring fondue under THE MELTING POT® trade name and business system (' **THE MELTING POT® Restaurant**" or "**Restaurant**")

The total investment necessary to begin operation of a THE MELTING POT® Restaurant ranges from $973,527 to $1,445,897 This includes the total amount of $45,000 as the initial franchise fee described in Item 5 that must be paid to us The estimated initial investment for an area development program ranges from $996,027 to $1,535,897 (based on a Development Fee for 2 to 5 Restaurants) Under the Area Development Program, the Development Fee paid at the time you sign the Development Agreement equals $45,000 for the first Restaurant scheduled to be developed, plus $22,500 times the number of Restaurants after the first Restaurant you are scheduled to develop In addition to the Development Fee, you would also incur the total initial investment for each Restaurant that you open for your first Restaurant (less $22,500 for each remaining Restaurant), since the initial franchise fee for your first Restaurant is paid and the initial franchise fees for the remaining Restaurants is reduced to $22,500 each

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

You may wish to receive your disclosure document in another format that is more convenient for you To discuss the availability of disclosures in different formats, contact Christina Hobbs, Director of Franchise Development, The Melting Pot Restaurants, Inc , Restaurant Support Center, 7886 Woodland Center Blvd , Tampa, Florida 33614, (813) 425-6209

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 contracts 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, DC 20580 You can also visit the FTC's home page at *www ftc gov* for additional information Call your state agency or visit your public library for other sources of information on franchising

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

Date of Issuance June 6, 2016 as amended November 4, 2016

STATE COVER PAGE

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

Call the state franchise administrator listed in Exhibit "M" 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 TO RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION ONLY IN THE COUNTY AND STATE WHERE OUR PRINCIPAL HEADQUARTERS ARE LOCATED OUT OF STATE ARBITRATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN THE COUNTY AND STATE WHERE OUR PRINCIPAL HEADQUARTERS ARE LOCATED THAN IN YOUR HOME STATE

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

3 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

The effective date of this disclosure document in the states with franchise registration laws in which we have sought registration appear on the following page

EFFECTIVE DATES

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

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

STATE	EFFECTIVE DATE
California	_____, 2016
Hawaii	
Illinois	_____, 2016
Indiana	_____, 2016
Maryland	_____, 2016
Michigan	
Minnesota	_____, 2016
New York	_____, 2016
North Dakota	
Rhode Island	_____, 2016
South Dakota	_____, 2016
Virginia	_____, 2016
Washington	_____, 2016
Wisconsin	_____, 2016

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

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

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

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

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

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

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

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

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

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

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

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

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

7 A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the

franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c)

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000 00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled At the option of the franchisor, a surety bond may be provided in place of escrow

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

Any questions regarding this notice should be directed to

State of Michigan
Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention Franchise
670 Law Building
Lansing, Michigan 48913
Telephone Number (517) 373-7117

THE MELTING POT RESTAURANTS, INC

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Exhibit 'L 2(c)	Form of Security Agreement
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Exhibit "N"	State Specific Addenda to Franchise Disclosure Document
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	Receipt for Disclosure Document

APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN AN ADDENDUM OR RIDER IN EXHIBITS "N" AND "O," RESPECTIVELY

ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor and any Parents, Predecessors and Affiliates

The Franchisor is The Melting Pot Restaurants, Inc , referred to as "**we**," "**us**," or "**our** " We also do business under the name "**THE MELTING POT®** " "**You**" means a person who buys a franchise from us If you are a corporation, partnership or other entity, certain provisions of our Franchise Agreement also will apply to your owners This disclosure document will indicate when your owners also are covered by a particular provision

We are a Florida corporation, incorporated on August 14, 1984, as The Melting Pot Restaurants, Inc Our current principal business address is 7886 Woodland Center Boulevard, Tampa, Florida 33614 Our registered agent for service of process in Florida is Gerard Wehle c/o Drummond Wehle & Ross LLP, Terrace Oaks Office Park, 6987 East Fowler Avenue, Tampa, Florida 33617 If we have a separate registered agent for a particular state, it is disclosed in Exhibit "M" We conduct business under our corporate name and under the trade and service marks "**THE MELTING POT®**," and "**THE MELTING POT® (with design)**" and associated logos, designs, symbols and trade dress (collectively the "**Marks**")

We have been offering franchises for THE MELTING POT® Restaurants since September 1984 We do not operate any THE MELTING POT® Restaurants We have affiliates that operate 3 franchised THE MELTING POT® Restaurants located in St Petersburg, Sarasota and Tampa, Florida, which are owned by some or all of our shareholders, directors, and officers We do not engage in other business activities, and have not offered, and do not currently offer, franchises in other lines of business

We do not have any parents We do not have any predecessors We are affiliated, through common ownership, with the following entities

- Front Burner Brands, Inc , a/k/a Front Burner, ("**FB**"), formerly known as TGS Restaurant Management, Inc , is a Florida corporation formed on March 10, 2000, whose address is the same as ours FB manages the ~~34~~ THE MELTING POT® Restaurant franchises owned by our other affiliates FB also provides management and administrative services and supports operations for us In FB's provision of the services and support described above, we and our affiliates share certain employees with FB FB does not offer, and has not offered, franchises of any type, nor does it offer services to franchisees FB has not conducted a business of the type to be operated by you

- Grillsmith Restaurant Group, Inc ("**GRG**") is a Florida corporation, whose address is 8810 Twin Lakes Blvd , Tampa, Florida 33614 GRG was formed on March 20, 2002 One of our shareholders is also a shareholder of GRG GRG manages GRILLSMITH®, a casual full-service restaurant concept that features steaks, burgers and seafood It does not engage in any other business activities and has not offered franchises in any line of business, although it may do so in the future As of the date of this disclosure document, there are 4 GRILLSMITH® restaurants in operation GRG does not provide products or services to our franchisees

- Burger 21 International, Inc ("**Burger 21**") is a Florida corporation, whose address is 8810 Twin Lakes Blvd , Tampa, Florida 33614 Burger 21 was incorporated on May 11, 2011 The majority owner of Burger 21 is one of our shareholders Burger 21 was formed to be the franchisor of Burger 21®, a "better burger" restaurant concept that launched on November 16, 2010 in Tampa, Florida Burger 21 began selling Burger 21® franchises on August 31, 2011 It does not provide products or services to our franchisees, and it does not engage in any other business activities As of the issuance date of this disclosure document, there are 23 Burger 21® restaurants in operation, including 19 franchises and 4 company-owned locations Four of the existing locations are

managed by Burger 21, Inc ("**B-21**"), a Florida corporation formed on March 30, 2010, which is also our affiliate because it is owned, in part, by one of our shareholders B-21's principal business address is the same as Burger 21's B-21 does not engage in any other business activities and has not offered franchises in any line of business It does not provide products or services to our franchisees

The System

We and our affiliates have expended considerable time and effort developing polished casual restaurants operating under the Marks ("**THE MELTING POT® Restaurants**" or "**Restaurants**") that feature cheese fondue, beef, chicken, seafood, and vegetable fondue, chocolate fondue, salads, fruits, and fresh breads, imported and domestic beer and wine, and other foods and beverages THE MELTING POT® Restaurants serve primarily dinner, however, certain locations as authorized by us also serve lunch one or more days a week Additionally, some THE MELTING POT® Restaurants serve small plates in the bar as authorized by us We are also testing a hot kitchen and fully prepared entrees to complement our traditional fondue model The private dining, unique physical layout, aesthetic decor, soft lighting, background music, hours of operation, and service format of a THE MELTING POT® Restaurant combine to create an ambiance conducive to relaxed dining and conversation As an integral part of the total dining experience, the guests of a THE MELTING POT® Restaurant cook much of the food they are served in fondue pots on in-table burners THE MELTING POT® Restaurants operate according to our business formats, methods, procedures, designs, layouts, signs, artwork, music, equipment, menus, recipes, trade dress, standards and specifications, all of which we may improve, further develop or otherwise modify from time to time (the '**System**") You are required to have a liquor license and you must follow the guidelines of THE MELTING POT® Core Beverage Program, including carrying and selling imported and domestic liquors and mixed drinks made from such liquors

Unit Franchise Program – New Restaurants

We grant to persons who meet our qualifications and who are willing to undertake the investment and effort the right to operate a THE MELTING POT® Restaurant at a single location acceptable to us We offer franchises only in accordance with the terms of our Franchise Agreement A copy of it is attached as Exhibit "B" to this disclosure document THE MELTING POT® Restaurant you will operate is referred to in this disclosure document as the "**Restaurant** "

We do not offer subfranchises We have 1 subfranchisor, Broyce, Inc , a Florida corporation, whose principal place of business is 1321 Caloosa Vista Road, Fort Myers, Florida 33901 Broyce, Inc also has the right to offer franchises for Restaurants in the Florida counties of Orange, Seminole, Osceola and Alachua

Unit Franchise Program – Existing and Former Restaurants

With respect to certain candidates who are experienced restaurant operators or franchisees, we offer a Path to Grow financing program ("**PGP**") in which you may be qualified to purchase a THE MELTING POT® Restaurant that is already in operation or has recently closed PGP is described in greater detail in Item 10 below, however, in summary, under the PGP program, you form a business entity ('**NewCo** ') which either purchases franchise rights from an existing franchisee, or which ~~you~~ enters into a new Franchise Agreement and pays us the Initial Franchise Fee ~~Next, we form a new company with you ("NewCo") and we and you enter into an Operating Agreement for NewCo Our standard form of Operating Agreement is attached as Exhibit "L-2" to this disclosure document~~

In order to finance the purchase of the existing Restaurant, (i) you make an initial capital contribution to NewCo of between 5 and 15% of the total purchase price for the Restaurant and~~,~~ (ii) we ~~make a capital contribution of between 15 and 25% of the purchase price, and (iii) we~~ loan NewCo the balance of the purchase price In return for your initial capital contribution, you receive a 100~~49~~% interest in NewCo and

agree to manage the day-to-day operations of the Restaurant In return for our loan~~initial capital contribution~~, we receive (i) a loan agreement and promissory note in which ~~51% interest and manage NewCo~~ NewCo ~~enters into a promissory note in which it~~ agrees to repay our loan in ~~18~~36 ~~equal~~ monthly installments, (ii) a security agreement in which the loan is secured by the assets of the Restaurant and (iii) a guaranty in which you personally guaranty repayment of the loan to us Our form of loan documents are attached as Exhibit 'L-2 to this disclosure document ~~After the loan is paid you purchase our 51% interest in NewCo, we will resign as its manager and you will own a 100 percent interest in NewCo and the Restaurant~~

Area Development Program

We also grant to persons who meet our qualifications and who are willing to undertake the investment and effort the right to develop, within a predetermined time frame, and operate Restaurants at multiple locations within specific geographical areas Our standard form of Area Development Agreement (the "**Development Agreement**") is attached as Exhibit 'C" to this disclosure document Each Restaurant is operated under a separate Franchise Agreement (Exhibit "B")

Successor Franchises

If you are an existing franchise owner and want to obtain a successor franchise for your Restaurant, you must do so under the terms under our then current form of franchise agreement A copy of our Franchise Agreement is attached as Exhibit "B " In addition, you will sign our Successor Franchise Addendum, which modifies the Franchise Agreement to take into account the fact that the franchise is a successor franchise, rather than the start of a new franchise For example, the initial franchise fee, initial training and development requirements are not applicable to a successor franchise A copy of the Successor Franchise Addendum is attached as Exhibit "B-1 "

Competition

You will be competing with other full-service restaurants These restaurants may be associated with national or regional chains or may be local independent restaurants While we are not aware of any other major national chains of fondue restaurants, local fondue restaurants are in operation in some market areas You also will be competing with other food service outlets that feature products and services that differ from those offered by THE MELTING POT® Restaurants Your products and services will be offered to the general public, to individual consumers, primarily for on-site consumption The market for THE MELTING POT®-style restaurant services is developed in some areas and developing in other areas, depending on the number of this type of restaurant in the particular area

Regulations

There are no regulations specific to the industry in which restaurants operate, although you must comply with all local, state and federal, liquor licensing (see below), health and sanitation laws that apply to restaurant operations You may be required to install hoods or the like for capture and removal of cooking vapors from the fondue pots on in-table burners at your THE MELTING POT® Restaurant to comply with the fire code in your jurisdiction As of the date of this disclosure document, no governmental authority has determined that any fire code requires such ventilation for in-table burners at any THE MELTING POT® Restaurant But, fire codes and their interpretation by governmental authorities responsible for enforcement, vary substantially from jurisdiction to jurisdiction You should consult the governmental authority responsible for enforcement of the fire code for the jurisdiction within which your THE MELTING POT® Restaurant will be located concerning ventilation requirements before you sign the Franchise Agreement We reserve the right to require you to install hoods in the dining area or in the kitchen, even if not required by applicable law

You must obtain a retail alcoholic beverage license along with food permits under state and local law, regulations and ordinances These laws, regulations and ordinances vary significantly You may also have

liability imposed on you by Dram Shop Laws for injuries directly and indirectly related to the sale and consumption of alcoholic beverages You should also understand that the sale of alcoholic beverages is heavily regulated by federal, state and local laws, rules and ordinances

The U S Food and Drug Administration, the U S Department of Agriculture, and various state and local departments of health and other agencies have laws and regulations concerning the preparation of food and sanitary conditions in restaurants State and local agencies routinely conduct inspections for compliance with these requirements There may be other laws applicable to THE MELTING POT® Restaurants We urge you to make further inquiries about these laws

Environmental Matters

We have the right to periodically set environmental, sustainability and energy performance standards for THE MELTING POT® Restaurants through the Manuals or other written directives You must abide by those standards Our standards may change over time due to changes in applicable law, competitors' actions, consumer expectations, obtaining and maintaining a market advantage, available and affordable solutions, and other relevant considerations

ITEM 2
BUSINESS EXPERIENCE

Director and Secretary Robert P Johnston

Mr Johnston has been Director and Secretary since our incorporation in August 1984 Mr Johnston has been CEO and Chairman of the Board of FB since its inception in March 2000 He is a Director and served as President of GRG from its inception in March 2002 until March 2015 He was a Co-Founder, Director and Secretary of Burger 21 and B-21 from their inception in May 2011 and March 2010, respectively, until November 2014

Director Michael M Johnston

Mr Johnston has been a Director since our incorporation in August 1984 He has been a Director and Vice President of FB since its inception in March 2000 Mr Johnston is also a Co-Founder of Burger 21 and B-21 Mr Johnston served as a Director of Burger 21 and B-21 from their inception in May 2011 and March 2010, respectively, until November 2014

President Mike Lester

Mr Lester joined us in July of 2006 as Vice President of Restaurant Operations In June 2009, he became Senior Vice President of Operations, and in January 2012 he ~~and~~ became our President ~~in January 2012~~

Chief Financial Officer and Treasurer Scott Pierce, CPA

Mr Pierce joined us in May of 2005 as Senior Vice President of Finance and Treasurer and became our Chief Financial Officer in January 2012 Mr Pierce also served as the Treasurer for Burger 21 and B-21 from their inception in May 2011 and March 2010, respectively, until November 2014 Mr Pierce also served as the Secretary and Treasurer for GRG from its inception in 2002 until March 2015 Mr Pierce is also the Chief Financial Officer for FB

Chief Business & People Development Officer Daniel D Stone

Mr Stone joined us in September of 2006 as Director of Franchise Sales and became Chief Business & People Development Officer in April 2015 Mr Stone also served as our Vice President of Franchise Development from May 2011 until April 2015, and he served in the same capacity for Burger 21 from May 2011 until November 2014

Chief Brand Officer Maryellen Torres

Mrs Torres joined us in July 2014 as Chief Brand Officer From July 2012 to June 2014, she was Vice President of Global Marketing for Ashley Furniture Industries in Brandon, Florida From January 2011 to July 2012, she served as Vice President of Brand Marketing and Corporate Strategy for Reinvent, Inc in Framingham, Massachusetts Mrs Torres is also the Chief Brand Officer for FB She served as Chief Band Officer for Burger 21 from July 2014 to November 2014, and she served in the same capacity for GRG from July 2014 to March 2015

General Counsel Bud Culp

Mr Culp became our General Counsel in August 2014 From January 2013 to July 2014, he was the President of a franchise and litigation law firm, Chesley K Culp III, P C , in Denver, Colorado From January 2009 to September 2012, Mr Culp was a Partner at the Denver law firm of Moye White LLP Mr Culp is General Counsel for FB He served as General Counsel for Burger 21 from August 2014 to November 2014, and in the same capacity for GRG from August 2014 until March 2015

Director of Learning & Communications Kim V Garvey

Ms Garvey became our Director of Learning & Communications in August 2015 and serves in the same capacity for FB From September 2014 to July 2015, she was the Learning Solutions and Technology Manager for Checkers Drive In Restaurants, Inc From May 2013 to August 2014, she served as Assistant Director of Distance & Distributed Learning at the University of South Florida in St Petersburg, Florida From June 2010 until April 2013, Ms Garvey was the e-Learning Project Manager for the State College of Florida in Bradenton, Florida

Director of Franchise Development Christina Hobbs

Ms Hobbs joined us in January 2016 as Director of Franchise Development From June 2013 until January 2016, she served as Head of Legal Affairs & Director of Strategic Operations for Westshore Franchising and The Franchise Edge From January 2013 until August 2013, she was a part-time tutor for ClubZ! From August 2012 until October of 2012, Ms Hobbs was a Law Clerk for the Kantaras Law Group From May 2010 until August 2012, she was a Law Clerk for the Law Offices of Wendy Doyle

International Franchise Business Manager John Westland

Mr Westland joined us in May 2009 as a Franchise Business Consultant He served in this capacity until November 2015, when he was named International Franchise Business Manager

ITEM 3
LITIGATION

Pending Actions

None

Prior Actions

GVI Holdings Limited, Corbin Tomaszeski, Jonathon Fischer and 2232777 Ontario Limited v The Melting Pots Restaurants, Inc , Robert P Johnston and Daniel Stone, No CV-13-475933 (Ontario Superior Court of Justice, Toronto, March 11, 2013) The Plaintiffs' were 2232777 Ontario Limited (the "Developer"), GVI Holdings Limited ("GVI"), Jonathon Fischer ("Fischer"), and Corbin Tomaszeski ("Tomaszeski") (Fischer and Tomaszeski are collectively referred to as the "Guarantors") (collectively, all of the foregoing are referred to as the "Plaintiffs") 2232780 Ontario Limited (the "Franchisee") was originally a plaintiff in this action, however, the Franchisee made a filing in bankruptcy Its interest was assigned to its creditor, GVI, and GVI was permitted by court order to carry on the action in its own name The Guarantors collectively own both the Developer and the Franchisee The Developer signed an Area Development Agreement with us to open 3 Restaurants in the Toronto, Ontario, Canada metropolitan area The Franchisee opened one of the Restaurants in Richmond Hill, Ontario No other Restaurant was opened The Franchisee closed the Restaurant and the Franchisee filed in bankruptcy The Plaintiffs sued us and two of our officers, Robert Johnston and Daniel Stone The Plaintiffs sought damages in the amount of $2,750,000 (CDN) against us alleging breach of contract, negligent misrepresentation, and breach of duty of good faith and fair dealing under both common law and Ontario's franchise statute They also sought punitive damages against us and Robert Johnston and Daniel Stone in the amount of $2,750,000 (CDN) alleging statutory misrepresentation Essentially, the Plaintiffs claimed that the costs of opening their Restaurant were more than they had anticipated and what was estimated in our Canadian Franchise Disclosure Document and that supply costs were too expensive for them to successfully operate a profitable restaurant They claimed we did not have an adequate supply distribution system in Canada, that we failed to provide a functional accounting support system, and misrepresentation in connection with these issues, and that we failed to provide adequate marketing and support, including by not permitting them to market their franchise using the "Chef Corbin" concept, since one of the Guarantors is a television chef personality We and our officers denied all of the claims and defended the action We delivered a Statement of Defence and Counterclaim in which we claimed damages in the amount of $2,510,399 for breach of contract, breach of guarantee, and failure to deal fairly and to act in good faith, together with pre and post judgment interest, and costs In April 2015, the parties agreed to settle the case on the following terms first, the claims against Robert Johnson and Daniel Stone were dismissed with prejudice, and, second, we paid Plaintiff GVI Holdings Limited $125,000 Canadian ($99,237 85 USD) solely with respect to the Plaintiffs' claim of breach of contract, after which the remaining claims were dismissed with prejudice

Christopher Ponte v Front Burner Brands, Inc , Burger 21, Inc , Mark T Johnston, Michael M Johnston, Arlene Johnston and Robert P Johnston, Case No 11-8815CI-020 (6th Judicial Circuit Court, Pinellas County, Florida, Civil Division, September 28, 2011) A former employee, Christopher Ponte ("**Ponte**") sued our affiliate and its 4 founders and officers (the "**Founders**") In the complaint, Ponte alleges that B-21 and its Founders offered him a 5% ownership stake in B-21 in consideration for his services However, he refused to sign an agreement which contained the terms and conditions on which B-21 was willing to do so Since B-21 was unable to come to an agreement with Ponte, he decided on May 3, 2011 to end his employment relationship with B-21 and its affiliates Ponte claimed that he detrimentally relied on promises made by B-21 and its Founders and, therefore, B-21 was promissorily estopped from refusing his claims In addition, Ponte claimed that B-21 and its Founders were unjustly enriched by his efforts to help develop the restaurant concept In the complaint, he requested that the court award him with unspecified damages, including a 5% ownership share in B-21, and reimbursement of his attorneys' fees and costs After participating in court ordered mediation, the parties settled the dispute on October 29, 2012 In the settlement,

although denying liability, B-21 and its Founders agreed to pay Ponte $75,000 to fully settle all claims between the parties because the amount offered to Ponte was less than the estimated fees and costs B-21 would incur to continue to defend the suit In return, Ponte admitted and agreed that he has no ownership interest in FB, B-21 or any related entities, and that he will not seek re-employment with any of them and fully released them from all claims The case was dismissed with prejudice on November 20, 2012

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

ITEM 4
BANKRUPTCY

Daniel Stone, our Chief Business & People Development Officer, filed a bankruptcy petition under the reorganization provisions of Chapter 13 of the U S Bankruptcy Code on September 29, 2011, ***In Re Daniel Stone***, No 8 11-BK18371, U S Bankruptcy Court M D Fla 2011 Mr Stone borrowed the funds necessary to invest in 2 residential construction real estate projects in Lee County, Florida Unfortunately, he was victim of fraud in connection with the acquisition and construction of the 2 properties As a result of the fraudulent activity perpetrated on him and the severe economic recession in the southwest Florida real estate market, the 2 homes were worth less than one-fourth of the loans secured by mortgages on the properties Accordingly, Mr Stone's only viable option was to file for bankruptcy protection and seek to reorganize the payment of his debts Mr Stone submitted a Plan of Reorganization in connection with the filing The plan was confirmed on May 16, 2012 and those debts were paid and discharged on October 25, 2013

Other than this 1 bankruptcy, no bankruptcy information is required to be disclosed in this disclosure document

ITEM 5
INITIAL FEES

Initial Franchise Fee

We currently charge an initial uniform franchise fee of $45,000 You must pay the initial franchise fee in a lump sum when you sign the Franchise Agreement The initial franchise fee is nonrefundable

We are a member of the International Franchise Association (**"IFA"**) and participate in the IFA's DiversityFran program, which provides financial incentives to qualified minorities to help them acquire franchised businesses In support of this program, we currently reduce the initial franchise fee for the first location by 20% for qualified minorities new to our system A qualified minority is any minority as identified by the US Census Bureau The qualified minority needs to have majority ownership in the franchised business to receive this discount on the initial franchise fee Our discount for qualified minorities cannot be combined with any other discount We reserve the right to modify this program at any time

We also participate in the IFA's VetFran program, which provides financial incentives to qualified veterans to help them acquire franchised businesses In support of this program, we currently reduce the initial franchise fee for the first location by 20% for qualified veterans new to our system A qualified veteran is any honorably discharged veteran with a DD Form 214 document The qualified veteran needs to have majority ownership in the franchised business to receive this discount on the initial franchise fee Our discount for qualified veterans cannot be combined with any other discount We reserve the right to modify this program at any time

We may, but are not required to, grant you an extension of the time period to sign a lease or otherwise obtain the right to occupy a site pursuant to our Extension Policy Under our Extension Policy, the following fees would apply

Extension Period	Extension Fee
First 90 Days	-0-
Second 90 Days	$4,000
Third 90 Days	$8,000

If you obtain the right to occupy the site prior to the end of any extension period, we will refund the portion of the Extension Fee allotted to the days remaining in the Extension Period

Area Development Program

We charge an up-front development fee for you to secure the exclusive right to open Restaurants in a pre-determined territory in a specific amount of time, under the Development Agreement The amount paid is equal to the initial franchise fee of $45,000 for the first restaurant, plus $22,500 times each additional restaurant to be developed You must pay the development fee in a lump sum when you sign the Development Agreement The development fee is nonrefundable The Initial Franchise Fee for each Restaurant after the first one is reduced to $22,500 and is due and payable each time you sign a Franchise Agreement for a Restaurant to be developed under the Area Development Program

Referral Program for Existing Franchisees

If you buy a franchise from us, we offer a program in which franchisees can receive a $5,000 referral fee for referring a third-party franchise prospect to us, who ultimately becomes a The Melting Pot® Restaurant franchisee (the "Referral Program") We may implement, end or change the Referral Program, and impose rules or conditions on it, whenever we choose While we encourage existing franchisees to speak to prospective The Melting Pot® Restaurant franchisees, we do not expect or want you to be involved in the offering or sales process You are simply passing along to us the name of someone you know who might be interested in acquiring a The Melting Pot® Restaurant franchise Persons who receive financial incentives to refer franchise prospects to us may be required to register as franchise brokers under the laws of some states

ITEM 6
OTHER FEES

Type of Fee [1]	Amount	Due Date	Remarks
Royalty and Service Fee [2]	4 5% of Gross Revenues[3]	Currently payable on or before the 10th day of each calendar month	Royalty and Service Fee is currently paid via electronic funds transfer on the 10th day of each calendar month We reserve the right to change the time, manner and frequency of the Royalty and Service Fee payments
Brand Development Contribution [2]	Up to 1 5% of Gross Revenues [3], up to a maximum contribution of $45,000 per Restaurant per calendar year, currently 1% of Gross Revenues	As designated by us from time to time, currently payable on or before the 10th day of each calendar month	Deposited in THE MELTING POT® Brand Development Fund Brand Development Contribution is paid via electronic funds transfer on the 10th day of each calendar month

Type of Fee [1]	Amount	Due Date	Remarks
Cooperative Advertising	Amount determined by cooperative, not to exceed 1 5% of Gross Revenues [3]	Established by members of the cooperative	We may designate areas for the establishment of local advertising cooperatives Restaurants that we or our affiliates own will participate and have the same voting rights as franchisees
Local Advertising	Up to 3% of Gross Revenues [3], currently 2 5% of Gross Revenues [4]	Payable to local vendors for advertising and media placements as well as related printed materials as incurred for approved expenditures	These expenditures are for tactical execution and media placement in your local market, including radio, television and out-of-home advertising (e g , billboards, bus wrap or other outdoor advertising), for marketing and promotional materials that we have prepared or approved This requirement is reduced by any contributions to an advertising cooperative
Standards Re-Training Course [5]	$1,000 per person, plus expenses	20 days after billing	Includes course registration fee and materials You are responsible for travel and living expenses
Additional, Refresher or Front Burner University Management Essentials Training[6]	Fees range from $250 to $1,500 per person, plus expenses	20 days after billing	We provide initial training to 4 people tuition-free Additional training is provided for a fee
E-Learning Access and Design Fees[7]	Currently $175 per Restaurant per year, plus estimated design and development fees between $75 and $1,500 per Restaurant per year	20 days after billing	We have developed and implemented proprietary online training tools ("**e-learning**") that are used for part of the initial training program and also for ongoing training of franchisees and their employees, as determined by us
Additional Assistance	Currently $300 per day, plus expenses	20 days after billing	This is for additional or special guidance or assistance you need or request
Extension Fee	Fees range from $4,000 to $8,000	20 days after billing	We may, but are not required to, grant you an extension of the time period to sign a lease or otherwise obtain the right to occupy a site If you obtain the right to occupy the site prior to the end of any extension period, we will refund the portion of the Extension Fee allotted to the days remaining in the Extension Period
Transfer of Franchise	$7,500, plus additional assistance expenses for	Prior to consummation of transfer	No charge if transfer is to a corporation or other business

Type of Fee [1]	Amount	Due Date	Remarks
	training, if incurred, however, transfer fee is reduced to $3,750 if transfer is to an existing franchisee		entity owned by you
Successor Franchise Fee	1/4 of then-current initial franchise fee (currently $11,250 based on $45,000 initial franchise fee)	Upon signing then-current Franchise Agreement	We may also charge you for services that we render to you and actual out-of-pocket expenses that we incur in conjunction with the grant of the Successor Franchise Payment of those charges is due upon receipt of our invoice You must give us written notice no later than the 16th month and no sooner than the 19th month before expiration of the franchise agreement, pay the successor franchise fee and meet all conditions to obtain the successor franchise At our option, you may be required to meet with us at our principal headquarters for 1-2 days to discuss successor franchise protocol You are responsible for travel and living expenses associated with such meeting
Audit	Fee equal to cost of inspection or audit, including any charges of independent accountants, travel expenses and per diem personnel charges	20 days after billing	Payable if your Gross Revenues, as reported to us, are understated by more than 2%, or if an inspection or audit is made necessary due to your failure to furnish, or timely furnish, required reports, financial statements or other information to us These fees will not exceed our actual costs
Evaluation Fee	Fee equal to our costs and expenses, including travel expenses and per diem personnel charges	20 days after billing	Payable if one or more follow-up evaluations are necessary to confirm that you have corrected deficiencies identified during any inspection
Interest and Late Fees	Lesser of 1 5% per month or highest contract rate of interest allowed by law, plus a late payment fee of 5% of the amount due	15 days after billing	Payable on all overdue amounts, including royalty and service fees, brand development contributions, and all other amounts due for purchases by franchisee from the Company or its affiliates and any other amounts owed by Franchisee to Company

Type of Fee [1]	Amount	Due Date	Remarks
Compliance Fee [8]	$100 to $1,500 per notice	20 days after receiving our notice	Payable if you have violated your Franchise Agreement and we send you a notice of such violation (See Note 8)
Management Fee	Will vary under circumstances	As agreed	Payable during period that our appointed manager manages the Restaurant if you die, become disabled or we otherwise determine that outside management is necessary to enhance the business of the Restaurant
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Payable if you fail to comply with the Franchise Agreement
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we incur any expenses in defending ourselves or are held liable for claims arising directly or indirectly from your Restaurant's operations or your breach of your Franchise Agreement
Testing	Cost of Testing	20 days after billing	This covers the costs of testing new products or inspecting new suppliers you propose
Relocation Training Fee [9]	$2,500 per trainer (not to exceed a total of $15,000)	30 days after billing	This covers the costs we incur (wages, airfare, transportation, hotel and per diem expenses) for our trainers if you want to relocate the Restaurant
Construction & Design Relocation Fee [10]	Up to $10,000 (currently $5,000)	30 days after billing	This covers one set of design plans and specifications from which your architect must prepare all required construction plans and specifications to suit the shape and dimensions of the new location, if you relocate the Restaurant with our prior written approval
Hosting Services [11]	To be determined, not yet charged	To be determined, not yet charged	We may charge a reasonable fee for hosting services if we require you to use certain computer software accessible through the Internet at our Website
Search Engine Optimization ("SEO") Fee	$149 per month	As designated by us from time to time, currently payable on or before the 25th day of each calendar month	We required you to pay by electronic funds transfer
Gift Card Systems Fee	Currently $10 per month, plus 10 cents for each transaction, per location	As designated by us from time to time, currently payable on or before the 25th day of each	We require you to pay by electronic funds transfer Gift card processing services are provided by a third party that bills us

Type of Fee [1]	Amount	Due Date	Remarks
		calendar month	collectively for all Restaurant locations
Technology and User Fee [12]	Up to 1% of Gross Revenues (not currently charged), not to exceed a maximum contribution of $20,000 per Restaurant per calendar year	To be determined, not yet charged	With respect to new systems, not currently in use, we may charge a technology and user fee for administrative services we perform in updating, developing, maintaining and/or hosting the restaurant management software system database or developing or providing access to other technology for use in the operation of THE MELTING POT® Restaurants, including, without limitation, e-learning tools This includes any supplemental software or programs that we may use from time to time to extract and/or analyze information contained in the database, which may be used for internal and external purposes

NOTES

1 Unless otherwise stated, you must pay all fees to us All fees are non-refundable We require you to pay any or all recurring and periodic fees and payments to us by electronic funds transfer You agree to execute all documents required to authorize your bank to electronically transfer funds to our account

2 The royalty and service fee and the Brand Development Contribution are uniform as to all persons currently acquiring a franchise and are nonrefundable If applicable laws or regulations prohibit payments to us on the sale of alcoholic beverages, then (i) the royalty and service fee is increased by 1 0% of Gross Revenues and (ii) the Brand Development Contribution may be an amount up to 1 83% of Gross Revenues but not more than $45,000 during any calendar year

3 "**Gross Revenues**" means the aggregate amount of all sales of food, beverages, goods, articles, and other merchandise, and the aggregate amount of all receipts for services performed, whether for cash, on credit, barter or otherwise, made and rendered in, about, or in connection with the Restaurant, including off-premises sales and monies derived at or away from the Restaurant, provided they are in connection with the business conducted at the Restaurant, including all discounts except for the amounts of coupon discounts we require as outlined from time to time in the Manuals Authorized deductions as described in the Manuals from time to time are excluded from the definition of Gross Revenues We may require that owner complimentary meals be included in the calculation of Gross Revenues at the full retail price charged to your customers for such meals Gross Revenues does not include any federal, state, municipal, or other sales, value added, or retailer's excise taxes that you collect and remit to state or local authorities If applicable laws or regulations covering the Restaurant prohibit the payment of royalty fees or other amounts on the sale of alcoholic beverages, then the term "Gross Revenues" will exclude revenues on the sale of alcoholic beverages Although we are not required to do so by the Franchise Agreement, we may periodically permit you to make certain deductions from Gross

Revenues We currently allow you to deduct complimentary sales from Gross Revenues This deduction is not part of the Franchise Agreement, and you have no legal right to this deduction It is strictly a business practice based on our current policy that we may discontinue at any time for any reason whatsoever, without notice This deduction may only be taken for actual complimentary meals provided to customers or employees and for no other reason This deduction, and any other deduction we authorize, is only available to you as long as you timely and accurately report your Gross Revenues, including deductions (and supporting documents) for authorized discounts and complimentary sales We may stop permitting you to take this complimentary sales deduction or any other deduction at any time for any reason whatsoever

4 We may increase the required local advertising expenditure at any point in the future, subject to the 3% maximum These expenditures are made directly by you for local advertising and promotional activities for your Restaurant

5 If you are not in compliance with system standards, we may, at our option, require you and/or your Restaurant's managers to complete our Standards Retraining Course, which is currently held at our Restaurant Support Center in Tampa, Florida This course includes training and instruction on compliance with system standards and maintaining brand standards We may use a variety of metrics to measure performance, including, without limitation, guest feedback, reporting, inspections, and quality certification scores, as determined by us, in our sole discretion

6 We charge a training fee of up to $1,500 per person, for (a) initial operations training of more than 4 persons, (b) additional managers completing training after the Restaurant is open, and (c) Standards Retraining Course, at our option, if you fail to operate the Restaurant in compliance with system standards In addition, there is a fee for all management trainees/participants attending the ServSafe® Food Protection Manager Course and ServSafe® Alcohol Course (up to $200 per person) You (or your majority shareholder, majority owner or approved managing partner) and all operating managers are required to have a manager food safety and alcohol certification through the ServSafe® program Some states require that additional criteria be met in order to operate a restaurant, please check with your local state agency We currently require all new managers to attend a Front Burner University Management Essentials training program (up to 5 days in duration) in Tampa, Florida, which must be satisfactorily completed within 9 months after such person assumes his or her position The Front Burner University Management Essentials, which is a higher-level management curriculum, includes topics such as THE MELTING POT® culture, guest recovery, guest feedback, management, local store marketing, Data Central®, and other related THE MELTING POT® management topics

7 We charge an annual license fee (currently $175 per Restaurant) for access to these e-learning programs and tools We may change the amount of this fee in our sole discretion We may also charge on-going instructional design fees (estimated to range from $75 to $1,500 per Restaurant per year) if we develop in our discretion any new e-learning programs, including but not limited to, new courses and development software

8 If we determine that you have violated the Franchise Agreement and send you a notice of breach, then we may assess a Compliance Fee ranging from $100 to $1,500 per notice You will be required to pay the Compliance Fee within 20 days after receiving such notice Additionally, if we incur any expense resulting from your violation of the Franchise Agreement, including any compliance violation, we may auto-debit the expense we incur from your bank account The Compliance Fee will apply for each notice of violation, even if the violations relate to the same provision of the Franchise Agreement, but we will not assess a Compliance Fee more than one time per month for a particular violation However, multiple violations resulting in multiple notices will result in multiple Compliance Fees and a higher Compliance Fee due to frequency of violations during each year We may also require you or your employees to attend our Standards

Re-Training Course and/or other refresher training programs If the non-compliance relates to your failure to submit required financial reports in a timely manner, or the financial information you submit to us is inaccurate, we may require you to utilize the services of our internal accounting department and may charge you a reasonable fee to cover the cost of such services

9 We will determine the number of trainers and the time period over which their assistance will be provided in connection with the re-location of your Restaurant This will depend on a variety of factors, including, but not limited to, the number of new team members that you hire, the length of time between closing the former location and opening at the new location, and the availability of our personnel

10 The design plans and specifications are provided for the specific site that we have approved in connection with the re-location of your Restaurant We may charge additional fees if you request excessive alterations of the plans provided If, for any reason, you decide to pursue an alternate location, you must pay another fee for new design drawings for such alternate site

11 We currently require you to subscribe to Restaurant Magic Software's Data Central® restaurant management software system (**"Data Central®"**), which is a proprietary, internet-based, centralized business management system designed to manage and report on purchasing, inventory, labor, sales and product mix, and cost of goods See "Computer Systems" under Item 11 of this disclosure document for a more detailed description of the Data Central® system The Data Central® system is accessible through a high speed internet connection and is currently hosted in a secure data facility on hardware owned and operated by Restaurant Magic Software We may, in the future, require the use of software and hardware, which will enable you to become a 'thin client" user with us acting as a host, housing the software and programs which you will use and access through the internet at our website If we do, we may charge you a reasonable fee for such hosting and support services The hosting fee may also encompass certain online training or e-learning fees, video production and other miscellaneous technology-driven initiatives

12 The Data Central® system we currently require you to subscribe to utilizes a centralized database You will access this database via the internet Although we do not own the Data Central® system, we do own the rights to all of the data within it, including the menu, profit and loss information, inventory, labor costs etc While we do not currently charge you a separate fee for the rights to use this proprietary database, we may assess user fees in the future for the purpose of updating, developing, maintaining and/or hosting this database or any other database for the restaurant management software system we are then using in the operation of THE MELTING POT® Restaurants We may also charge this fee for any other technology that we develop for use in the operation of THE MELTING POT® Restaurants or any supplemental software or programs that we use from time to time to extract and/or analyze information contained in the database As new technologies are developed, we reserve the right to implement them, and to recover the costs associated with them, from you

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (1)	$45,000	Lump Sum	On signing Franchise Agreement	Us or our Affiliates
Real Estate Services Fee (19)	$2,500	Lump Sum	On signing Franchise Agreement	Us or Third Parties
Real Estate (Rent – First 3 months) (2)(3)	$28,500 to $68,750	Lump Sum	As specified in lease or sublease	Landlord
Security Deposit (4)	$10,000 to $20,000	Lump Sum	On signing lease or sublease	Landlord
Leasehold Improvements (5)(12)	$430,000 to $640,000	As Agreed	As Incurred	Contractors, Suppliers and Tradesmen
Computer and Point of Sales Hardware/Software (6)	$8,600 to $20,500	Lump Sum	As Incurred	Us or Outside Suppliers
Computer Software Installation and Training, First Year Subscription (7)	$8,500 to $8,900	Lump Sum	As Incurred	Us or Outside Suppliers
Gift Card Processing, Search Engine Optimization Fee and Customer Survey Services (3 months) (8)	$677 to $747	Monthly	Lump Sum	Us or Third Parties
Restaurant Equipment, Furniture, Fixtures and Signage (9)	$275,000 to $350,000	Lump Sum	As Incurred	Outside Suppliers
Utility Deposits	$2,000 to $5,000	Lump Sum	As Incurred	Utilities
Opening Inventory and Supplies (10)	$25,000 to $50,000	As Agreed	As Incurred	Outside Suppliers and Us
Grand Opening Advertising	$8,000 to $15,000	Lump Sum	As Incurred	Advertising Sources
Training Expenses (11)	$23,500 to $39,000	As Incurred	As Incurred	Third Parties
Licenses – Alcoholic Beverages, Business and Health (12)	$6,000 to $10,000	Lump Sum	Before Opening	Third Parties
Insurance (13)	$3,000 to $6,000	Installments	As Agreed	Third Parties
Legal	$2,000 to $6,000	Lump Sum	As Agreed	Third Parties
Accounting Firm (14)	$8,500 to $10,000	As Agreed	As Incurred	Accounting Firm
Reservation System (3 months) (15)	$1,750 to $3,500	Monthly	Monthly	Third Parties
Additional Funds (3 months) (16)	$85,000 to $145,000	As Incurred	As Incurred	Third Parties

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
TOTAL ESTIMATED INITIAL INVESTMENT UNDER THE FRANCHISE PROGRAM (17)	$973,527 to $1,445,897			
Development Fee (18) (Fee to develop 2 to 5 Restaurants, this fee is in addition to the Initial Franchise Fee for the first Restaurant)	$22,500 to $90,000	Lump Sum	On signing the Development Agreement	Us
TOTAL ESTIMATED INITIAL INVESTMENT UNDER THE AREA DEVELOPMENT PROGRAM (17)(18)	$996,027 to $1,535,897			

Explanatory Notes

1 The current initial franchise fee is $45,000 The initial franchise fee for Restaurants that are developed under a Development Agreement after the first restaurant is one-half of the current initial franchise fee The initial franchise fee is non-refundable We do not finance any fee We are a member of the IFA and participate in the IFA's DiversityFran and VetFran programs We currently reduce the initial franchise fees for qualified minorities and veterans in support of these programs

2 Unless you own suitable premises, you must purchase or lease the premises for your Restaurant While some free standing buildings and mall shopping centers may be suitable, a typical THE MELTING POT® Restaurant should occupy between 4,000 and 5,500 square feet of leased space in an upscale strip shopping center near a substantial number of middle and upper income managerial and professional residential neighborhoods The annual rent for such space is estimated to range from $114,000 to $275,000, and may be more depending on factors such as the size of the space, age, city where it is located, local economic conditions, property condition, zoning, competition, frontage and location within the building, signage, additional expenses such as common maintenance and merchant dues, location, and reputation of the shopping center In most cases, franchisees rent rather than purchase property The initial investment assumes you will rent If you purchase the premises, your initial expenses will dramatically increase

3 The lease or sublease as well as any renewals for the premises at which your Restaurant will be located must contain terms reasonably acceptable to us You must sign our current form Collateral Assignment and Assumption of Lease (Exhibit "E" to this disclosure document) and you and your landlord must sign our current Form of Rights of Franchisor Rider to Lease (Exhibit "E-1" to this disclosure document) We will not negotiate your lease, nor are we obligated to negotiate our Rider, with your landlord You must use our designated real estate broker/consultant network for all of your lease negotiations The landlord typically pays a brokerage commission to broker the real estate in connection with the negotiations unless otherwise agreed to by you

4 The amount of rent and security deposit will depend on the size, condition and location of the premises and the demand for the premises among prospective lessees We estimate that the security deposit will equal one month's rent

5 You must construct and decorate your Restaurant to conform to our specifications Costs of leasehold improvements, which include floor covering, wall treatment, counters, ceilings, painting, window coverings, plumbing, electrical, carpentry and related work and contractor's

fees, will vary significantly depending on the condition, location and size of the premises, the demand for the premises among prospective lessees, contractor and labor costs and any construction or other allowances granted by the landlord after negotiations These costs also include estimated impact and permit fees These fees and costs vary widely from municipality to municipality and state to state, and may cause even the high estimate in this category to be too low Our estimate for real estate improvements and Restaurant equipment expenses assumes that you will not be required to install hoods or the like for capture and removal of cooking vapors from the fondue pots on your in-table burners to comply with any state or local government laws or codes for the jurisdiction within which your Restaurant is located As of the date of this disclosure document, no governmental authority has determined that hoods or the like for capture and removal of cooking vapors from the fondue pots on the in-table burners at any THE MELTING POT® Restaurant are required for fire code compliance But, fire codes and their interpretation by governmental authorities responsible for enforcement vary substantially from jurisdiction to jurisdiction You should consult with fire, health, building departments or any other governmental authority responsible for enforcement of the fire code for the jurisdiction within which your Restaurant will be located concerning applicable requirements The cost for installation of hoods or the like for ventilation of in-table burners of a typical Restaurant are estimated to range from $75,000 to $100,000 We reserve the right to require hoods in the Restaurant Our estimate also assumes that you will not be required to install a full service restaurant kitchen with a hood for ducting, exhaust fan and makeup air, and gas cooking equipment, including but not limited to a griddle, fryer, convection oven/range and supporting refrigeration We estimate that installation of such a full service kitchen would increase your costs by between $71,000 and $80,000 depending on the physical aspects and code requirements of the location We reserve the right to require a full service restaurant kitchen Our Construction and Design Department will produce a number of items you will need in the design and layout of your Restaurant In order to maintain project quality and aid in controlling development time and costs, we restrict you to the use of an approved vendor We maintain ownership of the designs We may require you to get a bid from our list of designated consultants, contractors and vendors It may be necessary to have certain aspects of your building plans engineered The costs of this will vary depending upon the scope of work required Typically, engineering costs are minimal because we usually develop our restaurants in existing buildings or locations that were previously used as a restaurant Engineering could include structural, HVAC, electrical, plumbing, etc Anything above and beyond the standard scope of services furnished by the Construction and Design Department, including but not limited to, exterior improvements, additional drawings, etc , will be provided on an additional services and cost basis We relied on our experience from opening restaurants in the past and our experience in the restaurant business to compile these estimates You should review these figures carefully with a business advisor before making any decision to purchase the franchise We do not offer financing, directly or indirectly, for any part of the initial investment The availability and terms of financing will depend on factors such as the availability of financing generally, your credit worthiness, collateral you may have and lending policies of financial institutions from which you may request a loan The total estimated start-up costs may exceed the high range depending upon the location, site conditions, local construction costs, local governmental fees and local marketing conditions and other factors

6 Our estimate for the back office computer and point of sale (POS) hardware and software expenses assumes that you will purchase a computer and peripherals with the most current Microsoft Windows operating system (or then-current operating system that we prescribe in the Manuals) capable of running Microsoft Net, color monitor, cable or DSL modem and laser printer This estimate includes the POS remote terminals, remote printers, cash drawers, power supplies, hubs, related cable requirements, POS software, and integrated credit card software We currently require the CBS Northstar Order Entry POS System, but we reserve the right to change the designated POS system from time to time This estimate does not include additional

programming of your POS software for customization Additional computer operating software requirements are for an Office Suite to include Microsoft Word, Excel, Outlook and other software applications commonly used for business The computer system, as a whole, must be compliant with the standards created by the Payment Card Industry (**"PCI"**) Security Standards Council, including new or modified requirements You must have adequate firewalls and antivirus software as required in the PCI Data Security Standards You must have wireless internet access which meets our required upload and download speeds, which specification may change from time to time There is usually not a one-time purchase price for this service but a monthly reoccurring charge for internet access We cannot provide an estimate of this since it can vary depending on your service provider, your location and the type of connection you may have The estimate for the aforementioned (excluding internet access) can range from $8,600 to $20,500, depending on the number of remote terminals These costs are also subject to change depending on the wiring in an existing structure

7 You must subscribe to Data Central®, a restaurant management software system, from Accsys, Inc , d/b/a Restaurant Magic Software, or our current prescribed system This software, used to control inventories and determine the target cost of goods sold, is an essential management tool You must order the Data Central® software through us We cover the cost of this back office accounting/management software and re-bill the franchisees, at cost Though we do not own Data Central®, we do own the rights to the menu and inventory database We do not intend to charge you for the rights to use this database, however, we may assess user fees in the future for the purpose of updating and maintaining this database The annual subscription cost of Data Central® is currently $2,398, though, we may require you to purchase additional modules for an additional cost in the future This subscription price includes application, enhancements, level one support and hosting There may be an additional professional service fee for training and configuration at the time of installation which we estimate to be between $0 and $1,000 We may, at our option, provide such training and configuration services to you in which case we may require you to pay these fees directly to us We may in the future require the use of software and hardware, which you will be responsible for paying for and servicing, which will enable you to become a "thin client" user with us acting as a host, housing the software and programs which you will use We reserve the right to charge you a reasonable fee for those hosting services We may also provide level one support in the future We receive a rebate of approximately $400 per location from Restaurant Magic Software

8 We currently require you to pay for gift card processing services and customer feedback services, which you must order through us These services are provided by third parties that bill us collectively for all Restaurant locations We cover the cost of these services and re-bill the franchisees for them, at cost

9 This item includes the table burners, sinks, refrigerators, kitchen ventilation systems, display cases, marketing display TVs, tables, table extensions, stools, chairs, booths, utensils, a phone system, a desk, filing cabinets and related office supplies The low end of the range assumes that you will either take over an existing restaurant space with some of these items already in place or purchase used equipment The high end of the range assumes that all new equipment is purchased We estimate that you will need between 35 to 64 burners initially, for an approximate cost of $19,250 to $35,200, excluding installation, taxes and freight We estimate that the installation of the burners would be between $0 (if you install the burners yourself) and $1,000 (if you hire an electrician to install the burners)

10 The difference between the low and high range (4,000 square feet to 5,500 square feet) is attributable to the actual size of the Restaurant and the amount and variety of the food, beverage and alcoholic products, smallwares, janitorial and paper goods, and other materials and supplies

necessary for the opening of the Restaurant in compliance with our prescribed standards and specifications

11 You must provide or purchase a laptop computer and have it available during initial training in Tampa, Florida The laptop must be available for each manager attending the initial training program (i e , total of 3 management employees, including the franchisee/managing owner) for the duration of the required initial training The laptop system specs will be provided to you in a separate document and must be able to run the POS system, your reservation system software, and the learning management system for demo/training purposes The estimated cost of the laptop computer is $1,000 Training expenses also include hotel, airfare, food and payroll for 3 owners/managers to attend our initial training program and the initial order of hiring and training materials for the new restaurant opening This estimate does not include additional training fees which would apply if more than 3 people attend initial training We will train up to 4 people at no charge

12 You must obtain, at your expense, all required permits, licenses and approvals for construction and operation of your Restaurant Applicable federal, state, and local laws may require you to obtain various licenses and/or permits for the operation of your Restaurant Each county and/or state may differ in licensing and permit requirements for the services you will offer It is your responsibility to research the requirements that apply to your specific territory, and to operate your Restaurant in full compliance with applicable laws All services provided by your Restaurant must comply with state, local and/or federal laws We also require you to obtain a license or permit for the sale of beer, wine and liquor The cost of the beer, wine and liquor license varies substantially from state to state and county to county The range estimated in this document may not reflect your actual cost, which could exceed the estimate, depending on your jurisdiction Since the availability and expenses of acquiring a beer, wine and liquor license or permit varies substantially from jurisdiction to jurisdiction, you should consult the appropriate governmental authority concerning the availability of such licenses or permits and the associated expenses for your Restaurant before you sign a Franchise Agreement

13 You must obtain insurance in the amounts and types of coverage we specify

14 You must use the accounting firm we designate or approve for a period ending no sooner than one year from the date your Restaurant opens for business After one year, we may require you to continue using a designated or approved accounting firm, or our internal accounting services, at our discretion, if you fail to submit required financial statements or reports in a timely manner, or if the financial information is not accurate

15 The Reservation System fees range from $7,000 to $14,000 per year and are paid monthly This estimate is for the first 3 months of the operation of your Restaurant

16 This item estimates your additional initial start-up expenses The disclosure laws require us to include this estimate of all costs to operate your franchise during the "initial phase" of your business, which is defined as 3 months or a longer period if "reasonable for the industry " We are not aware of any established longer "reasonable period" for our industry, so our disclosures cover a 3-month period This estimate includes payroll costs for your General Manager, Assistant Manager, Kitchen Manager and restaurant staff Additional funds also include loan origination fees, loan closing fees, potential SBA loan guarantee fees and other various costs These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business Your costs will depend on factors such as how much you follow our methods and procedures, your management skill, experience and business acumen, local economic conditions, the local market for your products and services, the prevailing wage rate, competition, and the sales level reached during the initial period You should review these

estimates carefully with an accountant or other business advisor before making any decision to buy a franchise

17 We relied on our experience from opening restaurants in the past and our experience in the restaurant business to compile these estimates You should review these figures carefully with a business advisor before making any decision to purchase the franchise We do not offer financing directly or indirectly for any part of the initial investment The availability and terms of financing will depend on factors such as the availability of financing generally, your creditworthiness, collateral you may have and lending policies of financial institutions from which you may request a loan The total estimated start-up costs may exceed the high range depending upon the location, site conditions, local construction costs, local governmental fees and local market conditions, and other factors

18 Under the Area Development Program, the Development Fee paid at the time you sign the Development Agreement equals $45,000 for the first Restaurant scheduled to be developed, plus $22,500 times the number of Restaurants after the first Restaurant you are scheduled to develop The low estimate assumes 2 Restaurants and the high estimate assumes 5 Restaurants In addition to the Development Fee, you would also incur the total estimated initial investment under the Area Development Program for each Restaurant that you open, for your first Restaurant and less $22,500 for each remaining Restaurant, since we do not charge an initial franchise fee for your first Restaurant and reduce the initial franchise fees for the remaining Restaurants to $22,500 each, as discussed above

19 The total fee for site selection services is $5,000 payable to a third-party vendor, however, $2,500 of this amount is paid by us, resulting in a payment by you of $2,500

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

The source for virtually all of your purchases is restricted in some way

Purchases from Us

We require you to purchase certain third party services that must be ordered through us, including real estate services, back office accounting software, gift card processing, customer survey services and search engine optimization (SEO) services These services are provided by third parties that bill us collectively for all Restaurant locations We cover all or part of the cost of these services and re-bill the franchisees for them, at cost We currently are the only approved supplier of our proprietary fondue forks, fondue pots and fondue pot safety devices used in the transport of hot fondue pots These items are distributed through a distributor we designate We also are the only approved supplier for the plastic gift cards that you will sell at your Restaurant

In the fiscal year ending March 31, 2016, our revenues from the sale of items to franchisees were $33,508, which represents 0 3% of our total revenues of $11,830 833 These figures are derived from our audited financial statements, which are attached as Exhibit "A" to this disclosure document

Other than the cost of those items described in Items 5 and 6 of this disclosure document, the cost of equipment and services purchased from us represents approximately 1% of the total cost to establish a franchise and approximately 1% of the total operating expenses thereafter

Approved Suppliers

We will supply all proprietary items to an approved distributor for sale to you If we develop other proprietary food products in the categories of frozen, refrigerated and dry (or shelf stable), we will supply them to an approved distributor and you must purchase such food products from that distributor You must purchase all meats, pork, chicken, fish, shellfish, proteins dairy products, canned goods, dry goods, spices, supplies, and other items you use and sell at and from your Restaurant through our approved suppliers or distributors You may have the option to purchase select items locally as outlined in our Manuals from time to time You are required to pay for all goods and services within negotiated terms Please note that your credit rating can affect these terms These terms may change without notice You must purchase training materials that include printed materials from the approved supplier You must purchase various marketing, website, search engine optimization, customer relationship management, social networking, firewall, compliance security, and brand development products, services and/or software from the approved supplier You must purchase various promotional items and uniforms for your staff from a manufacturer we designate You must purchase the Data Central® program from a third party or from us, as we deem necessary At this time we do not require a specific credit card processor We reserve the right to do so in the future You must use an approved restaurant reservation provider Although OpenTable is our preferred provider, we do not require OpenTable at this time, though, we reserve the right to designate it or others in the future You must use our designated accounting firm for a period ending no sooner than the date that is one year from the date your Restaurant opens for business Once your Restaurant has been open for a year, we may require you to obtain and utilize the services of a designated or approved accounting firm if you fail to submit required financial reports in a timely manner or if the financial information submitted to us is inaccurate We may, at our option, require you to utilize the services of our internal accounting department and, if so, we may charge you a reasonable fee to cover the cost of those services You must also use our designated real estate broker/consultant network for all your lease negotiations We do not make any express or implied warranties with respect to any products goods or services we supply to you or recommend for your use

Required purchases from approved suppliers, including us, represents approximately 67% of your total purchases in connection with the establishment of your Restaurant and approximately 85% of your overall purchases in operating the Restaurant

There are no suppliers in which any of our officers own an interest

Rebates

We negotiate with manufacturers to receive rebates on certain items you must purchase Our revenue from rebates equaled $2,204,477 for fiscal year ending March 31, 2016, which is 18 6% of our total revenues of $11,830,833 (see our audited financial statements attached as Exhibit "A" to this disclosure document) The amount of the rebates and the basis for payment varies from (i) flat payments per pound (ranging from $ 03 to $ 50), (ii) percentages of sales (up to 1 2%), and (iii) payments per case (ranging from $1 00 to $18 00) These amounts may vary and additional vendors may pay rebates in the future

Changes to Suppliers

If you want to use any item that does not comply with our specifications or is to be purchased from a supplier that has not yet been approved, you must first submit sufficient information, specifications and samples for our determination whether the item complies with our specifications or the supplier meets approved supplier criteria We may charge you a reasonable fee to cover the costs we incur in making this determination Suppliers may be approved for specified geographical areas A supplier that has been approved for one area might not be granted approval in another area We will respond to requests to change suppliers within 30 days as long as we have the opportunity to fully evaluate such supplier If we refuse to change or add a supplier suggested by you, we will give you the reasons for our disapproval We will, periodically, establish procedures for submitting requests for approval of items and suppliers and may impose

limits on the number of approved items and suppliers Approval of a supplier may be conditioned on requirements relating to quality, design, price, distribution methods, supply considerations, compatibility with THE MELTING POT® system and service and concentration of purchases with one or more suppliers in order to obtain better prices and service Such approval may be temporary, pending our further evaluation of the supplier, and we reserve the right to withdraw our approval of a supplier at any time without notice We have the right to limit the number of suppliers with whom you may deal, designate sources that you must use, and/or refuse any of your requests for any reason, including that we have already designated an exclusive source (which may be us or our affiliate) for a particular item or service or if we believe that doing so is in the best interests of THE MELTING POT® Restaurant network

Standards and Specifications

In order to maintain the quality of the goods and services sold by THE MELTING POT® Restaurants and the reputation of THE MELTING POT® Restaurants franchise network, you must operate and develop the Restaurant according to our standards and specifications Our standards and specifications may regulate, among other things, the use of certain plans, specifications, decor, artwork, music, blueprints, and designs for development of the Restaurant, types, models and brands of required fixtures, furnishings, equipment, signs, computer hardware and software, POS systems, materials, beverages and food products, and kitchenware, tableware and supplies to be used in operating the Restaurant, required or authorized products and product categories, and designated or approved suppliers of such items (which may be limited to or include us or our affiliates) Our standards and specifications may impose minimum requirements for quality, taste, cost, delivery, performance, design and appearance We will notify you in our Manuals or other communications of our standards and specifications and/or names of approved suppliers Required purchases according to our specifications and standards represent approximately 26% of your total purchases in connection with the establishment of your Restaurant and approximately 10% of your overall purchases in operating the Restaurant

You must purchase certain brands of liquor ("**Core Beverage**") under THE MELTING POT® Core Beverage Program

Restaurant Development

THE MELTING POT® Restaurants must be constructed or remodeled in accordance with our standards and specifications You must purchase or lease and use only such equipment and supplies as we may specify or approve We or our designated architectural and design firm will furnish you with mandatory and suggested specifications and layouts for a THE MELTING POT® Restaurant, including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs and furnishings The Construction and Design Department will furnish you with their normal Scope of Work Anything above and beyond the standard scope of services, including but not limited to exterior improvements, additional drawings, etc will be provided on an additional services and cost basis You are required to use our Construction and Design Department services for the evaluation, layout, design and overall project guidance in the development of your location, subject to review and approval You must also use architectural engineering and contractor firms acceptable to us Our Construction and Design Department reserves the right to review and approve vendors providing services in the development of the restaurant, including architectural, engineering and general contracting We may require you to get a bid from our list of designated consultants, contractors and vendors We currently require you to obtain a minimum of one quote or bid from one of our designated architects You may choose to obtain additional bids from non-designated architects Any non-designated architect needs to be approved by us before you obtain a bid from them We reserve the right to require that any bid from a non-designated architect be submitted according to our then-current architectural software package You are obligated at your expense to have your architect prepare all required construction plans and specifications, based on our design drawings and specifications, to suit the shape and dimensions of the Site and to ensure that such plans and specifications comply with applicable ordinances, building codes and permit requirements and with lease requirements and restrictions You must at your expense use construction contractors designated or

approved by us You must pay all charges in connection with the services provided by the specified architectural and design, engineering and contractor firm

Computer Systems

You must purchase and use the POS system and software, as well as all modifications, enhancements and revisions to them, as prescribed in the Manuals We currently require you to use the CBS Northstar Order Entry POS system and Data Central® software You must also purchase computer hardware, including a laptop computer that is compatible with the Data Central® software The laptop computer must also be capable of running the POS system and the reservation system software (or other systems and software that we prescribe) You must also purchase a terminal and printer or software to process gift cards that are similar to a credit card

Insurance

In addition to the purchases or leases described above, you must obtain and maintain, at your own expense, such insurance coverage that we require, which may periodically be adjusted, and meet the other insurance-related obligations in the Franchise Agreement The cost of this coverage will vary depending on the insurance carrier's charges, terms of payment and your history All insurance policies must name us as an additional insured party You are responsible for providing and maintaining written documentation verifying all coverage

Real Estate Services

We require you to use our designated real estate broker/consultant network for all of your lease negotiations You pay this third party the full fee for these services, and we reimburse you $2,500 within 30 days of the fee being paid The current fee for mid-term lease renegotiations is $5,000, plus 30% of any savings to you over the life of the lease term The current fee for lease renewal negotiations is $5,000 The current fee to evaluate whether it is most optimal for you to retain your present Restaurant location or to relocate your Restaurant to another location ranges from $5,000 to $10,000 We do not profit from Real Estate Services in any way

Miscellaneous

Except as described above, neither we nor our affiliates currently derive revenue or other material consideration as a result of required purchases or leases There currently are no purchasing or distribution cooperatives We have developed purchase arrangements with suppliers for the benefit of franchisees and we may pursue additional similar arrangements in the future Except as set forth above, we do not currently derive any financial benefit from these arrangements We may negotiate purchase arrangements with suppliers for the benefit of franchisees, and/or to derive revenue or other material consideration as a result of required purchases or leases, but intend to do so only if there will be a net cost savings to franchisees from the particular arrangement

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement	Disclosure Document Item

Obligation	Section in Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	Sections 2 and 4 of Franchise Agreement, Collateral Assignment of Lease, Section 7 of the Successor Franchise Addendum, Operating Agreement for Path to Grow Program ("PGP Operating Agreement"), Section 3 3	Items 10, 11 and 12
	Development Agreement, Section 5	
(b) Pre-opening purchases/leases	Sections 4, 10 and 11 of Franchise Agreement, Section 7 of the Successor Franchise Addendum, PGP Operating Agreement, Section 3 3	Items 7, 8 and 10
	Development Agreement, Not Applicable	
(c) Site development and other pre-opening requirements	Sections 4 and 10 of Franchise Agreement, Section 7 of the Successor Franchise Addendum, PGP Operating Agreement, Section 3 3	Items 10, 11 and 12
	Development Agreement, Not Applicable	
(d) Initial and ongoing training	Section 5 of Franchise Agreement, Section 6 of the Successor Franchise Addendum	Item 11
	Development Agreement, Not Applicable	
(e) Opening	Section 4 of Franchise Agreement, Section 6 of the Successor Franchise Addendum	Item 11
	Development Agreement, Section 3	
(f) Fees	Sections 4, 5, 9, 11 and 14 of Franchise Agreement, Section 4 of the Membership Agreement	Items 5 and 6
	Development Agreement, Section 4 and 11	
(g) Compliance with standards and policies/ Manuals	Sections 4, 5, 6, 7, 10, 11 and 12 of Franchise Agreement	Items 8 and 11
	Development Agreement, Not Applicable	
(h) Trademarks and proprietary information	Sections 5, 6, 7, 16, and 17 of Franchise Agreement, Noncompete Agreement, Confidentiality, Non-Solicitation and Assignment of Inventions Agreement ("**Confidentiality Agreement**")	Items 13 and 14
	Development Agreement, Section 7 and 8	
(i) Restrictions on products/ services offered	Section 10 of Franchise Agreement	Item 16
	Development Agreement, Not Applicable	
(j) Warranty and customer service requirements	Not Applicable	None
	Development Agreement, Not Applicable	
(k) Territorial development and sales quotas	Not applicable	None
	Development Agreement, Section 3	
(l) On-going product/service purchases	Sections 2, 4, 5, 10 and 11 of Franchise Agreement,	Item 8
	Development Agreement, Not Applicable	
(m) Maintenance, appearance and remodeling requirements	Sections 3, 4, 5, 10, 13 and 14 of Franchise Agreement,, Section 7 of the Successor Franchise Addendum	Item 11
	Development Agreement, Not Applicable	
(n) Insurance	Section 10 of Franchise Agreement,	Item 8
	Development Agreement, Not Applicable	
(o) Advertising	Section 11 of Franchise Agreement, Sections 11 and 12 of the Membership Agreement	Item 11
	Development Agreement, Not Applicable	

Obligation	Section in Agreement	Disclosure Document Item
(p) Indemnification	Sections 6 and 8 of Franchise Agreement, Section 2 of Collateral Assignment of Lease, Section 4 of Conditional Assignment of Telephone Numbers and Listings Agreement	Item 6
	Development Agreement Section 12	
(q) Owner's staffing/ participation/ management	Sections 10 of Franchise Agreement, Noncompete Agreement, Confidentiality Agreement	Item 15
	Development Agreement, Section 6	
(r) Records and reports	Section 12 of Franchise Agreement	Item 11
	Development Agreement, Not Applicable	
(s) Inspections and audits	Section 13 of Franchise Agreement	Items 6 and 11
	Development Agreement, Not Applicable	
(t) Transfer	Section 14 of Franchise Agreement, Section 10 of the Successor Franchise Addendum, PGP Operating Agreement, Article 8	Items 10 and 17
	Development Agreement, Section 11	
(u) Renewal	Section 3 of Franchise Agreement, Successor Franchise Addendum	Item 17
	Development Agreement, Section 2	
(v) Post-termination obligations	Section 16 of Franchise Agreement, Noncompete Agreement, Confidentiality Agreement, PGP Operating Agreement, Article 10	Items 10 and 17
	Development Agreement, Section 10	
(w) Non-competition covenants	Sections 7 and 16 of Franchise Agreement, Noncompete Agreement, Confidentiality Agreement	Items 15 and 17
	Development Agreement, Sections 7 and 10	
(x) Dispute resolution	Sections 17 and 19 of Franchise Agreement, the Noncompete Agreement, Confidentiality Agreement, Section 13 of Collateral Assignment of Lease, Section 9 of Conditional Assignment of Telephone Numbers and Listings Agreement	Item 17
	Development Agreement Section 14	

ITEM 10
FINANCING

New Restaurants

With respect to new Restaurant locations, neither we nor any agent or affiliate offers direct or indirect financing to you, guarantees any note, lease or obligation of yours, has any practice or intent to sell, assign or discount to a third party all or part of any financing arrangement of yours, or receives any direct or indirect payments or other consideration from any person for the placement of financing with the lender

Existing and Former Restaurants

With respect to select existing and former Restaurant locations, we offer a Path to Grow financing program (**"PGP"**) in which you may be qualified to purchase a THE MELTING POT® Restaurant that is already in operation or has recently closed PGP is not available to all existing and former locations, and it is not applicable to new construction or relocations Re-opening an approved THE MELTING POT® Restaurant that has closed for business may be eligible for financing via PGP Ideal candidates for PGP are experienced

restaurant operators or franchisees Operations or franchise experience with THE MELTING POT® is not a requirement Any existing or former location, operator or franchisee interested in PGP is subject to our review and approval

Under the PGP program you form a new business entity ('NewCo) and NewCo either purchases franchise rights from an existing franchisee, or NewCo enters into a new Franchise Agreement and pays us the Initial Franchise Fee A copy of our Franchise Agreement is attached as Exhibit 'B' to this disclosure document Next, NewCo purchases the existing Restaurant, including all of its leasehold rights, tangible assets licenses permits records, contracts inventory and goodwill ('Included Assets) In order to finance the purchase of the existing Restaurant (i) you make an initial capital contribution to NewCo of between 5 and 15% of the total purchase price for the Restaurant and (ii) we loan NewCo the balance of the purchase price

In return for your initial capital contribution, you receive a 100% interest in NewCo and agree to manage the day-to-day operations of the Restaurant In return for our loan NewCo and/or you as applicable enters into our standard form of loan documents a copy of which is attached as Exhibit "L-2" to this disclosure document Specifically NewCo enters into a Loan Agreement (Exhibit 'L 2(a)') and Promissory Note (Exhibit ' L-2(b)) in which NewCo agrees to repay our loan together with interest on the unpaid principal, in 48 monthly installments The Promissory Note is secured by the Included Assets of the Restaurant pursuant to a form of Security Agreement a copy of which is attached as Exhibit L-2(c) You are required to personally guaranty the Promissory Note pursuant to our form of Unconditional and Continuing Guaranty, attached as Exhibit 'L-2(d)

The financing we provide to NewCo covers the cost of the Initial Franchise Fee and all of the Included Assets of the Restaurant We lend the money to NewCo directly The amount of financing offered depends on the actual cost of the Restaurant, with total financing capped at 95% The rate of interest differs depending on when the financing is issued because it is based on the average of interbank offered rates for one-year U S dollar denominated deposits in the London market ('LIBOR) plus 2 5 percentage points rounded to the nearest one-eighth of one percentage point (0 125%) however, by way of example, the interest rate as of the issuance of this disclosure document was 4 125% The debt can be prepaid without any prepayment penalty

Upon default NewCo and you as its personal guarantor, (i) waive any defense by reason of any extension of time for reason of nonpayment along with presentment, notice of dishonor, protest, demand and notice of protest See Promissory Note Exhibit 'L-2(b), para 8 NewCo and you as personal guarantor, are also potentially liable to pay the entire amount due court costs and attorney s fees incurred in collecting the debt and subject to termination of the franchise Promissory Note Exhibit ' L-2(b), para 5 and 6

For the first four years of the Restaurant s operation or until NewCo's loan is repaid, whichever is earlier you (or your operating member if your franchise is owned by multiple persons) will receive a salary for managing the Restaurant, and any profits from the Restaurant will be used to pay down the loan Until the loan is repaid, we also have the right to purchase your membership interest in NewCo for the same amount of money that you paid for your capital contribution terminating your management of the Restaurant and your franchise rights

~~Under the PGP program, you either purchase franchise rights from an existing franchisee, or you enter into a new Franchise Agreement and pay us the Initial Franchise Fee A copy of our Franchise Agreement is attached as Exhibit 'B' to this disclosure document Next, we form a new company with you ("NewCo"), and we and you enter into an Operating Agreement for NewCo Our standard form of Operating Agreement is attached as Exhibit "L-2" to this disclosure document As set forth in the Operating Agreement, NewCo purchases the existing Restaurant, including all of its leasehold rights, franchise rights if applicable, tangible assets, licenses, permits, records, contracts, inventory and goodwill ('Included Assets") In order to finance the purchase of the existing Restaurant, (i) you make an initial capital contribution to NewCo of between 5 and 15% of the total purchase price for the Restaurant, (ii) we make a capital contribution of between 15 and 25%~~

~~of the purchase price, and (iii) we loan NewCo the balance of the purchase price. *See* Exhibit "L-2", ¶¶ 5-1, 5-6.~~

~~In return for your initial capital contribution, you receive a 49% interest in NewCo and agree to manage the day-to-day operations of the Restaurant. In return for our initial capital contribution, we receive a 51% interest and manage NewCo. NewCo enters into a promissory note in which it agrees to repay our loan, together with interest on the unpaid principal at the rate of 5.5% per annum, in 36 equal monthly installments. The promissory note is secured by the Included Assets of the Restaurant. NewCo may prepay all or part of the loan without a prepayment penalty. You will not be required to personally guaranty the promissory note to repay our loan to NewCo, however, upon default, Newco waives all defenses, NewCo has an accelerated obligation to pay the entire amount due, and it must pay court costs and attorney's fees incurred in our collecting the debt. A copy of our standard form of Secured Promissory Note is attached as Exhibit "1" to the Operating Agreement.~~

~~For the first three years of the Restaurant's operation, or until NewCo's loan is repaid, whichever is earlier, you (or your operating member if your franchise is owned by multiple persons) will receive a salary for managing the Restaurant, and any profits from the Restaurant will be used to pay down the loan. Until the loan is repaid, we also have the right to purchase your membership interest in NewCo for the same amount of money that you paid for your capital contribution, terminating your management of the Restaurant and your franchise rights. After the loan is paid, you will purchase our 51% interest in NewCo. The purchase price for our interest will be no greater than the amount of our capital contribution, and it may be less if the Restaurant's Gross Revenues during the thirty-six months that NewCo owned and operated the Restaurant exceed the Restaurant's Gross Revenues during the preceding 36-month period under the former franchisee's ownership. *See* Exhibit "L-2", ¶ 5.8. After you have purchased our interest in NewCo, we will resign as its manager, and you will own a 100 percent interest in NewCo and the Restaurant. *Id.*~~

We have no practice or intent to sell, assign or discount to a third party all or part of the PGP financing arrangement. Neither we nor our affiliates receive any direct or indirect payments or other consideration from any person for the placement of financing to you through the PGP program.

New and Existing Restaurants

Whether you choose to open a new THE MELTING POT® Restaurant or an existing Restaurant through PGP, we participate in the IFA's VetFran and DiversityFran programs, which provide financial incentives to qualified veterans and minorities to help them acquire franchised businesses.

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

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

Pre-Opening Obligations. Before you open your Restaurant, we will:

1. provide you with our site selection criteria for the Restaurant and accept your site in our discretion after signing a Franchise Agreement. As an Area Developer, you may find and present location(s) before signing the Franchise Agreement. The site must meet our criteria for demographic characteristics, traffic patterns, parking, character of neighborhood, competition from and proximity to other businesses and other THE MELTING POT® Restaurants, the nature of other businesses in proximity to the site and other commercial characteristics, and the size, appearance and other physical characteristics of the proposed site. We will issue a letter accepting or rejecting a location you propose for the restaurant within 30 days after we receive the site selection worksheet and other materials we request. If you and we cannot agree on a site

within 275 days of signing the Franchise Agreement, it will terminate unless we grant you an extension, in our sole discretion (Franchise Agreement – Section 4)

2 provide Restaurant development assistance, which may include (i) space evaluation, (ii) design/package layout, (iii) foodservice design, (iv) kitchen/interior design, (v) tele-support, (vi) project management and value engineering, (vi) recommendations or requirements for architectural services, (vii) floor plan and rough sketch-ins, and (viii) layouts for POS, audio and visual You will have the sole and ultimate responsibility for developing your Restaurant We do not make any representation or warranty of any kind, express or implied, in regard to any contractors, subcontractors, etc in connection with the development of the Restaurant (Franchise Agreement – Section 4) Our Construction and Design Department will furnish you with their normal Scope of Work Anything above and beyond the standard scope of services, including but not limited to, exterior improvements, additional drawings, etc , will be provided on an additional services and cost basis You agree to diligently pursue the preparation of THE MELTING POT® Restaurant for opening You must begin operation of your THE MELTING POT® Restaurant within the earlier of 270 days after the date you sign the purchase agreement or lease for the premises of the Restaurant or within 545 days after the date you sign the Franchise Agreement, subject to any extensions we grant, in our sole discretion We may, but are not required to, grant you an extension of the time period to sign a lease or otherwise obtain the right to occupy a site (Franchise Agreement – Section 4) Under our current extension policy, we will not charge you a fee if you sign a lease or obtain the right to occupy the site within 90 days of the beginning of the Extension Period If a lease is not signed or you have not obtained the right to occupy the site during the second 90-day Extension Period, we will charge you an Extension Fee of $4,000 and if a lease is not signed or you have not obtained the right to occupy the site during the third 90-day extension period, we will charge you an Extension Fee of $8,000 If you obtain the right to occupy the site prior to the end of any extension period, we will refund the portion of the Extension Fee allotted to the days remaining in the extension period

3 inspect THE MELTING POT® Restaurant prior to its initial opening to determine its readiness to open Such inspection will not be made until a Certificate of Occupancy has been granted by all applicable agencies You will not commence operating until we grant approval We do not make any guarantees, implied or otherwise for the contractors, sub-contractors or anyone else involved in the building out of your Restaurant (Franchise Agreement – Section 4)

4 as discussed in Item 8, identify the fixtures, furnishings, equipment (including computer hardware and software), signs, food products, materials and supplies necessary for the Restaurant to begin operations, the minimum standards and specifications that must be satisfied and the suppliers from whom these items may be purchased or leased (including us and/or our affiliates) (Franchise Agreement – Section 4)

5 grant you access (which may be electronic) to our Manuals (Franchise Agreement –Section 5)

6 require each first-time franchisee or majority shareholder, majority owner or approved managing partner to complete initial training along with 2 additional qualified managers (a total of 3 operating managers/people) We will train up to 4 individuals without charging a training fee If the franchisee does not intend on acting as general manager of the Restaurant, we may still require him/her to complete all or a portion of the required initial training in addition to hiring and training 3 managers (total of 4 people) (Franchise Agreement – Section 5) A training fee of up to $1,500 per person will be charged for training additional management personnel This training is described in detail later in this Item We are not obligated to train you and your manager when you sign a Successor Franchise Addendum, but you or one of your managers must satisfactorily complete any new training and refresher programs that we require, at your expense The Successor Franchise Addendum is attached as Exhibit "B-1" If you are being assigned or transferred a Franchise Agreement, you must comply with and successfully complete the requirements imposed on a first-time franchisee (Franchise Agreement – Section 5)

7 after our receipt of your completed Pre-Opening Agreement and copies of a final Certificate of Occupancy, Board of Health Certificate and required liquor, beer and wine licenses for your Restaurant, we will provide you with one or more personnel, including an Operations Support Trainer, for such period of time as we consider necessary for supervisory assistance and guidance, consistent with the Manuals, in connection with opening and initial operation of your Restaurant (Franchise Agreement – Section 5) A copy of the Pre-Opening Agreement is attached as Exhibit C to the Franchise Agreement

If you are acquiring a successor franchise, we do not have the foregoing obligations

Continuing Obligations During your operation of the Restaurant, we will

1 advise you periodically regarding the operation of the Restaurant based on reports you submit or inspections we make In addition, we will provide guidance to you on standards, specifications and operating procedures and methods used by THE MELTING POT® Restaurants, purchasing required fixtures, furnishings, equipment, signs, products, materials and supplies, pricing, advertising and marketing programs, employee training, and administrative, bookkeeping and accounting procedures Such guidance may include food and beverage cost tools and other financial information that we periodically prepare or compile and share with franchisees Any such information is provided without warranty as to its completeness or accuracy, as there may be occasional errors or variations among unit measurements or market conditions that can affect the numbers or projections Ongoing guidance will, at our discretion, be furnished in our Manuals, via our intranet or the internet, videos or other written materials and/or during telephone consultations and/or consultations at our office or the Restaurant (Franchise Agreement – Section 5)

2 furnish you with such additional guidance, assistance and training as we deem necessary or appropriate, including, but not limited to, a wine list, menu and beverage programs, presented in the manner and style we prescribe (Franchise Agreement – Section 5)

3 grant you access (which may be electronic) to our manuals (collectively, the "**Manuals**"), consisting of such materials (which may include handbooks, tests, training materials and videos) that we generally furnish to franchisees for use in operating THE MELTING POT® Restaurants The Manuals contains mandatory and suggested specifications, standards, operating procedures and rules that we prescribe periodically The Manuals may be modified periodically to reflect changes in our system (Franchise Agreement – Section 5) If, for any reason your franchise is terminated or expired, you must return any printed copies of the Manuals and any Confidential Information to us

4 issue, modify and supplement operating procedures for THE MELTING POT® Restaurants We may periodically modify operating procedures, which may accommodate regional or local variations as we determine, and these modifications may obligate you to invest additional capital in the Restaurant and/or incur higher operating costs However, these modifications will not alter your fundamental status and rights under the Franchise Agreement (Franchise Agreement – Section 10)

5 inspect and observe the operations of the Restaurant periodically to assist you in complying with the Franchise Agreement and other aspects of our system (Franchise Agreement – Section 13)

6 establish, maintain and administer a brand development fund ("**Brand Development Fund**") if we determine that it is appropriate to do so (Franchise Agreement – Section 11)

Brand Development Fund

We direct all programs financed by the Brand Development Fund, with sole discretion over the creative concepts, materials and endorsements used and the geographic, market and media placement and allocation of the programs We require you to contribute to the Brand Development Fund such amounts that we prescribe periodically The contribution amount is currently 1% of Gross Revenues of the Restaurant, but

we may increase the contribution up to a total of 1 5% of Gross Revenues (up to a maximum of $45,000 per location, per calendar year) The Brand Development Fund may be used, without limitation, to pay the costs of preparing and producing video, digital media, audio and written marketing materials as well as printed pieces, website development and marketing, including, without limitation, social media activities, search engine optimization, administering regional and multi-regional advertising programs, including, without limitation, purchasing direct mail and other media advertising and employing advertising, promotion and marketing agencies to provide assistance, and vendors providing marketing services, development, implementation and maintenance of online asset management and email platform tools, and supporting public relations, market research and other advertising, promotion and internal and external marketing activities We may use an in-house department to develop marketing, or may use outside services If we decide to use any portion of the Brand Development Fund to purchase media, then all decisions regarding media purchases and media placement will be made by us in consultation with the franchisee Strategic Partnership Committee

The Brand Development Fund is accounted for separately from our other funds and may not be used to defray any of our general operating expenses, except for such salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the Brand Development Fund and its programs, including, without limitation, conducting market research, preparing advertising, promotion and marketing materials and collecting and accounting for contributions to the Brand Development Fund We or our designee will provide you with a copy of the annual report of the operations of the Brand Development Fund upon request We may spend, on behalf of the Brand Development Fund, in any fiscal year an amount greater or less than the aggregate contribution of all THE MELTING POT® Restaurants to the Brand Development Fund in that year, and the Brand Development Fund may borrow from us or others to cover deficits or invest any surplus for future use Any unused funds will be carried over to the following year All interest earned on monies contributed to the Brand Development Fund will be used to pay marketing costs before other assets of the Brand Development Fund are expended We do not intend to use any monies from the Brand Development Fund for the preparation of franchise sales solicitation materials We may incorporate the Brand Development Fund or operate through a separate entity, and the successor entity will have all of the rights and duties described here We will prepare annual or quarterly reports of the operations of the Brand Development Fund, as we determine in our sole discretion Such reports will be posted on the intranet or otherwise made available to you We will not prepare audited financial statements for the Brand Development Fund

The Brand Development Fund is intended to maximize recognition of the Marks and patronage of THE MELTING POT® Restaurants Although we endeavor to utilize the Brand Development Fund to develop advertising and marketing materials and programs and to place advertising that will benefit all THE MELTING POT® Restaurants, we undertake no obligation to ensure that expenditures by the Brand Development Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Brand Development Fund by THE MELTING POT® Restaurants operating in that geographic area or that any THE MELTING POT® Restaurant will benefit directly or in proportion to its contribution to the Brand Development Fund from the development of advertising and marketing materials or the placement of advertising We assume no other direct or indirect liability or obligation to you with respect to collecting amounts due to, or maintaining, directing or administering, the Brand Development Fund

During the fiscal year ending March 31, 2016, the Brand Development Fund spent an amount more than the total contributions made by the Restaurants, as follows

Item	% Spent**
Production	113 %
Media Placement	0%
Administrative Expenses	14%
Other (market research)	5%
Total	132%

The Franchise Agreement authorizes us to spend in any fiscal year an amount greater or less than the aggregate contributions of THE MELTING POT® Restaurants to the Brand Development Fund in that year None of the Brand Development Fund is used principally to solicit franchisees

THE MELTING POT® Restaurants owned and operated by us and our affiliates contribute to the Brand Development Fund on the same basis as franchise owners Franchisee contributions to the Brand Development Fund are generally on a uniform basis, but we may defer contributions of a franchisee and, upon 30 days' prior written notice to you, suspend contributions to and operations of the Brand Development Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the Brand Development Fund If the Brand Development Fund is terminated, all unspent monies on the date of termination will be distributed to franchisees in proportion to their respective contributions to the Brand Development Fund during the preceding 12-month period

Local Advertising

In addition to your required contributions to the Brand Development Fund, you must spend for advertising and promotion of the Restaurant no less than the minimum amount that we designate from time to time, which will not exceed 3% of your annual Gross Revenues As of the date of this disclosure document, we require that you spend 2 5% of your annual Gross Revenues for local marketing efforts These expenditures are intended for tactical execution and media placement in your local market, such as radio, television and out-of-home advertising (e g , billboards, bus wraps or other outdoor advertising), for marketing and promotional materials that we have prepared or approved Amounts that you pay to local marketing agencies, public relations firms or other marketing personnel for creation of advertising or marketing materials, coordination of marketing efforts, or other activities can be credited towards the 2 5%, but cannot exceed 0 75% of Gross Revenues (Example $1,300,000 Gross Revenues x 0 75% = $9,750)

Your local advertising must include, without limitation, the following

1 Participation in drives, contests, in-store promotions, social media programs and similar sales promotion programs as established by us from time to time In addition, we may make arrangements with food and beverage manufacturers and distributors for special promotions of designated food and beverages by all THE MELTING POT® Restaurants You must participate in such special promotions as specified by us from time to time, at the frequency and in the manner that we prescribe Your participation in such special promotions may require you to pay, directly or through your local advertising cooperative if established, for the placement of specified advertising and specified media in your market area (Franchise Agreement – Section 11 B)

2 Participation in "micro-local" advertising strategies that we establish or designate from time to time, including grass-roots marketing/promotions and other micro-focused tactics, such as geo-coded direct mail, cable, internet radio, and mobile device marketing (traditional media may also be appropriate in some markets), as determined or approved by us (Franchise Agreement – Section 11 B)

3 Local print or broadcast media or outdoor advertising (e g , billboards, bus wraps, etc) in your market area

4 Listings and advertisements, which must be approved by us before publication, in local and online telephone directories, including under the listing for "Restaurants" (expenditures for phone book listings and advertisements do not count toward your required local advertising expenditures) (Franchise Agreement – Section 11 B)

5 Search engine optimization for any micro-site web page for your Restaurant location, as recommended or required by us from time to time A "micro-site web page" is an interior page that we include at THE MELTING POT® website (www meltingpot com) containing information about your Restaurant If

we include such an interior page on our website, you will be responsible for preparing the content for such micro-site web page, at your expense, and for related search engine optimization We may, at our option, obtain search engine optimization services for the entire website, including all micro-site web pages, and require each Restaurant location to pay a pro rata share of such expenses You will be responsible, at your expense, for providing content and updating the content for your micro-site web page at the frequency and in the manner that we prescribe We may require you to use templates that we provide You are responsible for the accuracy of all content on your micro-site web page and for ensuring that such content does not violate or infringe upon the copyright or trademark rights of any third party SEO expenses that you incur for your micro-site web page will count toward your local advertising expenditures, but we may limit the amount of this credit to ensure that you use a blended micro local approach, acceptable to us, that incorporates other types of media and local advertising strategies and materials (Franchise Agreement – Section 11 D)

We may review your books and records relating to your expenditures for such advertising and promotion If we determine that you have not spent the requisite amounts, we may require you, at our option, to (a) pay the unexpended amounts into the Brand Development Fund or (b) reimburse us for amounts that we spend satisfying your local advertising requirement, plus our related costs (Franchise Agreement – Section 11 B)

From time to time, we may develop and administer advertising and sales promotion programs, including menu discounts and coupons, customer loyalty and rewards programs, and charitable/fundraising programs, which are designed to promote and enhance the collective success of all THE MELTING POT® Restaurants and demonstrate the commitment of THE MELTING POT® Restaurants to the communities in which they operate You must participate, at your expense, in these programs in accordance with the terms and conditions that we establish for such programs We will determine the type, quantity, timing, placement and choice of media and market areas for such programs We will also determine whether and to what extent these programs will count toward your required local advertising expenditures Thus, your participation in these programs may be in addition to your local advertising requirements, as determined by us (Franchise Agreement – Section 11 E)

We have policies that regulate participation in certain coupons, online discount offers or promotions, including, but not limited to, Groupon and Living Social

Approval of Advertising

All advertising for your Restaurant, including, but not limited to, press releases, social media messages, promotions and marketing, must be completely clear and factual, not misleading and conform to the highest standards of ethical marketing and the promotion policies which we prescribe periodically Unless we provide otherwise in the Manuals or written bulletins, samples of all advertising, public relations, promotional and marketing materials that have not been prepared or previously approved by our Marketing Department, or which were previously prepared or approved but subsequently modified or altered by you, must be submitted to us for approval before their use If you do not receive written disapproval within 15 days after we receive the materials, we will be deemed to have given the required approval, unless we have notified you prior to expiration of the review period that our review will take longer than 15 days, whether due to the nature of the proposed materials or other reasons Our notice to you will specify the number of additional days for our review We currently do not require you to submit to us for approval advertising created with approved marketing assets for local web pages, approved e-mail marketing vendors, and approved and/or current asset management tools We may change, limit and/or revoke these exemptions from time to time, in our sole discretion You may not use any advertising or promotional materials that we have not developed or approved, and you will promptly discontinue the use of any advertising or promotional plans or materials, whether or not previously approved or exempt, and whether or not you have already printed or developed them, upon notice from us (Franchise Agreement – Section 11) No publications, media outlets, or marketing or public relations

firms are authorized to develop any marketing materials on behalf of THE MELTING POT® Restaurants unless authorized in writing by Senior Management in our Marketing Department

You may not videotape, film or photograph any aspect of your Restaurant or its operations for advertising, marketing or promotional purposes without our prior written consent

Advertising Cooperatives

If your Restaurant is located in an area designated by us for the establishment of a local advertising cooperative, you must participate in the cooperative and contribute an amount for cooperative advertising and promotion not to exceed 1 5% of your Gross Revenues, which may be deducted from your Local Advertising requirement, as designated periodically by the cooperative (Franchise Agreement – Section 11) We determine the area and membership of each advertising cooperative by media coverage or other criteria which we may establish in our discretion Each franchisee's contribution is calculated as agreed upon by the majority of each cooperative's members The advertising cooperatives operate from written governing documents prepared at the Members' expenses A copy of the current form of Articles of Incorporation, Bylaws and Membership Agreement are attached as Exhibits "I", "J" and "K," respectively We reserve the right to audit any accounts or funds collected by the cooperative Restaurants we own have voting rights in the advertising cooperatives and must also make contributions

Strategic Partnership Committee

While there is not a council composed of franchisees dedicated solely to advertising, we have voluntarily established a franchisee advisory council known as the "Strategic Partnership Committee" ("**SPC**") which addresses matters of interest to THE MELTING POT® Restaurant System, including advertising The SPC will consist of a representative group of franchisees and the executive leadership and other department leaders of THE MELTING POT® Restaurant Support Center The franchisee representatives will be elected by franchisees and represent various geographical areas of the country The purpose of the SPC is to review strategies and plans, and discuss other matters of common interest, for THE MELTING POT® Restaurant system, with the goal of driving the success and profitability of THE MELTING POT® brand and creating "Fondue Fanatics" through a guest centric culture consistent with our mission, values and principles Although we will consult with the SPC, its recommendations are not binding on us We retain the power to change or dissolve the SPC at any time

Computer Systems

Currently, we require you to purchase a CBS Northstar Order Entry POS system ("Order Entry") for your Restaurant The Order Entry system includes remote terminals, remote printers, cash drawers, power supplies, switches, related cable requirements, POS software and integrated credit card software We reserve the right to change the designated POS system and software from time to time Order Entry requires wireless connectivity You must use the wireless access points we specify The computer system, as a whole, must be compliant with the standards created by the PCI Security Standards Council, including new or modified requirements You must use the firewall and compliance security vendor we specify

We currently require you to subscribe to Restaurant Magic Software's Data Central® restaurant business management system at each franchise location The subscription to the system will be set up through Restaurant Magic Software, located at 2502 Rocky Point Drive, Suite 960, Tampa, FL 33607 Data Central® is the proprietary property of Accsys, Inc , d/b/a Restaurant Magic Software, 2502 Rocky Point Drive, Suite 960, Tampa, FL 33607 Data Central® is a Microsoft® Windows based centralized business management solution designed to manage and report on purchasing, inventory, labor, sales and product mix, cost of goods, and to create the operating Profit & Loss Statement, via a proprietary internet based Smart Client application portal It is an essential management tool Data Central® operates on a Microsoft Windows based platform, and requires a computer and operating system capable of running Microsoft Net as specified by Microsoft

The Data Central® system is accessible through a high speed internet connection which must be provided by the franchisee Data Central® is hosted in a secure data facility on hardware owned and operated by Restaurant Magic Software Data Central® utilizes a centralized data base, the content of which is our sole property You will have direct access to your data via the internet We will have daily independent access via the internet to your information and data from your use of Data Central® There are no contractual limitations on our right to access this information and data You have the contractual obligation to maintain a subscription to Data Central®, at the level selected by us, for each location during the term of the franchise The annual subscription cost for Data Central® is defined in the Franchisee Order Form, an addendum to the Master Subscription Agreement between us and Accsys, Inc Additional professional services may be billable at the time of installation which we estimate to be between $0 and $1,000

You must maintain, at your expense, a high speed cable (or DSL internet connection if no higher speed option is available) with downloadable speeds of at least 10 MB and upload speeds of at least 2 MB Currently, the Data Central® software requires a computer with at least a Pentium processor 2 2 GHZ or faster, which operates with the most current Microsoft Windows operating system with Microsoft Net Framework, version 4 5, and at least 2 GB of RAM, a color monitor with a resolution of 1024x768 or higher, and a HP or Canon inkjet or laser printer Data Central® runs on a Net 4 5 Framework and transfers data to and from your computer via Net 4 5 remotely using XML over HTTP using a named port You may be required to add additional capacity to the computer You must maintain compatibility with the Data Central® software and be capable of sending and receiving information to us in the means we designate (including via wireless network) You must use accounting software that is compatible with the Data Central® software, as prescribed by us in the Manuals We may require you to use an accrual method of accounting and to comply with other requirements prescribed by us in the Manuals from time to time We estimate the cost of the required computer system and its related components, including the POS system, will be approximately $8,600 to $20,500

Gift cards are issued and redeemed electronically using a card similar to a credit card You must purchase a terminal and printer or software from an approved vendor for processing these gift cards Currently, gift cards are processed through the CBS Northstar system No additional hardware or software is needed A third party processor will maintain all records of cards issued and redeemed electronically You will establish an account and complete an electronic funds transfer agreement so any monies owed to you for cards you redeem that were sold elsewhere, and monies you owe for cards you sold that are redeemed elsewhere, can be rectified with your account on a monthly basis We may change the frequency and manner of such payments from time to time You must follow our rules and procedures governing the offer, sale, redemption and crediting of gift card transactions, as modified from time to time, including responsibility for gift card obligations for gift card sales made through your Restaurant In the future, we may require that all monies for gift card sales made through your Restaurant be paid to us or our designee, for centralized processing, redemption and crediting of gift card transactions

Neither we, Accsys, Inc nor any other software or hardware supplier has any obligation to provide ongoing maintenance, repairs, upgrades or updates We estimate the annual cost of any optional or required maintenance, updating, upgrading or support contracts to be $200 to $1,000

You are required to maintain a restaurant reservation system, including required hardware and software, in accordance with our standards and specifications We estimate that the annual cost of the restaurant reservation system (including monthly subscription fees) is approximately $7,000 to $14,000 The cost varies depending on numerous factors including, but not limited to, the number of reservations booked through THE MELTING POT® website versus the service provider's website, market variations in booking fees, and how much space each Restaurant allows for "online diners" booked through the reservation system

Site Selection

We must accept the site for the location of your Restaurant The site must meet our criteria for demographic characteristics, traffic patterns, parking, character of neighborhood, competition from and proximity to other businesses and other THE MELTING POT® Restaurants, the nature of other businesses in proximity to the site and other commercial characteristics and the size, appearance and other physical characteristics of the proposed site We also must accept the lease or sublease, including any renewals, for the premises of your Restaurant before it is signed We will not unreasonably or untimely withhold such acceptance You must deliver a copy of the signed lease, and any lease amendment, addendum or renewal to us within 30 days after its execution Our acceptance of the lease indicates only that we believe that its terms fall within the acceptable criteria we have established as of the time of our acceptance You and your landlord must collaterally assign the lease or sublease for the Restaurant to us as security for your timely performance of all obligations under the Franchise Agreement and obtain the lessor's consent to the collateral assignment A copy of the collateral assignment is attached as Exhibit "E" to this disclosure document We require you to include in your lease, language granting us certain rights Our current form of Rights of Franchisor Rider to Lease is attached as Exhibit "E-1" to this disclosure document We also require you to sign our form of Conditional Assignment of Telephone Numbers and Listings in the form attached as Exhibit "D " We will not negotiate your lease with your landlord We are not obligated to negotiate our Rider with your landlord You must use our designated real estate broker/consultant network for all your lease negotiations If you have selected, and we have accepted, a location and a lease has been negotiated for a site for any of your restaurants under your Area Development Agreement, you must sign a Franchise Agreement within 30 days after you sign the lease for such location and we deliver the franchise documents to you

Time To Opening

We estimate that there will be an interval of 12 to 18 months between the execution of the Franchise Agreement and the opening of the Restaurant, but the interval may vary based upon such factors as the supply of suitable restaurant space in your territory, your financial requirements and creditworthiness, the time required to obtain government permits, approvals, and licenses, and the availability of construction, labor, materials, equipment and the like You may not open the Restaurant for business until (1) we approve the Restaurant as developed according to our specifications and standards, (2) pre-opening training has been completed to our satisfaction, (3) the initial franchise fee and all other amounts then due to us have been paid, and (4) we have been furnished with copies of all required documents, including evidence of all applicable permits, insurance coverage, development drawings and specifications, and payment of premiums as we request We require you to finalize your real estate negotiations and execute a purchase or lease agreement for the premises within 275 days from signing the Franchise Agreement We estimate that the typical time necessary for opening a THE MELTING POT® Restaurant after negotiations for the site have been finalized will normally vary from 4 to 8 months You must open the Restaurant for business within the earlier to occur of 545 days after signing the Franchise Agreement or 270 days after purchasing or leasing the premises You must obtain our prior written approval in advance of the opening of the Restaurant (Franchise Agreement – Section 4)

Any extensions of the time period to execute a lease or purchase agreement or to open the Restaurant for business are subject to our extension policy, which may change periodically and may require you to pay us additional fees You must request an extension prior to the applicable deadline

Training

Before the Restaurant's opening, all franchisees must meet the following minimum requirements for management personnel and satisfactorily complete the training indicated Initial training must be successfully completed 30 days before the Restaurant opens for business Prior to hiring all managers, the franchisee must submit the proposed manager's credentials to us so we may confirm that the proposed manager meets our then-

current minimal job qualification standards as set forth in the Manuals No Restaurant may open until the following minimum requirements are met

1 Employ a 3-person qualified management team to manage the Restaurant – 1 will be the General Manager, and 2 will be the Assistant Managers, one whose primary, but not exclusive, duties will include all Front of the House responsibilities and one whose primary, but not exclusive, duties will include all Heart of the House responsibilities Each manager must fulfill the job duties for his or her position as described in our Manuals or otherwise

2 The General Manager, who will oversee the entire operation of the Restaurant, can be the franchisee (or one of its owners in the event franchisee is a business organization) or an employee with verifiable general manager experience in the restaurant and hospitality industry The General Manager is required to be a high school graduate, and college course work or professional certification / education in restaurant or business / training field is highly desired and recommended A minimum of 2 years experience as a General Manager or 3 years as an Assistant General Manager in an upscale-casual/quick-casual or high-end restaurant concept, or an equivalent combination of education and / or work experience, is required The General Manager must successfully complete THE MELTING POT® Restaurant Operations Training Program Food safety manager and alcohol certification through the ServSafe® program is also required

3 The Assistant Manager whose primary, but not exclusive, duties will include all Front of the House responsibilities (the "**Manager**") is required to be a high school graduate, and college course work or professional certification / education in restaurant or business / training field is highly desired and recommended A minimum of two years experience as an Assistant Manager in an upscale-casual/quick-casual or other high-end restaurant concept, or an equivalent combination of education and / or work experience, is required The Manager must successfully complete THE MELTING POT® Restaurant Operations Training Program Food safety manager and alcohol certification through the ServSafe® program is also required

4 The Assistant Manager whose primary, but not exclusive, duties will include all Heart of the House responsibilities (the "**Kitchen Manager**") is required to be a high school graduate, and college course work or professional certification / education in restaurant or business / training field is highly desired and recommended A minimum of two years experience as an Assistant Manager or Kitchen Manager in an upscale-casual/quick-casual or other high-end restaurant concept, or an equivalent combination of education and / or work experience, is required The Kitchen Manager must successfully complete THE MELTING POT® Restaurant Operations Training Program Food safety manager and alcohol certification through the ServSafe® program is also required

5 The General Manager can, contingent upon our approval, be the franchisee (if the franchisee is an individual), one of its owners (if the franchisee is a business organization), or an employee with verifiable general manager experience in the restaurant and hospitality industry Regardless of whether you (or one of your owners) will be the General Manager, you (or an owner acceptable to us) may be required to complete all or any portion of our initial training program and/or complete food safety and alcohol certification through the ServSafe® program, as determined by us in our sole discretion If you or one of your owners will serve as the General Manager for the Restaurant, you must perform all duties of the General Manager position as determined by us from time to time and set forth in the Manuals or otherwise

6 The General Manager, Manager and Kitchen Manager must satisfactorily complete our initial training program described below (currently a minimum of 7 weeks of training) Each of them must also complete food safety and alcohol certification through the ServSafe® program

If the Franchise Agreement relates to your second or subsequent Restaurant, we will not require you (or your majority shareholder, majority owner or approved managing partner) or your managers to complete the initial training program, as long as such individuals have previously successfully completed our initial training program Any management personnel for your second or subsequent Restaurant who have not already completed our initial training program will be required to do so

We may require that Restaurants projected to exceed $2 million in annual sales add an additional manager to support operations We provide initial training for up to 4 individuals at no charge If we train additional people, or if we train any new or replacement managers once your Restaurant opens for business, you must pay us a training fee of up to $1,500 per person

Training is provided by, or under the supervision of our Learning & Communications Department Individuals involved in the training will include qualified in-store management and/or our designated trainers As of our most recent fiscal year end, we provided the following training

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Prep / Expo / Salad, Entrée, and Chocolate Line	–	60	Restaurant Support Center, Tampa Florida
Dishwasher	–	6	Restaurant Support Center, Tampa Florida
Service Assistant	–	10	Restaurant Support Center, Tampa Florida
Hospitality Specialist	–	10	Restaurant Support Center, Tampa Florida
Bartender / Wine Service	3	20	Restaurant Support Center, Tampa Florida
Server	10	20	Restaurant Support Center, Tampa Florida
Management / Supervision & Administration	40	85	Restaurant Support Center, Tampa Florida
TOTAL	**53**	**211**	

The materials used in training include the manuals as well as other presentation materials, including PowerPoint presentations and handouts, and online learning materials Training will be conducted by one or more of the following employees Their experience relating to the subjects taught and our operations are as follows

Kim V Garvey has 18 years of experience developing and administering learning enterprises and leadership programs, instruction, training, and professional development, and, the deployment of associated educational technologies She also has 10 years' experience in restaurant and beverage operations She has been with us since August of 2015 Previously she worked as the Learning Solutions and Technology Manager for Checkers Drive In Restaurants, Inc in Tampa, FL

Danielle Kilgore has over 10 years of experience in professional and technical writing, over 10 years in documentation and communication design and over 15 years in the hospitality industry She has

been with us since June 2010 Previously she worked for Elavon, a subsidiary of US Bank, as a Level III Technical Writer in Largo, Florida

Cherise Look Hong has 5 years of instructional systems design and process improvement, 7 years of front-end development and over 10 years of technical training, documentation and support She has been with us since September of 2015 Previously she worked at Technology Transfer Services as the LMS Administrator and Support Lead in Tampa, FL

Stephanie Groff has over 10 years of experience in leadership and talent development, as well as 15 years in training development and delivery She has been with us since May 2016 Previously she worked as the Inflight Training Manager for Horizon Air, in Portland OR

Devin Bedgio has 5 years of video production experience, 2 years of instructional video experience and recently completed her M S in Instructional Systems and Learning Technologies Devin has been with us since February of 2016 She previously worked as an instructional videographer for the Florida Center for Reading Research in Tallahassee, Florida

Sherri Ehrlich has 17 years of experience developing, facilitating, and managing training for corporate and field environment, 3 years of experience in operations, and over 18 years in the retail and franchise industries She has been with us since April 2016 Previously she worked for Edible Arrangements, as an Operations Service Manager in Wallingford, CT

~~**Adam M Harvey** has been in the entertainment industry for over 15 years He joined us in January 2016 He has previously worked as an Audio Engineer, Video Editor, Director, Electrician, Designer, Accounts Manager, Assistant and Liaison to artists~~

Successful completion of training is validated/measured through on-the-job observations, written tests, practice quizzes and classroom training, conducted by our certified restaurant general managers, trainers and restaurant support center representatives

All travel and living expenses incurred by trainees must be paid by you If you designate any new managers after the Restaurant opens for business, each such manager must attend and satisfactorily complete our manager training program in Tampa, Florida, within a 9-month period of their assuming their position A separate training fee of up to $1,500 per person will be charged for operations training for more than 4 people before or after the Restaurant is open

You must ensure that all of your general managers and managers successfully complete the ServSafe® Food Protection Manager course and the ServSafe® Alcohol course We can charge you a fee (up to $200 per person) for each management trainee / participant attending the ServSafe® Food Protection Manager course and the ServSafe® Alcohol course

Some states require additional criteria be met in order to operate a restaurant, please check with your local health department for local / state mandates related to food safety and responsible service of alcohol

Training schedules have been established on a rotating basis throughout the year You may select designated start dates to attend training according to our annual training calendar Training will only be conducted during the dates specified on the annual training calendar or other dates that we specify It is your responsibility to ensure that all training requirements are completed

We have developed and implemented "e-learning" online training tools and may provide part of the initial training and all or any portion of ongoing training to you and your employees via e-learning We will charge you an annual access fee (currently $175 per Restaurant) and may also charge you on-going instructional design fees (estimated to range between $75 and $1,500 per Restaurant per year) if we develop any new e-learning programs, as determined by us in our discretion

On-going Training/Annual Events/Training Seminars

We may require you and/or any or all of your management personnel to attend periodic refresher training courses, conferences, seminars, meetings or events we provide from time to time and pay the applicable fees In addition, we may require you and one manager you designate to participate and satisfactorily complete any and all new and/or revised training programs and management criteria that we implement from time to time You must pay all costs associated with training materials and revising materials, charts, posters or other training related collateral You must give us reasonable assistance in training other franchisees, we will reimburse you for your reasonable out-of-pocket expenses in providing such assistance If you and/or any of your management personnel fail to attend any required training courses, conferences, seminars or meetings, you will be in default under the Franchise Agreement and we may charge you a Compliance Fee (up to $1,500)

You must also pay us for training new managers hired after the Restaurant's opening Managers hired after your Restaurant opens for business must complete THE MELTING POT® Restaurant operations training program at our headquarters and local company-owned Restaurants, or an approved THE MELTING POT® Restaurant manager training program at a location that we specify The current training program is a Front Burner University Management Essentials training program (up to 5 days in duration), conducted in Tampa, Florida, that is required for any manager who has been hired post-opening and has not attended the initial training program This training is designed for individuals performing management functions and must be completed within 9 months of such person's hire date The Front Burner University Management Essentials curriculum may include higher-level management training on such topics as THE MELTING POT® culture, guest recovery, guest feedback, management, local store marketing, Data Central®, and other related THE MELTING POT® management topics Any additional training requirements for new managers and restaurant personnel will be described in our Operations Manual, as amended from time to time You are responsible for ensuring that all your managers are properly trained and knowledgeable regarding system standards for THE MELTING POT® Restaurants

Manuals

Currently, our Manuals consist of the Operations Manual and Marketing Manual The tables of contents of our Manuals are specified in Exhibit "F" to this disclosure document We consider the contents of the Manuals to be proprietary, and you must treat them as confidential You may not make any unauthorized copies of the Manuals

ITEM 12
TERRITORY

Unit Franchise Program

The franchise is granted for a specific territory (the "**Territory**"), as identified in Exhibit ' A" to the Franchise Agreement The Territory must be approved by us Your Territory is exclusive We grant you the exclusive right to operate a THE MELTING POT® Restaurant and to use THE MELTING POT® system at that Restaurant within the Territory

The Territory will be defined based upon the total population, as determined by our then current third-party vendor demographics software, within the entire geographical area within a circle with a radius of 10 miles (diameter of 20 miles) and its center located at the designated location (the "Circle") as follows (a) if the population within the Circle is less than 1 75 million people then the Territory will be the entire geographical area within a circle with a radius of 8 miles and its center located at the designated location, (b) if the population within the Circle is equal to or greater than 1 75 million people and less than 2 75 million people then the Territory will be the entire geographical area within a circle with a radius of 5 miles and its

center located at the designated location, and (c) if the population within the Circle is equal to or greater than 2 75 million people then the Territory will be (i) no greater than the geographical area within a circle with a radius of less than five miles and its center located at the designated location, and (ii) it may be an irregularly shaped area defined by political subdivisions, bodies of water, streets and highways or distances We will not change the size of your Territory during the term of your Franchise Agreement, however, we may change the size of the Territory if you acquire a successor franchise in order to account for changes in population within the Circle during the term of the Franchise Agreement

Continuation of your territorial rights does not depend on achievement of any particular sales volume, market penetration, or other contingency, but you must be in compliance with the Franchise Agreement We may not establish other THE MELTING POT® Restaurants (franchised or owned by us) (a) anywhere within the Territory, (b) other than a THE MELTING POT® Restaurant, any restaurant, bar, wine bar, dessert bar, coffee shop, food kiosk, food court unit or other prepared food outlet located anywhere in the United States that uses any of the Marks or any confusingly similar marks to identify itself in its trade name, signage or marketing materials, or (c) other than a MELTING POT® Restaurant located outside the Territory, any restaurant, bar, wine bar, dessert bar, coffee shop, food kiosk, food court unit or other prepared food outlet located anywhere in the United States that serves fondue products by at-the-table preparation, or that offers fondue products as 15% or more of its food products based on the total number of food items on the menu (excluding alcoholic and nonalcoholic beverages) Notwithstanding any provision to the contrary, outside the Territory we and our affiliates may develop, own, or operate, or grant to any other persons the right to develop, own or operate a THE MELTING POT® Restaurant with local, regional or other menu variations and that uses any of the Marks to identify itself in its trade name, signage, or marketing materials You have no right of first refusal or otherwise to acquire additional franchises within the Territory or contiguous to the Territory

Area Development Program

The Area Development Program is granted for specific geographical areas (the "**Development Area**") as identified in the Area Development Agreement The Development Area may be different geographical locations throughout the United States Your Development Area is exclusive If you comply with the Development Agreement and all franchise agreements with us, then during the term of the Development Agreement, we will not operate (directly or through an affiliate) nor grant a THE MELTING POT® franchise for the operation of any Restaurant to be located within the Development Area, except for franchises granted to you If you do not meet the Development Schedule, you will breach the Development Agreement We may then elect to terminate the Development Agreement, in which case you will lose your exclusive Development Area territory

We will not negotiate your lease with your landlord You must use our approved real estate broker/consultant network for all of your lease negotiations If you have selected, and we have accepted, a location and negotiated a lease for any of your restaurants under your Area Development Agreement, you must sign a Franchise Agreement within 30 days after you sign the lease for such location and we deliver the franchise documents to you

Rights We Retain

Nevertheless, we retain the right and without granting any rights to you, to

1 develop, own and operate or grant other persons the right to develop, own and operate THE MELTING POT® Restaurants at such locations outside the Territory or Development Area, and on such terms and conditions as we deem appropriate

2 sell within and outside the Territory or Development Area fondue and other food products and services, including products and services prescribed or approved for THE MELTING POT® Restaurants under the Marks or other trademarks, service marks, and commercial symbols through dissimilar channels of

distribution (such as supermarkets, retail stores, the Internet, catalogues, non-food kiosks or other outlets that are not prepared food outlets) and on such terms and conditions as we deem appropriate

3 if you fail to acquire a successor franchise for any successive 5 year period, we may develop, own or operate or grant to any other persons the right to develop, own or operate a THE MELTING POT RESTAURANT® during the remainder of the term of the franchise for operation after the term of the franchise at such locations within the Territory and on such terms and conditions as we deem appropriate

4 on behalf of itself or its affiliates, without granting you any rights, engage in any other activity we are not expressly prohibited from taking under the Franchise Agreement or Area Development Agreement

A "restaurant" is a business establishment, or a part of a business establishment, that primarily serves meals for on premises consumption A "prepared food outlet" is a business establishment, or a part of a business establishment, that primarily sells food products that do not require further preparation before consumption (i e cooking)

We are not required to pay any compensation to you for soliciting or accepting orders from inside your Territory

There are currently no restrictions on you from soliciting or accepting orders from consumers outside of your Territory, including providing catering services However, you are not allowed to use other channels of distribution, such as Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside of your Territory

We have not established, and do not intend to establish, other franchised or company-owned restaurants or other channels of distribution for selling products or services substantially similar to the products or services sold by THE MELTING POT® Restaurants but under a different trademark However, our affiliate, GRG, owns and operates full-service restaurants under the service mark GRILLSMITH® As of the date of this disclosure document, there were 4 GRILLSMITH® Restaurants, all located in the Tampa Bay, Florida area GRILLSMITH® Restaurants feature a chef-inspired menu, which includes steak, seafood and burgers, all prepared in a contemporary cooking style that combines traditional techniques with modern twists The restaurants also serve a wide selection of wines and craft beers They do not serve fondue and are not "competitive restaurants " GRG's business address is 8810 Twin Lakes Blvd , Tampa, Florida 33614 GRG has separate offices or training facilities other than the 4 restaurants themselves GRG has no current plans to offer franchises or expand the GRILLSMITH® concept outside of its current market However, it may create or acquire other retail concepts that may be offered as franchises in the future

Our affiliate, Burger 21, has also created a concept called BURGER 21®, which launched on November 16, 2010 This fast causal "better burger" dining concept operates under the trade and service mark BURGER 21® and featuures 21 chef-inspired burgers, plus hot dogs, fries, salads, signature shakes, desserts, and beer and wine BURGER 21® Restaurants do not serve fondue and are not a "competitive restaurant " Burger 21 began offering franchises for BURGER 21 restaurants in August 2011 Four of the existing BURGER 21® restaurants, located in the Tampa Bay, Florida area and Lakeland, Florida, are operated by our affiliates Burger 21's business address is 8810 Twin Lakes Blvd , Tampa, Florida 33614 Burger 21 has separate training offices or training facilities than us

GRILLSMITH® and BURGER 21® Restaurants may be located within, and solicit and accept orders from, the territories of THE MELTING POT® Restaurants However, we do not believe that these restaurants offer goods and services substantially similar to those offered by THE MELTING POT® Restaurants, since each restaurant concept has its own unique menu and business format, and because only THE MELTING POT® Restaurants feature fondue Therefore, we do not expect any conflicts to arise regarding territories or customers

If your lease for the premises of the Restaurant terminates, with or without your fault, or if in our judgment there is a change in the character of the location of the Restaurant sufficiently detrimental to its business potential to warrant its relocation, we may, in our sole discretion, grant permission for relocation of the Restaurant to a location within the Territory approved in writing by us In the absence of such permission to relocate, the Franchise Agreement will automatically terminate upon the loss of the right to continue to occupy the premises of your Restaurant Any approved relocation will be at your sole expense and you must pay us applicable relocation fees to cover costs and expenses incurred by us in connection with the relocation

There is no minimum sales quota You retain your rights to your Territory even though the population increases You also retain any rights to the development area even if the population increases

We have not established, and do not currently intend to establish, other franchises or company-owned outlets selling or leasing similar products or services under a different trademark

Other than our area development program, we do not generally grant options, rights of first refusal, or similar rights to acquire additional franchises, as each franchise is awarded on a franchise-by-franchise basis Accordingly, you may only acquire additional franchised THE MELTING POT® Restaurants from us if you meet our qualifications at the time you apply And we may limit the number of Restaurants owned by any franchise owner or its affiliates You may only relocate your Restaurant with our approval, both for the relocation and for the new site We apply the same considerations for evaluating relocation of a Restaurant and the leasing of the additional site as we do for Restaurants and sites generally

ITEM 13
TRADEMARKS

Primary Trademarks

We grant you the right to use certain trademarks, service marks and other commercial symbols in operating the Restaurant The primary trademarks we own are the "THE MELTING POT®" and "THE MELTING POT® (with design)" Both of these marks are registered on the Principal Register of the United States Patent and Trademark Office (the "**PTO**") The following charts list the principal Marks that you may use with your franchise, subject to your use conforming with the Franchise Agreement, Manuals and other written directives we may issue

The following Marks are registered with the PTO'

Mark	Reg Date	Reg No	Register	Class/Use
The Melting Pot	09/28/76 (Renewed 11/07/06)	1049255	Principal	Restaurant Services
The Melting Pot	01/19/99 (Renewed 01/17/09)	2218991	Principal	Salad Dressings and Seasonings
The Melting Pot A Fondue Restaurant and Design	02/09/99 (Renewed 01/02/09)	2222393	Principal	Restaurant Services
The Melting Pot and Design	08/17/99 (Renewed 01/17/09)	2270457	Principal	Salad Dressings and Seasonings

Mark	Reg Date	Reg No	Register	Class/Use
Perfect Night Out	6/17/08 (Renewed 06/17/14)	3450196	Principal	Restaurant Services Cheese Cheese Fondue Chocolate Chocolate Fondue Salad Dressings Sauces Seasonings
The Melting Pot	08/05/08 (Renewed 08/05/14)	3482448	Principal	Sauces, Chocolate Chocolate Fondue Cheese Cheese Fondue
Melting Pot Design	11/25/08 (Renewed 05/31/14)	3537138	Principal	Salad Dressings and Seasonings Restaurant Services
Melting Pot Design	12/30/08 (Renewed 08/19/14)	3555439	Principal	Sauces Chocolate Chocolate Fondue Cheese Cheese Fondue
The Melting Pot and Design	12/30/08 (Renewed 08/19/14)	3555438	Principal	Sauces, Chocolate Chocolate Fondue Cheese Cheese Fondue
Big Night Out	01/27/09 (Renewed 06/02/14)	3566789	Principal	Restaurant Services
Club Fondue	07/12/11	3995393	Supplemental	Membership Club Services providing food and drink specials exclusive privileges and invitations to exclusive events
Fondue Fanatics	02/28/12	4106370	Principal	Restaurant Services
The Melting Pot A Fondue Restaurant and Design	04/01/14	4506552	Principal	Restaurant Services
Skinny Dipping	07/22/14	4573063	Principal	Restaurant Services
Fondone	04/12/16	4936013	Principal	Prepared Entrees
Fondue By You	04/12/16	4936015	Principal	Prepared Entrees

All required affidavits have been filed

There are no agreements currently in effect which significantly limit our rights to use or license the use of our Marks in a manner material to the franchise There are no currently effective material determinations of the PTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor are there any pending infringements, opposition or cancellation proceedings, or material litigation involving the principal trademarks

We have also applied for registration of the following trademarks on the Principal Register of the PTO

Mark	Application No	Application Date	Register	Class/Use
Savor Every Moment	86950202	03/23/16	Principal	Restaurant Services

We do not have a federal registration for the above marks Therefore, these trademarks do not have as many legal benefits and rights as a federally registered trademark If our right to use these trademarks is challenged, you may have to change to an alternative trademark, which may increase your expenses

Use of the Marks

You must follow our rules when you use the Marks You cannot use any Mark as part of your corporate or legal business name or with modifying words, designs or symbols (except for those we license to you) You cannot use any Mark in connection with the performance or sale of any unauthorized services or products or in any other manner we have not expressly authorized in writing We will only use, and permit franchisees and other persons to use, the Marks in accordance with THE MELTING POT® System, our standards and specifications and on terms consistent with them

Infringements

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any claim by any person of any rights in any Mark, and you may not communicate with any person other than us, our attorneys and your attorneys in connection with any such infringement, challenge or claim We may take such action as we deem appropriate and may control exclusively any litigation, PTO proceeding or any other administrative proceeding arising from such infringement, challenge or claim or otherwise relating to any Mark You must sign any instruments and documents, provide such assistance and take any action that, in the opinion of our attorneys, may be necessary or advisable to protect and maintain our interests in any litigation or PTO or other proceeding or otherwise to protect and maintain our interests in the Marks

Indemnification

We will indemnify, defend and hold you harmless from and against, and reimburse you for, all damages for which you are held liable to third parties in any proceeding arising out of your authorized use of any of the Marks, pursuant to and in compliance with your Franchise Agreement, resulting from claims by third parties that your use of any of the Marks infringes their trademark rights, in any such claim in which you are named as a party, so long as you have timely notified us of the claim and have otherwise complied with the terms of your Franchise Agreement We will not indemnify you against the consequences of your use of the Marks unless such use is authorized and in accordance with your Franchise Agreement You must provide written notice to us of any such claim within 10 days of your receipt of such notice and you must tender the defense of the claim to us We will have the right to defend any such claim and, if we do so, we will have no obligation to indemnify or reimburse you for any fees or disbursements of any attorney retained by you We will also have the right to manage the defense of the claim, including the right to compromise, settle, or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim You will refrain from communicating with any person other than us and our counsel in connection with any infringement, challenge or claim

Changes to the Marks

If it becomes advisable at any time, in our sole discretion, to modify or discontinue use of any Mark, and/or use one or more additional or substitute trade names, trademarks, service marks, logos, trade dress, or other commercial symbols, you must comply with our directions within a reasonable time after our notice to you You may be required, in connection with the use of a new or modified Mark, at your own expense, to remove existing signs and the like from the Restaurant, and to purchase and install new signs and the like We have no liability to you in connection with the use of a new or modified Mark

We do not actually know of either superior prior rights or infringing uses that could materially affect your use of our principal trademark in any state

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents or pending patent applications that are material to the franchise

We claim copyrights in the approved restaurant plans, specifications, decor, blueprints, and designs, the Manuals, computer software, forms, advertising materials and related items used in developing and operating the franchise These copyrights have not been registered with the United States Registrar of Copyrights, however we retain the right to register these copyrights in the future

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

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

All ideas, concepts, techniques or materials relating to a THE MELTING POT® Restaurant, whether or not constituting protectable intellectual property, and whether created by or on behalf of you or your owners, must be promptly disclosed to us, will be considered our property and part of our franchise system and will be considered to be works made-for-hire for us You and your owners must sign whatever documents we request to evidence our ownership or to assist us in securing intellectual property rights in such ideas, concepts, techniques or materials We may require anyone participating in our training program to execute a non-disclosure and non-competition agreement

You must obtain and keep a copy of a signed Noncompete Agreement in the form attached as Exhibit "H-1" and the Confidentiality Agreement attached as Exhibit "H-2" for each of your management personnel, including any employee who is titled or acts in a capacity with any responsibility above or beyond that of a server or kitchen line staff, as determined by us You must provide copies of signed Noncompete Agreements and Confidentiality Agreements to us upon request

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

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

If you are a corporation, limited liability company or partnership (a "**Business Entity**"), (a) one of your owners must maintain a controlling ownership interest in the Business Entity with authority to make operational decisions that are binding on you, and (b) we may designate which one of your owners must maintain a controlling interest in the Business Entity based on our assessment on the character, skill, aptitude, business ability and financial capacity of your owners Your majority shareholder, majority owner or approved managing partner must at all times faithfully, honestly and diligently perform your obligations under the

Franchise Agreement, continuously exert his or her best efforts to promote and enhance the Restaurant and not engage in any other business or activity that conflicts with your obligations to operate the Restaurant in compliance with the Franchise Agreement If, in our opinion, you are not exerting all reasonable commercial efforts to promote and enhance the business of the Restaurant, or you are engaging in any other business or other activity, directly or indirectly, which substantially conflicts with your obligations under the Franchise Agreement, we may, but are not required, to appoint a manager to maintain operations of your Restaurant on your behalf, to charge you a reasonable fee for such management services, and to cease providing such management services at any time

Your organizational structure and governing documents must be acceptable to us and contain terms and provisions to prevent management deadlocks and resolve disputes among your partners, shareholders or members with minimal disruption to your business operations A form of Franchisee Operating Agreement acceptable to us is attached as Exhibit "L-1" The Restaurant must at all times be under the direct, on-premises supervision of you (or your majority shareholder, majority owner or approved managing partner) or a designated manager, acceptable to us, who has satisfactorily completed our initial training program We may require you (or your majority shareholder, majority owner or approved managing partner) to devote a minimum number of hours each week for this purpose, including a minimum number of hours during the Restaurant's regular business hours, as determined by us in our sole discretion We may also require your designated manager to maintain at least a 10% economic interest in the Restaurant, as we determine appropriate, in our sole discretion We will require your operating manager and each person participating in training to agree in writing to preserve the confidentiality of any confidential information to which he or she has access Our current form of Non-Compete Agreement is attached as Exhibit "H-1" to this disclosure document, and our current form of Confidentiality, Non-Solicitation, and Assignment of Inventions Agreement is attached as Exhibit "H-2" to this disclosure document

Under the Development Agreement, we require each of your owners to sign and deliver to us a personal guaranty in the form attached as Exhibit "G-1" to this disclosure document (**"Personal Guaranty"**) In addition, any of your shareholders owning, at any time during the existence of the Franchise Agreement, 10% or more of the beneficial interest in you must be approved by us and execute a Personal Guaranty of all of your obligations to us and our affiliates You must furnish to us at any time upon request, a certified copy of the Articles of Incorporation or other organizational documents, and a list, in such form as we require, of all owners (of record and beneficially) reflecting their respective ownership interests in you If you are a corporation, limited liability company or partnership, we require that one of your owners maintain a controlling interest in the business, with authority to make operational decisions In addition, your organizational structure and governing documents must be acceptable to us and must contain terms and provisions to prevent management deadlocks and resolve disputes among your owners with minimal disruption to the franchised business

The Principal Owner's Statement (the **"Owner's Statement"**) attached as an Exhibit "G-2" to this disclosure document must completely and accurately describe all of your owners and their interests in you You must revise the Owners Statement to reflect any ownership changes during the term of the agreements

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale all products, and perform all services, that we require periodically for THE MELTING POT® Restaurants You may not offer for sale from the premises, by mail, Internet or otherwise, any products or perform any services that we have not authorized You may not create or own any website marketing, offering, or in any fashion displaying THE MELTING POT® Restaurants, the Marks, products, information or location(s) You may not offer gift card sales from any location other than your Restaurant Vending machines may not be installed or operated on the premises of your Restaurant, except as may be authorized by us You must provide your customers with an image and atmosphere meeting the minimum standards established by us We regulate required or authorized products, product categories and supplies We

have the right to change the types of required and/or authorized goods and services periodically There are no limits on our right to do so We have the right to periodically establish maximum, minimum and other pricing requirements on the prices you may charge for products or services sold at or through your Restaurant, and such pricing requirements may include regional, special venue or demographic variations

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 Agreement	Summary
(a) Length of the franchise term	Section 2 of the Franchise Agreement, Section 6 of the Membership Agreement	10 years (expires on the earlier of (1) last day of the month which includes the 10th anniversary of the date of the opening of the Restaurant to the public, or (2) the 11th anniversary of the date on which the Franchise Agreement was signed by us), the Membership Agreement expires if the cooperative advertising entity ceases to exist or the franchise agreement expires or terminates
	Section 2 of the Development Agreement	The earlier to occur of the following (i) the date the last Restaurant is scheduled to be open and operating as specified in the Development Schedule, or (ii) the date that the last Restaurant actually opens for business
(b) Renewal or extension of the term	Section 3 of the Franchise Agreement	If you are in good standing, you can obtain a successor franchise on our then current terms for a successive 5-year term The granting of any additional successor franchises is governed by the successor franchise agreement you sign
	Section 2 of the Development Agreement	If we determine that additional Restaurants should be developed in the Development Area, we will offer you the right to a successor area development agreement
(c) Requirements for franchisee to renew or extend	Section 3 of the Franchise Agreement	We do not allow you to "renew" the Franchise Agreement, but we do grant you the right (subject to satisfaction of the conditions described below) to acquire a successor franchise, which requires you to sign our then-current form of Franchise Agreement which may be materially different than the form attached to this disclosure document, and a general release Conditions include give us written notice no later than the 16th month and no sooner than the 19th month prior to the expiration of the franchise agreement, meet with our representatives at our principal headquarters, maintain premises or secure substitute premises, remodel, sign new franchise agreement and related agreements and pay successor fee

Provision	Section in Agreement	Summary
	Section 2 of the Development Agreement	We do not allow you to "renew" the Development Agreement, but we do grant you the right (subject to satisfaction of the conditions described below) to enter into a Successor Area Development Agreement You must sign our then-current form of Area Development Agreement, which may be materially different than the form attached to this disclosure document, and a general release Conditions include we determine that additional Restaurants should be developed in the Development Area, your Restaurants must meet quality standards and you must be in good standing under your Development Agreement and all Franchise Agreements with us, enter into a Successor Area Development Agreement and pay the development fee
(d) Termination by franchisee	Section 15	If you are in substantial compliance with the Franchise Agreement and we materially breach the Franchise Agreement and fail to cure within 30 days after written notice from you, you may terminate effective 10 days after our receipt of a 2nd notice from you
	Section 9 1 of the Development Agreement	If you are in substantial compliance with the Development Agreement and we materially breach the Development Agreement and fail to cure within 30 days after written notice from you, you may terminate effective 10 days after our receipt of a 2nd notice from you
(e) Termination by franchisor without cause	Not Applicable	Not Applicable
	Not Applicable	Not Applicable
(f) Termination by franchisor with cause	Section 15 of the Franchise Agreement	We can terminate only if you commit one of several violations
	Section 9 2 of the Development Agreement	We can terminate only if you commit one of several violations
(g) "**Cause**" defined – curable defaults	Section 15 of the Franchise Agreement	You have (a) 24 hours to cure (i) violation of any health, safety or sanitation law, ordinance or regulation, or (ii) the sale of unapproved menu items or the use of unapproved menus or collateral, (b) 15 days to cure breaches in monetary obligations to us or our affiliates or third parties (including suppliers, lessors, landlords, creditors, vendors and service providers), breaches in insurance coverage, or unauthorized use of Marks or System, and (c) 30 days to cure any other failure to comply with any mandatory standards prescribed by us, or a breach in the performance of any other obligation under the Franchise Agreement
	Section 9 2 of the Development Agreement	20 days to cure unauthorized us of the Marks and 15 days to cure any breach of the Development Agreement or any Franchise Agreement, any mandatory format, specification, standard, method or procedure, or failure to timely pay amounts due us

Provision	Section in Agreement	Summary
(h) "**Cause**" defined – non-curable defaults	Section 15 of the Franchise Agreement	Non-curable breaches include violation of covenant not to compete, abandonment, loss of right to occupy premises, failure to actively operate the Restaurant, unapproved transfers, surrender or transfer of control of the operation of the Restaurant (including entering into a management agreement with any person not a party to the Franchise Agreement), failure to effect an assignment, transfer, or appointment of an approved manager on death or disability, material misrepresentations or omissions in franchise application, conviction of or pleading no contest to a felony or any crime or offense which may adversely affect the reputation of the Restaurant or the goodwill associated with the Marks, unauthorized use or disclosure of the Manuals or confidential information, attempting to terminate the franchise other than as authorized by Franchise Agreement, failure to satisfactorily complete initial training, failure to timely develop and open the Restaurant, failure on 4 or more separate occasions within any 12 consecutive month period to submit information when due, to pay amounts when due, or to otherwise fail to comply with the Franchise Agreement, whether or not such failures to comply are cured after notice is delivered to you, insolvency, assignment for the benefit of creditors, or appointment of a receiver, trustee, or liquidator, or the Restaurant is attached, seized, subjected to a writ or distress warrant, or levied upon (unless such attachment, seizure, writ, distress warrant, or levy is vacated within 30 days)
	Section 9 2 of the Development Agreement	Failure to meet the Development Schedule, material misrepresentation or omission in obtaining the Development Agreement, a conviction or a plea of no contest to a felony or any crime or offense that may adversely affect our reputation or the goodwill associated with the Marks, unauthorized use of the System, unauthorized use or disclosure of the Confidential Information, or unauthorized termination of the Development Agreement
(i) Franchisee's obligations on termination/nonrenewal	Section 16 of the Franchise Agreement	Obligations include payment of outstanding amounts, including outstanding gift card liability for gift card sales at your Restaurant and the net present value of the royalties and Brand Development Fund contributions that would have become due but for the termination (i) through the expiration of the term of the Franchise, or (ii) during the 36 months following the termination of the Agreement, whichever is earlier, complete de-identification, and return of confidential information (also see (r) below)
	Section 10 of the Development Agreement	Obligations include payment of outstanding amounts, complete de-identification and return of confidential information (also see (r) below)
(j) Assignment of contract by franchisor	Section 14 of the Franchise Agreement	No restriction on our right to assign

Provision	Section in Agreement	Summary
	Section 11 1 of the Development Agreement	No restriction on our right to assign
(k) **"Transfer"** by franchisee – defined	Section 14 of the Franchise Agreement, Article 8 of the Operating Agreement	Includes transfer of Franchise Agreement or assets or ownership change
	Section 11 2 of the Development Agreement	Your, or your owners, voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in (a) the Development Agreement, (b) you, or (c) any franchise agreement
(l) Franchisor approval of transfer by franchisee	Section 14 of the Franchise Agreement, Article 8 of the PGP Operating Agreement	We have the right to approve all transfers
	Section 11 2 of the Development Agreement	We have the right to approve all transfers
(m) Conditions for franchisor's approval of transfer	Section 14 of the Franchise Agreement, Section 10 of the Successor Franchise Addendum	You are in full compliance, new franchisee qualifies, you pay us all amounts due, training completed, transferee signs assignment and assumption and new franchise agreement, transferee assumes outstanding gift card liability, transfer fee paid, we approve material terms, you de-identify yourself and you sign other documents we require, including releases (also see (r) below) If you have signed a Successor Franchise Addendum, any transferee must sign a new franchise agreement
	Section 11 3 of the Development Agreement	All of your obligations are assumed by the assignee, the assignee signs an approved assignment and assumption agreement, our current form of Developer Agreement and ancillary agreements, you or assignee pay the assignment fee, you and your owners sign a general release and sign a noncompete agreement and confidentiality agreement, you and your owners subordinate any installments of the purchase price, and we approve the assignment
(n) Franchisor's right of first refusal to acquire franchisee's business	Section 14 of the Franchise Agreement	We can match any offer for your business or an ownership interest in you
	Section 11 6 of the Development Agreement	We can match any offer for your business or an ownership interest in you
(o) Franchisor's option to purchase franchisee's business	Section 16 of the Franchise Agreement, Article 8 of the PGP Operating Agreement	We have the option to buy the Restaurant at fair market value after termination or expiration of the Franchise Agreement If you purchase an existing or former Restaurant under the PGP, we also have the right to purchase your interest in the Restaurant at any time until the loan to purchase the Restaurant is repaid
	Not Applicable	Not Applicable

Provision	Section in Agreement	Summary
(p) Death or disability of franchisee	Sections 14 of the Franchise Agreement	Franchise or an ownership interest in you must be assigned to an approved buyer within 12 months
	Sections 11 4 of the Development Agreement	Any interest must be assigned to an approved buyer within 12 months and is subject to all conditions of transfer contained in the Development Agreement
(q) Non-competition covenants during the term of the franchise	Section 7 of the Franchise Agreement	No ownership interest in, or performance of services for, competitive business anywhere
	Section 7 2 of the Development Agreement	No ownership interest in, or performance of services for, competitive business anywhere
(r) Non-competition covenants after the franchise is terminated or expires	Section 16 of the Franchise Agreement	No interest in competing business for 2 years located (a) on the Restaurant premises, (b) within the Area of Dominant Influence ("**ADI**") in which the Restaurant is located, (c) within a 30 mile radius of the Restaurant, (d) within the ADI in which any other THE MELTING POT® Restaurant is located, or (e) within a 30 mile radius of any other THE MELTING POT® Restaurant (same restrictions apply after assignment)
	Section 10 4 of the Development Agreement	No interest in competing business for 2 years within (a) the Development Area, (b) the Area of Dominant Influence ("**ADI**") in which the Development Area is located, (c) a 30 mile radius of the Development Area, (d) the ADI in which any other THE MELTING POT® Restaurant is located, or (e) a 30 mile radius of any other THE MELTING POT® Restaurant (same restrictions apply after assignment)
(s) Modification of the agreement	Section 17 of the Franchise Agreement	No modifications generally but Manuals and our systems and standards are subject to change
	Section 13 9 of the Development Agreement	No modifications except by written agreement signed by both parties
(t) Integration/merger clause	Section 17 of the Franchise Agreement	Only the terms of the Franchise Agreement (including the Manuals) are binding (subject to state law) Any other promises may not be enforceable, however, nothing in the Franchise Agreement or any related agreement is intended to disclaim representations made in this disclosure document or its attachments or addenda
	Section 13 13 of the Development Agreement	Only the terms of the Development Agreement are binding (subject to state law) Any other promises may not be enforceable, however, nothing in the Development Agreement or any related agreement is intended to disclaim representations made in this disclosure document or its attachments or addenda
(u) Dispute resolution by arbitration or mediation	Section 19 of the Franchise Agreement	Except for certain claims, all disputes must be arbitrated in the county and state where our principal headquarters are located (subject to state law)

Provision	Section in Agreement	Summary
	Section 14 of the Development Agreement	Except for certain claims, all disputes must be arbitrated in the county and state where our principal headquarters are located (subject to state law)
(v) Choice of forum	Section 17 of the Franchise Agreement, Membership Agreement Section 13(d)	Litigation in the county and state where our principal headquarters are located, venue under the Membership Agreement will be in the state in which the marketing cooperative entity is formed (subject to state law)
	Section 13 8 of the Development Agreement	Litigation in the county and state where our principal headquarters are located (subject to state law)
(w) Choice of law	Section 17 of the Franchise Agreement, Membership Agreement Section 13(d)	Florida law applies (subject to state law), the Membership Agreement is governed by the law of the state in which the marketing cooperative entity is formed (subject to state law)
	Section 13 8 of the Development Agreement	Florida law applies (subject to state law)

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote our franchise

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and 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 performance at a particular location or under particular circumstances

STATEMENT OF GROSS SALES AND CERTAIN EXPENSES OF CERTAIN THE MELTING POT® RESTAURANTS

We compiled the gross sales and certain expense figures (which are unaudited figures) by our franchisees and from restaurants operated by our affiliates They should not be considered as the actual or potential sales, expenses, or net income that will be realized by any other franchisee

We obtained these financial results from the information submitted by our franchisees and our affiliates Neither we nor an independent certified public accountant has independently audited or verified the information Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request

All THE MELTING POT® Restaurants offer substantially the same services to the public However, certain THE MELTING POT® Restaurants serve both lunch and dinner, due to requirements in their lease agreements for the premises or because we have approved lunch service due to the unique nature of the location (e g , shopping malls with high volume foot traffic during lunch hours) None of the franchised THE MELTING POT® Restaurants received any services not generally available to other franchisees and substantially the same services will be offered to new franchisees Likewise, the Restaurants operated by our affiliates receive substantially the same services as those offered to our franchisees, except for centralized accounting, financial and management services

The following charts contain information relating solely to historical sales and expense information regarding existing THE MELTING POT® Restaurants Some Restaurants have sold this amount Your individual results may differ There is no assurance that you will sell as much

The food and beverage costs provided below include the costs for all food products and all beverages, including beer, wine, liquor, and all retail items other than water (except bottled water, which is included) There are many expenses that you will incur in owning and operating a THE MELTING POT® Restaurant, including, without limitation, real estate costs for leasing the site, utilities expense, labor and employment costs, royalties, Brand Development Fund contributions and a multitude of other expenses We do not provide any information on these other expenses that will represent a substantial amount of the expenses you incur in operating a Restaurant and a significant percentage of the gross sales

FISCAL YEAR END 2016 INFORMATION

Company Operated Restaurants

The following chart shows certain information regarding gross sales, guest counts, per guest average, and total cost of sales of 2 Company operated THE MELTING POT® Restaurants in the United States that were open a full 12 months ending fiscal year March 31, 2016 (**"Fiscal Year End 2016"**) This information may not be representative of the sales and expenses of THE MELTING POT® Restaurants in any other years

The following table represents information relating to the operation of 2 THE MELTING POT® Restaurants that were open for a full 12 months ending Fiscal Year 2016 Of these Restaurants, no Restaurants were open for lunch

TOTALS FOR 2016					
Category	**The Lowest Volume Restaurant[a]**	**Average Of The Lowest 25% Volume Restaurants (1 Unit)[b]**	**Average Of 2 Restaurants[c]**	**Average Of The Highest 25% Volume Restaurants (1 Unit)[d]**	**The Highest Volume Restaurant[e]**
Total Sales	$1,330,743	$1,330,743[1]	$1,357,397[2]	$1,384,051[3]	$1,384,051
Guest Count	33,911	33,911[4]	33,206[5]	32,501[6]	32,501
Average Sales per Guest	$39 24	$39 24[7]	$40 88[8]	$42 58[9]	$42 58
Total Cost of Sales %	27 8%	27 8%[10]	28 5%[11]	29 1%[12]	29 1%

NOTES

Footnotes denoted with a letter list the number of locations that serve lunch as well as dinner The locations may be open for lunch anywhere from one to seven days a week

a This restaurant is open dinner only
b This restaurant is open dinner only
c This restaurant is open dinner only
d This restaurant is open dinner only
e This restaurant is open dinner only

Footnotes denoted with a number list the number of locations that surpassed the stated result

1 1 out of the 1 Restaurants (100%) in this category achieved or surpassed the stated result
2 1 of all 2 Restaurants (50%) achieved or surpassed the stated result
3 1 of the 1 Restaurants (100%) in this category achieved or surpassed the stated result
4 1 out of the 1 Restaurants (100%) in this category achieved or surpassed the stated result
5 1 of all 2 Restaurants (50%) achieved or surpassed the stated result
6 1 of the 1 Restaurants (100%) in this category achieved or surpassed the stated result
7 1 out of the 1 Restaurants (100%) in this category achieved or surpassed the stated result
8 1 of all 2 Restaurants (50%) achieved or surpassed the stated result
9 1 of the 1 Restaurants (100%) in this category achieved or surpassed the stated result
10 1 of the 1 Restaurants (100%) in category achieved or surpassed the stated result
11 1 of all 2 Restaurants (50%) achieved or surpassed the stated result
12 1 of the 1 Restaurants (100%) in this category achieved or surpassed the stated result

Franchised Units

The following chart shows certain information regarding gross sales, guest counts, per guest average, and total cost of sales of 116 Franchised THE MELTING POT® Restaurants in the United States that were open a full 12 months ending fiscal year March 31, 2016 (**"Fiscal Year End 2016"**) This information may not be representative of the sales and expenses of THE MELTING POT® Restaurants in any other years

The following table represents information relating to the operation of 116 THE MELTING POT® Restaurants that were open for a full 12 months ending Fiscal Year 2016 Of these Restaurants, 42 Restaurants were open for both lunch and dinner

TOTALS FOR 2016 – FRANCHISED UNITS					
Category	**The Lowest Volume Restaurant[a]**	**Average Of The Lowest 25% Volume Restaurants (29 Units)[b]**	**Average Of All 116 Franchised Restaurants[c]**	**Average Of The Highest 25% Volume Restaurants (29 Units)[d]**	**The Highest Volume Restaurant[e]**
Total Sales	$754,354	$1,057,603[1]	$1,659,702[2]	$2,499,480[3]	$6,332,022
Guest Count	20,530	27,063[4]	39,873[5]	57,094[6]	123,651
Average Sales per Guest	$36 74	$39 08[7]	$41 62[8]	$43 78[9]	$51 21
Total Cost of Sales %	25 4%	24 2%[10]	23 9%[11]	23 5%[12]	22 5%

NOTES
Footnotes denoted with a letter list the number of locations that serve lunch as well as dinner The locations may be open for lunch anywhere from one to seven days a week

a This restaurant is open for lunch and dinner
b This category has 11 locations that serve lunch and dinner
c This category has 43 locations that serve lunch and dinner
d This category has 10 locations that serve lunch and dinner
e This restaurant is open for lunch and dinner

Footnotes denoted with a number list the number of locations that surpassed the stated result

1 18 out of the 29 Restaurants (62%) in this category achieved or surpassed the stated result
2 44 of all 116 Restaurants (38%) achieved or surpassed the stated result
3 10 of the 29 Restaurants (34%) in this category achieved or surpassed the stated result
4 14 out of the 29 Restaurants (48%) in this category achieved or surpassed the stated result
5 44 of all 116 Restaurants (38%) achieved or surpassed the stated result
6 11 of the 29 Restaurants (38%) in this category achieved or surpassed the stated result
7 14 out of the 29 Restaurants (48%) in this category achieved or surpassed the stated result
8 51 of all 116 Restaurants (44%) achieved or surpassed the stated result
9 15 of the 29 Restaurants (52%) in this category achieved or surpassed the stated result
10 12 of the 29 Restaurants (41%) in category achieved or surpassed the stated result
11 52 of all 116 Restaurants (45%) achieved or surpassed the stated result
12 14 of the 29 Restaurants (48%) in this category achieved or surpassed the stated result

WEST REGION 2016 – FRANCHISED UNITS					
Category	The Lowest Volume Restaurant[a]	Average Of The Lowest 25% Volume Restaurants (5 Units) [b]	Average Of All 19 Franchised Restaurants[c]	Average Of The Highest 25% Volume Restaurants (5 Units) [d]	The Highest Volume Restaurant[e]
Total Sales	$797,951	$1,080,525[1]	$2,141,309[2]	$3,326,539[3]	$6,332,022

Guest Count	20,381	28,448[4]	45,220[5]	64,085[6]	123,651
Average Sales per Guest	$39 15	$37 98[7]	$47 35[8]	$51 91[9]	$51 21
Total Cost of Sales %	26 2%	25 2%[10]	22 6%[11]	22 1%[12]	22 5%

NOTES

a This restaurant is open for lunch and dinner
b This category has 1 location that serves lunch and dinner
c This category has 4 locations that serve lunch and dinner
d This category has 3 locations that serve lunch and dinner
e This restaurant is open for lunch and dinner

1 2 out of the 5 Restaurants (40%) in this category achieved or surpassed the stated result
2 8 of all 19 Restaurants (42%) achieved or surpassed the stated result
3 1 of the 5 Restaurants (20%) in this category achieved or surpassed the stated result
4 1 out of the 5 Restaurants (20%) in this category achieved or surpassed the stated result
5 11 of 19 Restaurants (58%) achieved or surpassed the stated result
6 1 of the 5 Restaurants (20%) in this category achieved or surpassed the stated result
7 3 out of the 5 Restaurants (60%) in this category achieved or surpassed the stated result
8 8 of all 19 Restaurants (42%) achieved or surpassed the stated result
9 2 of the 5 Restaurants (40%) in this category achieved or surpassed the stated result
10 3 of the 5 Restaurants (60%) in category achieved or surpassed the stated result
11 7 of all 19 Restaurants (37%) achieved or surpassed the stated result
12 2 of the 5 Restaurants (40%) in this category achieved or surpassed the stated result

MID WEST REGION 2016 – FRANCHISED UNITS

Category	The Lowest Volume Restaurant[a]	Average Of The Lowest 25% Volume Restaurants (5 Units)[b]	Average Of All 18 Franchised Restaurants[c]	Average Of The Highest 25% Volume Restaurants (5 Units)[d]	The Highest Volume Restaurant[e]
Total Sales	$1,106,616	$1,213,888[1]	$1,663,611[2]	$2,308,602[3]	$2,894,212
Guest Count	26,497	29,359[4]	41,200[5]	55,663[6]	59,658
Average Sales per Guest	$41 76	$41 35[7]	$40 38[8]	$41 47[9]	$48 51
Total Cost of Sales %	22 3%	23 9%[10]	24 2%[11]	23 7%[12]	22 4%

NOTES

a This restaurant is not open for lunch
b This category has 4 locations that serve lunch and dinner
c This category has 12 locations that serve lunch and dinner
d This category has 4 locations that serve lunch and dinner
e This restaurant is open for lunch and dinner

1 4 out of the 5 Restaurants (80%) in this category achieved or surpassed the stated result
2 7 of all 18 Restaurants (39%) achieved or surpassed the stated result
3 3 of the 5 Restaurants (60%) in this category achieved or surpassed the stated result

4 3 out of the 5 Restaurants (60%) in this category achieved or surpassed the stated result
5 7 of 18 Restaurants (39%) achieved or surpassed the stated result
6 2 of the 5 Restaurants (40%) in this category achieved or surpassed the stated result
7 3 out of the 5 Restaurants (60%) achieved or surpassed the stated result
8 12 of all 18 Restaurants (67%) achieved or surpassed the stated result
9 2 of the 5 Restaurants (40%) in this category achieved or surpassed the stated result
10 3 of the 5 Restaurants (60%) in category achieved or surpassed the stated result
11 10 of all 18 Restaurants (56%) achieved or surpassed the stated result
12 4 of the 5 Restaurants (80%) in this category achieved or surpassed the stated result

NORTH EAST REGION 2016 – FRANCHISED UNITS

Category	The Lowest Volume Restaurant[a]	Average Of The Lowest 25% Volume Restaurants (7 Units)[b]	Average Of All 26 Franchised Restaurants[c]	Average Of The Highest 25% Volume Restaurants (7 Units)[d]	The Highest Volume Restaurant[e]
Total Sales	$754,354	$1,125,473[1]	$1,604,615[2]	$2,188,803[3]	$2,707,824
Guest Count	20,530	28,102[4]	39,488[5]	54,082[6]	68,018
Average Sales per Guest	$36 74	$40 05[7]	$40 64[8]	$40 47[9]	$39 81
Total Cost of Sales %	25 4%	24 0%[10]	23 4%[11]	22 8%[12]	22 8%

NOTES

a This restaurant is open for lunch and dinner
b This category has 5 locations that serve lunch and dinner
c This category has 12 locations that serve lunch and dinner
d This category has 4 locations that serve lunch and dinner
e This restaurant is open for lunch and dinner

1 4 out of the 7 Restaurants (57%) in this category achieved or surpassed the stated result
2 10 of all 26 Restaurants (38%) achieved or surpassed the stated result
3 3 of the 7 Restaurants (43%) in this category achieved or surpassed the stated result
4 4 out of the 7 Restaurants (57%) in this category achieved or surpassed the stated result
5 9 of 26 Restaurants (35%) achieved or surpassed the stated result
6 4 of the 7 Restaurants (57%) in this category achieved or surpassed the stated result
7 3 out of the 7 Restaurants (43%) achieved or surpassed the stated result
8 16 of all 26 Restaurants (62%) achieved or surpassed the stated result
9 4 of the 7 Restaurants (57%) in this category achieved or surpassed the stated result
10 3 of the 7 Restaurants (43%) in category achieved or surpassed the stated result
11 14 of all 26 Restaurants (54%) achieved or surpassed the stated result
12 4 of the 7 Restaurants (57%) in this category achieved or surpassed the stated result

SOUTH EAST REGION 2016 – FRANCHISED UNITS

Category	The Lowest Volume Restaurant[a]	Average Of The Lowest 25% Volume Restaurants (10 Units)[b]	Average Of All 41 Franchised Restaurants[c]	Average Of The Highest 25% Volume Restaurants (10 Units)[d]	The Highest Volume Restaurant[e]
Total Sales	$799,600	$984,381[1]	$1,480,960[2]	$2,194,355[3]	$2,793,844
Guest Count	20,781	25,540[4]	37,326[4]	54,311[6]	62,849
Average Sales per Guest	$38 48	$38 54[7]	$39 68[8]	$40 40[9]	$44 45
Total Cost of Sales %	24 5%	24 7%[10]	24 9%[11]	25 4%[12]	25 7%

NOTES

a This restaurant is open for dinner only
b This category has 2 locations that serve lunch and dinner
c This category has 11 locations that serve lunch and dinner
d This category has 2 locations that serve lunch and dinner
e This restaurant is open for dinner only

1 4 out of the 10 Restaurants (40%) in this category achieved or surpassed the stated result
2 14 of all 41 Restaurants (34%) achieved or surpassed the stated result
3 4 of the 10 Restaurants (40%) in this category achieved or surpassed the stated result
4 5 of the 10 Restaurants (50%) in this category achieved or surpassed the stated result
5 15 of 41 Restaurants (37%) achieved or surpassed the stated result
6 6 of the 10 Restaurants (60%) in this category achieved or surpassed the stated result
7 4 of the 10 Restaurants (40%) achieved or surpassed the stated result
8 17 of all 41 Restaurants (41%) achieved or surpassed the stated result
9 5 of the 10 Restaurants (50%) in this category achieved or surpassed the stated result
10 6 of the 10 Restaurants (60%) in category achieved or surpassed the stated result
11 19 of all 41 Restaurants (46%) achieved or surpassed the stated result
12 5 of the 10 Restaurants (50%) in this category achieved or surpassed the stated result

SOUTH WEST REGION 2016 – FRANCHISED UNITS					
Category	The Lowest Volume Restaurant[a]	Average Of The Lowest 25% Volume Restaurants (3 Units)[b]	Average Of All 12 Franchised Restaurants[c]	Average Of The Highest 25% Volume Restaurants (3 Units)[d]	The Highest Volume Restaurant[e]
Total Sales	$1,056,841	$1,135,086[1]	$1,621,354[2]	$2,275,384[3]	$3,033,523
Guest Count	25,856	28,877[4]	38,950[5]	56,028[6]	67,919
Average Sales per Guest	$40 87	$39 31[7]	$41 63[8]	$40 61[9]	$44 66
Total Cost of Sales %	23 1%	23 4%[10]	24 2%[11]	24 9%[12]	25 2%

NOTES

a This restaurant is open for dinner only
b These restaurants are open for dinner only
c This category has 2 locations that serve lunch and dinner
d This category has 1 location that serves lunch and dinner
e This restaurant is open for lunch and dinner

1 1 out of the 3 Restaurants (33%) in this category achieved or surpassed the stated result
2 4 of all 12 Restaurants (33%) achieved or surpassed the stated result
3 1 of the 3 Restaurants (33%) in this category achieved or surpassed the stated result
4 1 out of the 3 Restaurants (33%) in this category achieved or surpassed the stated result
5 5 of 12 Restaurants (42%) achieved or surpassed the stated result
6 2 of the 3 Restaurants (67%) in this category achieved or surpassed the stated result
7 2 out of the 3 Restaurants (67%) achieved or surpassed the stated result
8 7 of all 12 Restaurants (58%) achieved or surpassed the stated result
9 2 of the 3 Restaurants (67%) in this category achieved or surpassed the stated result
10 2 of the 3 Restaurants (67%) in category achieved or surpassed the stated result
11 6 of all 12 Restaurants (50%) achieved or surpassed the stated result
12 1 of the 3 Restaurants (33%) in this category achieved or surpassed the stated result

FISCAL YEAR END 2015 INFORMATION

Company Operated Restaurants

The following chart shows certain information regarding gross sales, guest counts, per guest average, and total cost of sales of 3 Company operated THE MELTING POT® Restaurants in the United States that were open a full 12 months ending fiscal year March 31, 2015 ("**Fiscal Year End 2015**") This information may not be representative of the sales and expenses of THE MELTING POT® Restaurants in any other years

The following table represents information relating to the operation of 3 THE MELTING POT® Restaurants that were open for a full 12 months ending Fiscal Year 2015 Of these Restaurants, no Restaurants were open for lunch

TOTALS FOR 2015					
Category	**The Lowest Volume Restaurant[a]**	**Average Of The Lowest 25% Volume Restaurants (1 Units)[b]**	**Average Of All 3 Restaurants[c]**	**Average Of The Highest 25% Volume Restaurants (1 Units)[d]**	**The Highest Volume Restaurant[e]**
Total Sales	$1,198,230	$1,198,230[1]	$1,532,517[2]	$2,013,133[3]	$2,013,133
Guest Count	31,054	31,054[4]	38,360[5]	52,160[6]	52,160
Average Sales per Guest	$38 59	$38 59[7]	$39 95[8]	$38 60[9]	$38 60
Total Cost of Sales %	26 6%	26 6%	26 8%[11]	25 9%[12]	25 9%

NOTES
Footnotes denoted with a letter list the number of locations that serve lunch as well as dinner The locations may be open for lunch anywhere from one to seven days a week

a This restaurant is open dinner only
b This restaurant is open dinner only
c This restaurant is open dinner only
d This restaurant is open dinner only
e This restaurant is open dinner only

Footnotes denoted with a number list the number of locations that surpassed the stated result

1 1 out of the 1 Restaurants (100%) in this category achieved or surpassed the stated result
2 1 of all 3 Restaurants (33%) achieved or surpassed the stated result
3 1 of the 1 Restaurants (100%) in this category achieved or surpassed the stated result
4 1 out of the 1 Restaurants (100%) in this category achieved or surpassed the stated result
5 1 of all 3 Restaurants (33%) achieved or surpassed the stated result
6 1 of the 1 Restaurants (100%) in this category achieved or surpassed the stated result
7 1 out of the 1 Restaurants (100%) in this category achieved or surpassed the stated result
8 1 of all 3 Restaurants (33%) achieved or surpassed the stated result
9 1 of the 1 Restaurants (100%) in this category achieved or surpassed the stated result
10 1 of the 1 Restaurants (100%) in category achieved or surpassed the stated result
11 2 of all 3 Restaurants (67%) achieved or surpassed the stated result
12 1 of the 1 Restaurants (100%) in this category achieved or surpassed the stated result

Franchised Units

The following chart shows certain information regarding gross sales, guest counts, per guest average, and total cost of sales of 123 Franchised THE MELTING POT® Restaurants in the United States that were open a full 12 months ending fiscal year March 31, 2015 (**"Fiscal Year End 2015"**) This information may not be representative of the sales and expenses of THE MELTING POT® Restaurants in any other years

The following table represents information relating to the operation of 123 THE MELTING POT® Restaurants that were open for a full 12 months ending Fiscal Year 2015 Of these Restaurants, 45 Restaurants were open for both lunch and dinner

TOTALS FOR 2015 – FRANCHISED UNITS					
Category	**The Lowest Volume Restaurant[a]**	**Average Of The Lowest 25% Volume Restaurants (31 Units)[b]**	**Average Of All 123 Franchised Restaurants[c]**	**Average Of The Highest 25% Volume Restaurants (31 Units)[d]**	**The Highest Volume Restaurant[e]**
Total Sales	$781,902	$1,027,468[1]	$1,574,428[2]	$2,344,891[3]	$5,766,286
Guest Count	19,970	26,675[4]	38,596[5]	54,796[6]	114,808
Average Sales per Guest	$39 15	$38 52[7]	$40 79[8]	$42 80[9]	$50 23
Total Cost of Sales %	27 2%	25 0%[10]	24 4%[11]	24 3%[12]	24 0%

NOTES

Footnotes denoted with a letter list the number of locations that serve lunch as well as dinner The locations may be open for lunch anywhere from one to seven days a week

a This restaurant is open for lunch and dinner
b This category has 13 locations that serve lunch and dinner
c This category has 45 locations that serve lunch and dinner
d This category has 12 locations that serve lunch and dinner
e This restaurant is open for lunch and dinner

Footnotes denoted with a number list the number of locations that surpassed the stated result

1 14 out of the 31 Restaurants (45%) in this category achieved or surpassed the stated result
2 48 of all 123 Restaurants (39%) achieved or surpassed the stated result
3 10 of the 31 Restaurants (32%) in this category achieved or surpassed the stated result
4 16 out of the 31 Restaurants (52%) in this category achieved or surpassed the stated result
5 48 of all 123 Restaurants (39%) achieved or surpassed the stated result
6 12 of the 31 Restaurants (39%) in this category achieved or surpassed the stated result
7 12 out of the 31 Restaurants (39%) in this category achieved or surpassed the stated result
8 62 of all 123 Restaurants (50%) achieved or surpassed the stated result
9 15 of the 31 Restaurants (48%) in this category achieved or surpassed the stated result
10 18 of the 31 Restaurants (58%) in category achieved or surpassed the stated result
11 58 of all 123 Restaurants (47%) achieved or surpassed the stated result
12 13 of the 31 Restaurants (42%) in this category achieved or surpassed the stated result

WEST REGION 2015 – FRANCHISED UNITS					
Category	The Lowest Volume Restaurant[a]	Average Of The Lowest 25% Volume Restaurants (5 Units)[b]	Average Of All 20 Franchised Restaurants[c]	Average Of The Highest 25% Volume Restaurants (5 Units)[d]	The Highest Volume Restaurant[e]
Total Sales	$812,272	$1,085,935[1]	$1,988,443[2]	$3,028,388[3]	$5,766,286
Guest Count	19,278	28,729[4]	43,690[5]	60,574[6]	114,808
Average Sales per Guest	$42 13	$37 80[7]	$45 51[8]	$49 99[9]	$50 23
Total Cost of Sales %	27 2%	25 0%[10]	23 4%[11]	23 2%[12]	24 0%

NOTES

a This restaurant is open for dinner only
b This category has 1 location that serves lunch and dinner

c This category has 3 locations that serve lunch and dinner
d This category has 1 location that serves lunch and dinner
e This restaurant is open for lunch and dinner

1 2 out of the 5 Restaurants (40%) in this category achieved or surpassed the stated result
2 8 of all 20 Restaurants (40%) achieved or surpassed the stated result
3 1 of the 5 Restaurants (20%) in this category achieved or surpassed the stated result
4 2 out of the 5 Restaurants (40%) in this category achieved or surpassed the stated result
5 10 of 20 Restaurants (50%) achieved or surpassed the stated result
6 1 of the 5 Restaurants (20%) in this category achieved or surpassed the stated result
7 3 out of the 5 Restaurants (60%) in this category achieved or surpassed the stated result
8 8 of all 20 Restaurants (40%) achieved or surpassed the stated result
9 3 of the 5 Restaurants (60%) in this category achieved or surpassed the stated result
10 3 of the 5 Restaurants (60%) in category achieved or surpassed the stated result
11 9 of all 20 Restaurants (45%) achieved or surpassed the stated result
12 3 of the 5 Restaurants (60%) in this category achieved or surpassed the stated result

MID WEST REGION 2015 – FRANCHISED UNITS

Category	The Lowest Volume Restaurant[a]	Average Of The Lowest 25% Volume Restaurants (5 Units)[b]	Average Of All 20 Franchised Restaurants[c]	Average Of The Highest 25% Volume Restaurants (5 Units)[d]	The Highest Volume Restaurant[e]
Total Sales	$975,103	$1,184,511[1]	$1,611,592[2]	$2,288,173[3]	$2,963,539
Guest Count	24,875	30,095[4]	40,087[5]	55,312[6]	62,744
Average Sales per Guest	$39 20	$39 36[7]	$40 20[8]	$41 37[9]	$47 23
Total Cost of Sales %	26 4%	24 0%[10]	24 4%[11]	24 0%[12]	23 3%

NOTES

a This restaurant is open for lunch and dinner
b This category has 5 locations that serve lunch and dinner
c This category has 14 locations that serve lunch and dinner
d This category has 5 locations that serve lunch and dinner
e This restaurant is open for lunch and dinner

1 4 out of the 5 Restaurants (80%) in this category achieved or surpassed the stated result
2 7 of all 20 Restaurants (35%) achieved or surpassed the stated result
3 2 of the 5 Restaurants (40%) in this category achieved or surpassed the stated result
4 3 out of the 5 Restaurants (60%) in this category achieved or surpassed the stated result
5 7 of 20 Restaurants (35%) achieved or surpassed the stated result
6 2 of the 5 Restaurants (40%) in this category achieved or surpassed the stated result
7 1 out of the 5 Restaurants (20%) achieved or surpassed the stated result
8 10 of all 20 Restaurants (50%) achieved or surpassed the stated result
9 3 of the 5 Restaurants (60%) in this category achieved or surpassed the stated result
10 3 of the 5 Restaurants (60%) in category achieved or surpassed the stated result
11 10 of all 20 Restaurants (50%) achieved or surpassed the stated result
12 2 of the 5 Restaurants (40%) in this category achieved or surpassed the stated result

NORTH EAST REGION 2015 – FRANCHISED UNITS					
Category	The Lowest Volume Restaurant[a]	Average Of The Lowest 25% Volume Restaurants (7 Units)[b]	Average Of All 27 Franchised Restaurants[c]	Average Of The Highest 25% Volume Restaurants (7 Units)[d]	The Highest Volume Restaurant[e]
Total Sales	$788,587	$1,151,869[1]	$1,589,748[2]	$2,052,741[3]	$2,550,837
Guest Count	22,921	30,184[4]	39,940[5]	53,076[6]	62,474
Average Sales per Guest	$34 40	$38 16[7]	$39 80[8]	$38 68[9]	$40 83
Total Cost of Sales %	27 9%	24 6%[10]	24 4%[11]	23 7%[12]	25 1%

NOTES

a This restaurant is open for lunch and dinner
b This category has 4 locations that serve lunch and dinner
c This category has 12 locations that serve lunch and dinner
d This category has 4 locations that serve lunch and dinner
e This restaurant is open for lunch and dinner

1 4 out of the 7 Restaurants (57%) in this category achieved or surpassed the stated result
2 11 of all 27 Restaurants (41%) achieved or surpassed the stated result
3 3 of the 7 Restaurants (43%) in this category achieved or surpassed the stated result
4 3 out of the 7 Restaurants (43%) in this category achieved or surpassed the stated result
5 9 of 27 Restaurants (33%) achieved or surpassed the stated result
6 4 of the 7 Restaurants (57%) in this category achieved or surpassed the stated result
7 4 out of the 7 Restaurants (57%) achieved or surpassed the stated result
8 17 of all 27 Restaurants (63%) achieved or surpassed the stated result
9 4 of the 7 Restaurants (57%) in this category achieved or surpassed the stated result
10 3 of the 7 Restaurants (43%) in category achieved or surpassed the stated result
11 11 of all 27 Restaurants (41%) achieved or surpassed the stated result
12 4 of the 7 Restaurants (57%) in this category achieved or surpassed the stated result

SOUTH EAST REGION 2015 – FRANCHISED UNITS					
Category	The Lowest Volume Restaurant[a]	Average Of The Lowest 25% Volume Restaurants (11 Units)[b]	Average Of All 44 Franchised Restaurants[c]	Average Of The Highest 25% Volume Restaurants (11 Units)[d]	The Highest Volume Restaurant[e]
Total Sales	$785,546	$930,171[1]	$1,337,886[2]	$1,961,885[3]	$2,539,648
Guest Count	20,565	25,274[4]	34,377[4]	48,551[6]	58,536
Average Sales per Guest	$38 20	$36 80[7]	$38 92[8]	$40 41[9]	$43 39
Total Cost of Sales %	26 0%	24 8%[10]	25 1%[11]	25 6%[12]	26 0%

NOTES

a This restaurant is open for dinner only
b This category has 3 location that serves lunch and dinner

c This category has 12 locations that serve lunch and dinner
d This category has 1 location that serves lunch and dinner
e This restaurant is open for dinner only

1 6 out of the 11 Restaurants (55%) in this category achieved or surpassed the stated result
2 16 of all 44 Restaurants (36%) achieved or surpassed the stated result
3 5 of the 11 Restaurants (45%) in this category achieved or surpassed the stated result
4 6 of the 11 Restaurants (55%) in this category achieved or surpassed the stated result
5 16 of 44 Restaurants (36%) achieved or surpassed the stated result
6 6 of the 11 Restaurants (55%) in this category achieved or surpassed the stated result
7 6 of the 11 Restaurants (55%) achieved or surpassed the stated result
8 21 of all 44 Restaurants (48%) achieved or surpassed the stated result
9 7 of the 11 Restaurants (64%) in this category achieved or surpassed the stated result
10 5 of the 11 Restaurants (45%) in category achieved or surpassed the stated result
11 21 of all 44 Restaurants (48%) achieved or surpassed the stated result
12 5 of the 11 Restaurants (45%) in this category achieved or surpassed the stated result

SOUTH WEST REGION 2015 – FRANCHISED UNITS

Category	The Lowest Volume Restaurant[a]	Average Of The Lowest 25% Volume Restaurants (3 Units)[b]	Average Of All 12 Franchised Restaurants[c]	Average Of The Highest 25% Volume Restaurants (3 Units)[d]	The Highest Volume Restaurant[e]
Total Sales	$937,410	$1,157,405[1]	$1,655,309[2]	$2,162,873[3]	$3,017,220
Guest Count	23,993	28,594[4]	40,065[5]	54,805[6]	67,605
Average Sales per Guest	$39 07	$40 48[7]	$41 32[8]	$39 46[9]	$44 63
Total Cost of Sales %	22 9%	22 7%[10]	24 1%[11]	24 9%[12]	25 1%

NOTES
a This restaurant is open for dinner only
b This restaurant is open for dinner only
c This category has 2 locations that serve lunch and dinner
d This category has 2 locations that serve lunch and dinner
e This restaurant is open for lunch and dinner

1 2 out of the 3 Restaurants (67%) in this category achieved or surpassed the stated result
2 5 of all 12 Restaurants (42%) achieved or surpassed the stated result
3 2 of the 3 Restaurants (67%) in this category achieved or surpassed the stated result
4 2 out of the 3 Restaurants (67%) in this category achieved or surpassed the stated result
5 4 of 12 Restaurants (33%) achieved or surpassed the stated result
6 2 of the 3 Restaurants (67%) in this category achieved or surpassed the stated result
7 1 out of the 3 Restaurants (33%) achieved or surpassed the stated result
8 6 of all 12 Restaurants (50%) achieved or surpassed the stated result
9 2 of the 3 Restaurants (67%) in this category achieved or surpassed the stated result
10 1 of the 3 Restaurants (33%) in category achieved or surpassed the stated result
11 6 of all 12 Restaurants (50%) achieved or surpassed the stated result
12 1 of the 3 Restaurants (33%) in this category achieved or surpassed the stated result

FISCAL YEAR END 2014 INFORMATION

Company Operated Restaurants

The following chart shows certain information regarding gross sales, guest counts, per guest average, and total cost of sales of 3 Company operated THE MELTING POT® Restaurants in the United States that were open a full 12 months ending fiscal year March 31, 2014 ("**Fiscal Year End 2014**") This information may not be representative of the sales and expenses of THE MELTING POT® Restaurants in any other years

The following table represents information relating to the operation of 3 THE MELTING POT® Restaurants that were open for a full 12 months ending Fiscal Year 2014 Of these Restaurants, no Restaurants were open for lunch

TOTALS FOR 2014					
Category	**The Lowest Volume Restaurant[a]**	**Average Of The Lowest 25% Volume Restaurants (1 Units)[b]**	**Average Of All 3 Restaurants[c]**	**Average Of The Highest 25% Volume Restaurants (1 Units)[d]**	**The Highest Volume Restaurant[e]**
Total Sales	$1,055,297	$1,055,297[1]	$1,440,911[2]	$1,955,891[3]	$1,955,891
Guest Count	27,955	27,955[4]	36,045[5]	49,634[6]	49,634
Average Sales per Guest	$37 75	$37 75[7]	$39 98[8]	$39,41[9]	$39 41
Total Cost of Sales %	25 5%	25 5%[10]	26 1%[11]	25 7%[12]	25 7%

NOTES

Footnotes denoted with a letter list the number of locations that serve lunch as well as dinner The locations may be open for lunch anywhere from one to seven days a week

a This restaurant is open dinner only
b This restaurant is open dinner only
c This restaurant is open dinner only
d This restaurant is open dinner only
e This restaurant is open dinner only

Footnotes denoted with a number list the number of locations that surpassed the stated result

1 1 out of the 1 Restaurants (100%) in this category achieved or surpassed the stated result
2 1 of all 3 Restaurants (33%) achieved or surpassed the stated result
3 1 of the 1 Restaurants (100%) in this category achieved or surpassed the stated result
4 1 out of the 1 Restaurants (100%) in this category achieved or surpassed the stated result
5 1 of all 3 Restaurants (33%) achieved or surpassed the stated result
6 1 of the 1 Restaurants (100%) in this category achieved or surpassed the stated result
7 1 out of the 1 Restaurants (100%) in this category achieved or surpassed the stated result
8 1 of all 3 Restaurants (33%) achieved or surpassed the stated result
9 1 of the 1 Restaurants (100%) in this category achieved or surpassed the stated result
10 1 of the 1 Restaurants (100%) in category achieved or surpassed the stated result
11 1 of all 3 Restaurants (33%) achieved or surpassed the stated result
12 1 of the 1 Restaurants (100%) in this category achieved or surpassed the stated result

Franchised Units

The following chart shows certain information regarding gross sales, guest counts, per guest average, and total cost of sales of 129 Franchised THE MELTING POT® Restaurants in the United States that were open a full 12 months ending fiscal year March 31, 2014 ("**Fiscal Year End 2014**") This information may not be representative of the sales and expenses of THE MELTING POT® Restaurants in any other years

The following table represents information relating to the operation of 129 THE MELTING POT® Restaurants that were open for a full 12 months ending Fiscal Year 2014 Of these Restaurants, 47 Restaurants were open for both lunch and dinner

TOTALS FOR 2014 – FRANCHISED UNITS					
Category	**The Lowest Volume Restaurant[a]**	**Average Of The Lowest 25% Volume Restaurants (32 Units)[b]**	**Average Of All 129 Franchised Restaurants[c]**	**Average Of The Highest 25% Volume Restaurants (32 Units)[d]**	**The Highest Volume Restaurant[e]**
Total Sales	$829,652	$1,011,409[1]	$1,583,247[2]	$2,309,330[3]	$5,376,765
Guest Count	20,437	26,609[4]	38,711[5]	53,930[6]	108,023
Average Sales per Guest	$40 60	$38 01[7]	$40 90[8]	$42 82[9]	$49 77
Total Cost of Sales %	20 6%	23 9%[10]	24 1%[11]	24 0%[12]	24 0%

NOTES

Footnotes denoted with a letter list the number of locations that serve lunch as well as dinner The locations may be open for lunch anywhere from one to seven days a week

a This restaurant is open dinner only
b This category has 12 locations that serve lunch and dinner
c This category has 48 locations that serve lunch and dinner
d This category has 13 locations that serve lunch and dinner
e This restaurant is open for lunch and dinner

Footnotes denoted with a number list the number of locations that surpassed the stated result

1 17 out of the 32 Restaurants (53%) in this category achieved or surpassed the stated result
2 52 of all 129 Restaurants (40%) achieved or surpassed the stated result
3 11 of the 32 Restaurants (34%) in this category achieved or surpassed the stated result
4 14 out of the 32 Restaurants (44%) in this category achieved or surpassed the stated result
5 51 of all 129 Restaurants (40%) achieved or surpassed the stated result
6 11 of the 32 Restaurants (34%) in this category achieved or surpassed the stated result
7 13 out of the 32 Restaurants (41%) in this category achieved or surpassed the stated result
8 60 of all 129 Restaurants (47%) achieved or surpassed the stated result
9 15 of the 32 Restaurants (47%) in this category achieved or surpassed the stated result
10 12 of the 33 Restaurants (36%) in category achieved or surpassed the stated result
11 65 of all 132 Restaurants (49%) achieved or surpassed the stated result
12 17 of the 33 Restaurants (52%) in this category achieved or surpassed the stated result

WEST REGION 2014 – FRANCHISED UNITS					
Category	The Lowest Volume Restaurant[a]	Average Of The Lowest 25% Volume Restaurants (5 Units)[b]	Average Of All 22 Franchised Restaurants[c]	Average Of The Highest 25% Volume Restaurants (5 Units)[d]	The Highest Volume Restaurant[e]
Total Sales	$869,267	$1,099,462[1]	$1,911,096[2]	$2,935,998[3]	$5,376,765
Guest Count	19,418	25,915[4]	42,086[5]	60,124[6]	108,023
Average Sales per Guest	$44 77	$42 43[7]	$45 41[8]	$48 83[9]	$49 77
Total Cost of Sales %	23 5%	23 7%[10]	23 5%[11]	23 7%[12]	24 0%

NOTES

a This restaurant is open for dinner only
b This category has 1 location that serves lunch and dinner
c This category has 3 locations that serve lunch and dinner
d This category has 1 location that serves lunch and dinner
e This restaurant is open for lunch and dinner

1 3 out of the 5 Restaurants (60%) in this category achieved or surpassed the stated result
2 8 of all 22 Restaurants (36%) achieved or surpassed the stated result
3 1 of the 5 Restaurants (20%) in this category achieved or surpassed the stated result
4 3 out of the 5 Restaurants (60%) in this category achieved or surpassed the stated result
5 11 of 22 Restaurants (50%) achieved or surpassed the stated result
6 1 of the 5 Restaurants (20%) in this category achieved or surpassed the stated result
7 3 out of the 5 Restaurants (60%) in this category achieved or surpassed the stated result
8 10 of all 22 Restaurants (45%) achieved or surpassed the stated result
9 3 of the 5 Restaurants (60%) in this category achieved or surpassed the stated result
10 3 of the 5 Restaurants (60%) in category achieved or surpassed the stated result

11 12 of all 22 Restaurants (55%) achieved or surpassed the stated result
12 3 of the 5 Restaurants (60%) in this category achieved or surpassed the stated result

MID WEST REGION 2014 – FRANCHISED UNITS					
Category	The Lowest Volume Restaurant[a]	Average Of The Lowest 25% Volume Restaurants (5 Units)[b]	Average Of All 21 Franchised Restaurants[c]	Average Of The Highest 25% Volume Restaurants (5 Units)[d]	The Highest Volume Restaurant[e]
Total Sales	$949,749	$1,222,085[1]	$1,645,529[2]	$2,284,487[3]	$2,967,034
Guest Count	25,638	30,177[4]	40,083[5]	54,740[6]	65,597
Average Sales per Guest	$37 05	$40 50[7]	$41 05[8]	$41 73[9]	$45 23
Total Cost of Sales %	25 3%	24 2%[10]	23 6%[11]	24 0%[12]	23 7%

NOTES

a This restaurant is open for lunch and dinner
b This category has 5 locations that serve lunch and dinner
c This category has 15 locations that serve lunch and dinner
d This category has 5 locations that serve lunch and dinner
e This restaurant is open for lunch and dinner

1 3 out of the 5 Restaurants (60%) in this category achieved or surpassed the stated result
2 8 of all 21 Restaurants (38%) achieved or surpassed the stated result
3 2 of the 5 Restaurants (40%) in this category achieved or surpassed the stated result
4 3 out of the 5 Restaurants (60%) in this category achieved or surpassed the stated result
5 8 of 21 Restaurants (38%) achieved or surpassed the stated result
6 2 of the 5 Restaurants (40%) in this category achieved or surpassed the stated result
7 2 out of the 5 Restaurants (40%) achieved or surpassed the stated result
8 9 of all 21 Restaurants (43%) achieved or surpassed the stated result
9 2 of the 5 Restaurants (40%) in this category achieved or surpassed the stated result
10 2 of the 5 Restaurants (40%) in category achieved or surpassed the stated result
11 10 of all 21 Restaurants (48%) achieved or surpassed the stated result
12 2 of the 5 Restaurants (40%) in this category achieved or surpassed the stated result

NORTH EAST REGION 2014 – FRANCHISED UNITS					
Category	The Lowest Volume Restaurant[a]	Average Of The Lowest 25% Volume Restaurants (7 Units)[b]	Average Of All 29 Franchised Restaurants[c]	Average Of The Highest 25% Volume Restaurants (7 Units)[d]	The Highest Volume Restaurant[e]
Total Sales	$875,896	$1,229,408[1]	$1,661,841[2]	$2,165,296[3]	$2,572,576
Guest Count	25,941	31,339[4]	41,910[5]	56,041[6]	61,033
Average Sales per Guest	$33 76	$39 23[7]	$39 65[8]	$38 64[9]	$42 15
Total Cost of Sales %	28 0%	24 5%[10]	24 2%[11]	24 2%[12]	22 8%

NOTES

a This restaurant is open for lunch and dinner
b This category has 5 locations that serve lunch and dinner
c This category has 14 locations that serve lunch and dinner
d This category has 4 locations that serve lunch and dinner
e This restaurant is open for lunch and dinner

1 4 out of the 7 Restaurants (57%) in this category achieved or surpassed the stated result
2 13 of all 29 Restaurants (45%) achieved or surpassed the stated result
3 3 of the 7 Restaurants (43%) in this category achieved or surpassed the stated result
4 3 out of the 7 Restaurants (43%) in this category achieved or surpassed the stated result
5 13 of 29 Restaurants (45%) achieved or surpassed the stated result
6 4 of the 7 Restaurants (57%) in this category achieved or surpassed the stated result
7 4 out of the 7 Restaurants (57%) achieved or surpassed the stated result
8 19 of all 29 Restaurants (66%) achieved or surpassed the stated result
9 4 of the 7 Restaurants (57%) in this category achieved or surpassed the stated result
10 3 of the 7 Restaurants (43%) in category achieved or surpassed the stated result
11 14 of all 29 Restaurants (48%) achieved or surpassed the stated result
12 3 of the 7 Restaurants (43%) in this category achieved or surpassed the stated result

SOUTH EAST REGION 2014 – FRANCHISED UNITS

Category	The Lowest Volume Restaurant[a]	Average Of The Lowest 25% Volume Restaurants (12 Units)[b]	Average Of All 46 Franchised Restaurants[c]	Average Of The Highest 25% Volume Restaurants (12 Units)[d]	The Highest Volume Restaurant[e]
Total Sales	$829,652	$937,089[1]	$1,312,865[2]	$1,914,913[3]	$2,608,456
Guest Count	20,437	24,458[4]	33,825[4]	47,640[6]	60,837
Average Sales per Guest	$40 60	$38 31[7]	$38 81[8]	$40 20[9]	$42 88
Total Cost of Sales %	20 6%	23 1%[10]	24 6%[11]	25 3%[12]	26 1%

NOTES

a This restaurant is open for dinner only
b This category has 1 location that serves lunch and dinner
c This category has 12 locations that serve lunch and dinner
d This category has 1 location that serves lunch and dinner
e This restaurant is open for dinner only

1 7 out of the 12 Restaurants (58%) in this category achieved or surpassed the stated result
2 14 of all 46 Restaurants (30%) achieved or surpassed the stated result
3 6 of the 12 Restaurants (50%) in this category achieved or surpassed the stated result
4 7 of the 12 Restaurants (58%) in this category achieved or surpassed the stated result
5 16 of 46 Restaurants (35%) achieved or surpassed the stated result
6 6 of the 12 Restaurants (50%) in this category achieved or surpassed the stated result
7 4 of the 12 Restaurants (33%) achieved or surpassed the stated result
8 20 of all 46 Restaurants (43%) achieved or surpassed the stated result
9 6 of the 12 Restaurants (50%) in this category achieved or surpassed the stated result

10 4 of the 12 Restaurants (33%) in category achieved or surpassed the stated result
11 24 of all 49 Restaurants (49%) achieved or surpassed the stated result
12 5 of the 12 Restaurants (42%) in this category achieved or surpassed the stated result

SOUTH WEST REGION 2014 – FRANCHISED UNITS					
Category	**The Lowest Volume Restaurant[a]**	**Average Of The Lowest 25% Volume Restaurants (3 Units)[b]**	**Average Of All 11 Franchised Restaurants[c]**	**Average Of The Highest 25% Volume Restaurants (3 Units)[d]**	**The Highest Volume Restaurant[e]**
Total Sales	$969,992	$1,245,863[1]	$1,732,134[2]	$2,488,005[3]	$2,971,659
Guest Count	25,803	29,702[4]	41,341[5]	60,893[6]	66,600
Average Sales per Guest	$37 59	$41 94[7]	$41 90[8]	$40 86[9]	$44 62
Total Cost of Sales %	25 1%	23 7%[10]	24 0%[11]	24 3%[12]	23 8%

NOTES

a This restaurant is open for dinner only
b This category has 0 locations that serve lunch and dinner
c This category has 2 locations that serve lunch and dinner
d This category has 2 locations that serve lunch and dinner
e This restaurant is open for lunch and dinner

1 2 out of the 3 Restaurants (66%) in this category achieved or surpassed the stated result
2 3 of all 11 Restaurants (27%) achieved or surpassed the stated result
3 1 of the 3 Restaurants (33%) in this category achieved or surpassed the stated result
4 1 out of the 3 Restaurants (33%) in this category achieved or surpassed the stated result
5 4 of 11 Restaurants (36%) achieved or surpassed the stated result
6 2 of the 3 Restaurants (66%) in this category achieved or surpassed the stated result
7 1 out of the 3 Restaurants (33%) achieved or surpassed the stated result
8 5 of all 11 Restaurants (45%) achieved or surpassed the stated result
9 1 of the 3 Restaurants (33%) in this category achieved or surpassed the stated result
10 1 of the 3 Restaurants (33%) in category achieved or surpassed the stated result
11 5 of all 11 Restaurants (45%) achieved or surpassed the stated result
12 1 of the 3 Restaurants (33%) in this category achieved or surpassed the stated result

Other than the preceding financial performance representation, we do not make any financial performance representations We also do not authorize our employees or representatives to make any such representations either orally or in writing If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our Chief Financial Officer, Scott Pierce, The Melting Pot Restaurants, Inc , 7886 Woodland Center Blvd , Tampa, Florida 33614, (813) 881-0055, the Federal Trade Commission, and the appropriate state regulatory agency

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION|

Table No 1
Systemwide Outlet Summary
For Years Ending March 31, 2014 ("2014"), March 31, 2015 ("2015")
And March 31, 2016 ("2016")

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2014	129	131	+2
	2015	131	124	-7
	2016	124	117	-7
Company-Owned [1]	2014	4	3	-1
	2015	3	3	0
	2016	3	2	-1
Total Outlets [2]	**2014**	**133**	**134**	**+1**
	2015	**134**	**127**	**-7**
	2016	**127**	**119**	**-8**

(1) All "company-owned" outlets are owned by some or all of our shareholders, officers and directors We do not directly own any of the Restaurants
(2) Domestic/U S locations only

Table No 2
Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor)
For Years Ending March 31, 2014 ("2014"), March 31, 2015 ("2015")
And March 31, 2016 ("2016")

State	Year	Number of Transfers
Florida	2014	1
	2015	1
	2016	0
Arizona	2014	0
	2015	1
	2016	0
Louisiana	2014	0
	2015	0
	2016	1
Michigan	2014	0
	2015	1
	2016	0
Pennsylvania	2014	0
	2015	1
	2016	0
All Other States	2014	0
	2015	0
	2016	0
Total	**2014**	**0**
	2015	**1**
	2016	**1**

Table No 3
Status of Franchised Outlets
For Years Ending March 31, 2014 ("2014"), March 31, 2015 ("2015")
And March 31, 2016 ("2016")

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Alabama	2014	~~32~~	0	0	0	0	0	~~32~~
	2015	~~32~~	1	0	0	0	0	3
	2016	3	0	1	0	0	0	2
Arizona	2014	4	0	0	0	0	0	4
	2015	4	0	0	0	0	0	4
	2016	4	0	0	0	0	0	4
California	2014	10	0	0	0	0	0	10
	2015	10	0	2	0	0	0	8
	2016	8	0	1	0	0	0	7
Colorado	2014	4	0	0	0	0	0	4
	2015	4	0	0	0	0	0	4
	2016	4	0	0	0	0	0	4
Connecticut	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Delaware	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
District of Columbia	2014	1	0	1	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
Florida	2014	15	1	0	0	0	0	16
	2015	16	0	0	2	0	0	14
	2016	14	1 (1)	1	0	0	0	14
Georgia	2014	5	0	0	0	0	0	5
	2015	5	0	0	0	0	0	5
	2016	5	0	0	0	0	0	5
Hawaii	2014	1	0	1	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
Idaho	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Illinois	2014	4	0	0	0	0	0	4
	2015	4	0	0	0	0	0	4
	2016	4	0	1	0	0	0	3
Indiana	2014	2	0	1	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Kentucky	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	1	0	0	0	1
Louisiana	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Maryland	2014	4	0	0	0	0	0	4
	2015	4	0	0	0	0	0	4
	2016	4	0	0	0	0	0	4
Massachusetts	2014	3	0	0	0	0	0	3
	2015	3	0	1	0	0	0	2
	2016	2	0	0	0	0	0	2
Michigan	2014	4	0	0	0	0	0	4
	2015	4	0	0	1	0	0	3
	2016	3	0	1	0	0	0	2
Minnesota	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Missouri	2014	3	0	0	0	0	0	3
	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
Nebraska	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
Nevada	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
New Jersey	2014	6	0	0	0	0	0	6
	2015	6	0	1	0	0	0	5
	2016	5	1	0	0	0	0	6
New Mexico	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
New York	2014	6	1	0	0	0	0	7
	2015	7	0	0	0	0	0	7
	2016	7	0	0	0	0	0	7
North Carolina	2014	6	0	0	0	0	0	6
	2015	6	0	0	0	0	0	6
	2016	6	0	1	0	0	0	5
Ohio	2014	6	0	0	0	0	1	6
	2015	5	0	0	0	0	0	5
	2016	5	0	0	0	0	0	5
Oklahoma	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
Oregon	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Pennsylvania	2014	6	0	0	0	0	0	6
	2015	6	0	1 (2)	0	0	0	5
	2016	5	0	0	0	0	0	5
Rhode Island	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
South Carolina	2014	3	0	0	0	0	0	3
	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
Tennessee	2014	5	0	1	0	0	0	4
	2015	4	0	0	0	0	0	4
	2016	4	0	0	0	0	0	4
Texas	2014	5	0	1	0	0	0	4
	2015	4	1	0	0	0	0	5
	2016	5	0	0	0	0	0	5
Utah	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Virginia	2014	7	0	0	0	0	0	7
	2015	7	0	0	0	0	0	7
	2016	7	0	1	0	0	0	6
Washington	2014	4	0	0	0	0	0	4
	2015	4	0	0	0	0	0	4
	2016	4	0	0	0	0	0	4
Wisconsin	2014	3	0	0	0	0	0	3
	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
Totals	**2014**	**129**	**2**	**0**	**0**	**0**	**0**	**131**
	2015	**131**	**1**	**5**	**3**	**0**	**0**	**124**
	2016	**124**	**2**	**9**	**0**	**0**	**0**	**117**

(1) This is for the Tampa location that transitioned from company operated to a franchised location in 2016 It is not a new restaurant

(2) This is for the Philadelphia location that relocated and reopened in Maple Shade, NJ as a new restaurant

Table No 4
Status of Company-Owned Outlets(1)
For Years Ending March 31, 2014 ("2014"), March 31, 2015 ("2015")
And March 31, 2016 ("2016")

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Florida	2014	3	0	0	0	0	3
	2015	3	0	0	0	0	3
	2016	3	0	0	0	1	2
All Other States	2014	0	0	0	0	0	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
Total	**2014**	**3**	**0**	**0**	**0**	**0**	**3**
	2015	**3**	**0**	**0**	**0**	**0**	**3**
	2016	**3**	**0**	**0**	**0**	**1**	**2**

(1) All "company-owned" outlets are owned by some or all of our shareholders, officers and directors We do not directly own any of the Restaurants

Table No 5
Projected Openings as of March 31, 2016

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year (2016)	Projected New Company Owned Outlets in the Next Fiscal Year (2016)
Alabama	0	0	1
Florida	0	0	1
Virginia	0	1	0
Totals	**0**	**1**	**2**

The name, business address and business telephone number of each current franchisee as of the issuance date of this disclosure document are set forth in Exhibit "P "

The name, city and state, and current business telephone number (or, if unknown, the last known home telephone number) of the nine franchisees who had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document, are listed on Exhibit "Q "

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

As of the date of this disclosure document, we are not offering any previously-owned franchised outlets now under our control to prospective franchisees If we begin to offer any such outlet, specific information about the outlet will be provided to you in a separate supplement to this disclosure document

As of the date of this disclosure document, we have no current or former franchisees who have signed provisions during the last 3 fiscal years restricting their ability to speak openly to you about their experience with THE MELTING POT® franchise system

As of the date of this disclosure document, there are no trademark-specific franchisee organizations sponsored or endorsed by us, and no independent franchisee organizations have asked to be included in this disclosure document

ITEM 21
FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit "A" are audited financial statements for The Melting Pot Restaurants, Inc ("TMPRI") and Subsidiaries for the fiscal years ending March 31, 2016, March 31, 2015 and March 31, 2014

ITEM 22
CONTRACTS

The following agreements are attached as exhibits to this disclosure document

1 Franchise Agreement – Exhibit "B"

2 Successor Franchise Addendum to Franchise Agreement – Exhibit "B-1"

3 Area Development Agreement – Exhibit "C"

4 Form of Conditional Assignment of Telephone Numbers and Listings – Exhibit "D"

5 Form of Collateral Assignment and Assumption of Lease – Exhibit ' E"

6 Form of Rights of Franchisor Rider to Lease – Exhibit "E-1"

7 Form of Personal Guaranty of Owner/Shareholder – Exhibit "G-1"

8 Form of Principal Owner's Statement – Exhibit "G-2"

9 Noncompete Agreement – Exhibit "H-1"

10 Confidentiality Agreement – Exhibit "H-2"

11 The Fondue Dining Cooperative Membership Agreement – Exhibit "I"

12 Form of Franchisee Operating Agreement – Exhibit "L-1"

13 Form of ~~Operating Agreement for~~ Path to Grow Program Loan Documents – Exhibit "L-2"

a Form of Loan Agreement – Exhibit ' L-2(a)
b Form of Promissory Note – Exhibit L 2(b) '
c Form of Security Agreement – Exhibit L 2(c)"
~~13~~ d Form of Guaranty – Exhibit 'L-2(d)

14 UCC-1 Financing Statement – Exhibit "L-3"

15 Form of General Release – see Exhibit "B-1" – Successor Franchise Addendum and Exhibit "A" (Release) attached thereto

16 Franchise Compliance Certificate – Exhibit "R"

ITEM 23
RECEIPTS

You will find 2 copies of a Receipt as the last two pages of the disclosure document One Receipt must be detached or printed, signed, dated and delivered to us The other Receipt should be retained for your records

EXHIBIT "A"
TO THE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

OF

THE MELTING POT RESTAURANTS, INC AND SUBSIDIARIES

THE MELTING POT RESTAURANTS, INC
AND SUBSIDIARIES

Consolidated Financial Statements

March 31, 2016, 2015 and 2014
(With Independent Auditor's Report Thereon)

THE MELTING POT RESTAURANTS, INC AND SUBSIDIARIES

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MHM

Mayer Hoffman McCann P C
An Independent CPA Firm

13577 Feather Sound Drive Suite 400 ■ Clearwater Florida 33762
Main 727 572 1400 ■ Fax 727 571 1933 ■ www mhm-pc com

Independent Auditor's Report

The Board of Directors
The Melting Pot Restaurants, Inc and Subsidiaries

We have audited the accompanying consolidated financial statements of The Melting Pot Restaurants, Inc and Subsidiaries (together, the Company), which comprise the consolidated balance sheets as of March 31, 2016 and 2015, and the related consolidated statements of income, stockholders' equity, and cash flows for the fiscal years then ended, and the related notes to the consolidated financial statements

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits We conducted our audits in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Melting Pot Restaurants, Inc and Subsidiaries as of March 31, 2016 and 2015, and the results of their operations and their cash flows for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America

Prior Period Consolidated Financial Statements

The consolidated financial statements of The Melting Pot Restaurants, Inc and Subsidiaries as of March 31, 2014 and the fiscal year then ended were audited by other auditors whose report dated June 12, 2014, expressed an unmodified opinion on those statements

Mayer Hoffman McCann PC

May 27, 2016
Clearwater, Florida

THE MELTING POT RESTAURANTS, INC AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2016 and 2015

Assets		2016	2015
Current assets			
Cash	$	2 971,973	4,649 011
Restricted cash		17,163	483,594
Accounts receivable			
Trade, net of allowance for doubtful accounts of $462,983 and $359,760, respectively		1,609,797	1,785,868
Restricted, net of allowance for doubtful accounts of $81 025 and $66,524, respectively		160,789	135,277
Inventories		203 377	245 768
Due from related parties and stockholders, net		41,251	69,694
Prepaid expenses and other current assets		40,048	168,579
Total current assets		5,044,398	7 537 791
Property and equipment, net		1,351,872	242 990
Intangible assets, net		53,124	53,124
Other assets		186,488	54,268
Total assets	$	6,635 882	7,888,173
Liabilities and Equity			
Current liabilities			
Accounts payable and accrued expenses	$	1,026,984	1,198,951
Gift card liability		2,007,125	1,888,989
Ad co-op liability		153,102	667,304
Deferred rent		269,888	-
Deferred franchise fees, current		76,526	150,000
Income tax payable		1 119 604	1,070 942
Total current liabilities		4,653,229	4,976,186
Deferred franchise fees, less current portion		559,950	1,027,950
Total liabilities		5,213,179	6,004,136
Equity			
Common stock, $1 00 par value, 7,000 shares authorized, issued, and outstanding		7,000	7,000
Additional paid-in capital		13,000	13,000
Retained earnings		1,714,569	1,173,669
Total The Melting Pot Restaurants Inc equity		1,734,569	1,193,669
Non controlling interest in consolidated variable interest entities		(311,866)	690,368
Total equity		1,422,703	1,884 037
Total liabilities and equity	$	6,635,882	7,888,173

See accompanying independent auditor's report and notes to consolidated financial statements

THE MELTING POT RESTAURANTS, INC AND SUBSIDIARIES

Consolidated Statements of Income

For the Fiscal Years Ended March 31, 2016, 2015 and 2014

	2016	2015	2014
Revenues			
Initial franchise fees	$ 726,691	457,465	774,487
Royalties	8,375,646	8,865,499	9,066,499
Consulting fees	67,665	-	-
Rebates, food, equipment, and supplies sales	2,660,831	2,805,028	2,904,450
	11,830,833	12,127,992	12,745,436
Operating expenses			
Cost of food, equipment, and supplies sales	197,947	165,776	128,131
General and administrative	8,351,806	8,809,848	8,772,518
	8,549,753	8,975,624	8,900,649
Income from operations	3,281,080	3,152,368	3,844,787
Other income (expense)			
Interest income	1,162	294	-
Interest expense	-	(7,950)	(10,872)
Other income	275,511	199,956	443,055
Income before taxes	3,557,753	3,344,668	4,276,970
Income tax expense	59,553	143,565	15,300
Net income	3,498,200	3,201,103	4,261,670
Less non-controlling interest in earnings of consolidated variable interest entities	(1,557,300)	(1,886,173)	(1,981,976)
Net income attributable to The Melting Pot Restaurants, Inc	$ 1,940,900	1,314,930	2,279,694

See accompanying independent auditor's report and notes to consolidated financial statements

THE MELTING POT RESTAURANTS, INC AND SUBSIDIARIES

Consolidated Statements of Stockholders' Equity

For the Fiscal Years Ended March 31, 2016, 2015 and 2014

	Common Stock	Additional Paid-in Capital	Retained Earnings	Total The Melting Pot Restaurants Inc Equity	Non-Controlling Interest	Total Equity
Balances at March 31 2013	$ 7 000	13 000	740 977	760 977	420 725	1 181 702
Net income			2,279 694	2,279 694	1 981 976	4,261 670
Contributions					99 999	99 999
Distributions			(726,500)	(726,500)	(1 725 000)	(2 451,500)
Balances at March 31 2014	7 000	13 000	2,294 171	2,314 171	777 700	3 091 871
Net income			1 314 930	1,314 930	1 886 173	3,201 103
Distributions			(2 435 432)	(2 435 432)	(2 662 440)	(5 097 872)
Deconsolidation of VIE					688 935	688 935
Balances at March 31 2015	7 000	13 000	1 173 669	1 193 669	690,368	1 884 037
Net income			1 940 900	1 940 900	1 557,300	3 498,200
Distributions			(1 400 000)	(1 400 000)	(2,559,534)	(3 959 534)
Balances at March 31 2016	$ 7 000	13 000	1 714 569	1 734,569	(311 866)	1 422 703

See accompanying independent auditor's report and notes to consolidated financial statements

THE MELTING POT RESTAURANTS, INC AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Fiscal Years Ended March 31, 2016, 2015 and 2014

	2016	2015	2014
Cash flows from operating activities			
Net income	$ 3 498,200	3,201 103	4,261 670
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	158,592	146 806	200 618
Provision for bad debts	94 609	149,337	6 457
(Gain) loss on sale of property and equipment	161 064	(7 681)	110 770
Increase (decrease) in cash resulting from changes in			
Restricted cash	466 431	(65 935)	(198 091)
Accounts receivable trade	81 462	23 109	(221 063)
Accounts receivable restricted	(25,512)	94 000	(36 783)
Inventory	42,391	(35 757)	(29 854)
Due from related parties and stockholders	28 443	787 182	(811 965)
Prepaid expenses and other current assets	128,531	59 777	(11 691)
Other assets	(132,220)	(9,318)	
Accounts payable and accrued expenses	(171 967)	193,511	(913,328)
Gift card liability	118 136	232,279	(108 874)
Ad co-op liability	(514,202)	227 686	68 902
Deferred rent	269 888		
Deferred franchise fees	(541 474)	93 000	6 000
Income tax payable	48 662	85,337	
Net cash provided by operating activities	3 711 034	5 174 436	2,322 768
Cash flows from investing activities			
Deconsolidation of VIE		(29 713)	
(Purchase) proceeds from and disposal of property and equipment	(1,428,538)	14,568	
Purchase of software		(53,297)	(8 841)
Net cash used in investing activities	(1 428,538)	(68 442)	(8 841)
Cash flows from financing activities			
Stockholder distributions	(1 400 000)	(1 179 657)	(726,500)
Stockholder distributions of consolidated variable interest entities	(2,559,534)	(2 662 440)	(1 725 000)
Stockholder contributions of consolidated variable interest entities			99 999
Principal payments on long term debt		(69 424)	(73,538)
Net cash used in financing activities	(3 959 534)	(3 911 521)	(2 425 039)
Net change in cash	(1 677 038)	1 194 473	(111 112)
Cash beginning of year	4 649 011	3 454,538	3 565 650
Cash, end of year	$ 2 971 973	4 649 011	3 454,538
Supplemental disclosures of cash flow information			
Cash paid for interest	$	7 950	10 871
Summary of significant non cash investing and financing transactions			
Distributions resulting from disposal of land and long term debt to related party net	$	910,232	
Distribution of amounts due from stockholders	$ 15,239	345,543	

See accompanying independent auditor's report and notes to consolidated financial statements

(1) Summary of Significant Accounting Policies

(a) Nature of Business

The Melting Pot Restaurants, Inc and Subsidiaries (together, the Company) is involved in the development and franchising of specialty restaurants located in 35 states, Canada, Mexico, Dubai and Saudi Arabia, and the Persian Gulf The Company's primary sources of revenues are royalty fees paid by franchisees, initial franchise fees, rebates and the sale of food, equipment and supplies to franchisees

Total Melting Pot Restaurants, Inc franchised and Company owned locations in the United States as of March 31, 2016, 2015 and 2014 are as follows

	Melting Pot Number of Stores
March 31, 2013	133
Locations opened during 2014	1
Locations closed during 2014	-
March 31, 2014	134
Locations opened during 2015	1
Locations closed during 2015	(8)
March 31, 2015	127
Locations opened during 2016	1
Locations closed during 2016	(9)
March 31, 2016	119

(b) Basis of Presentation and Principles of Consolidation

The consolidated financial statements as of March 31, 2016 include the accounts of The Melting Pot Restaurants, Inc (TMPRI) and one variable interest entity (VIE), in which it holds the primary beneficial interest, Front Burner Brands, Inc (FB)

The consolidated financial statements as of March 31, 2015 and 2014 include the accounts of TMPRI and two VIEs, in which it held the primary beneficial interest, FB and Burger 21 International, Inc (Burger 21 International)

FB is a management company that provides services, including leasing employees to TMPRI, Burger 21 International and to the stockholders' other entities related through common ownership

(1) Summary of Significant Accounting Policies - Continued

(b) Basis of Presentation and Principles of Consolidation - Continued

During the third quarter of fiscal 2015, Burger 21 International was deconsolidated as TMPRI or FB no longer held a variable interest in Burger 21 International due to outside changes in ownership which resulted in change in operations and use of FB for support Burger 21 International was involved in the development and franchising of Burger 21 restaurants throughout the United States Net revenues from this VIE were approximately $540,000 for fiscal 2015 Upon deconsolidation of this VIE, the Company removed from the consolidated financial statements assets of approximately $76,000, liabilities of approximately $765,000 and increased non-controlling interest by approximately $689,000 Included in the accompanying fiscal 2015 consolidated statement of income is approximately $223,000 of Burger 21 International net loss

All significant intercompany balances and transactions have been eliminated in consolidation TMPRI, FB and Burger 21 International were all owned under common ownership by the stockholders through November 21, 2014, when the ownership structure of Burger 21 International changed whereby common ownership ceased for that entity Non-controlling interest is recorded to reflect the non-controlling interest held in FB and Burger 21 International for the period in which TMPRI held a variable interest in the VIE

When evaluating an entity for consolidation, the Company first determines whether an entity is within the scope of the guidance for consolidation VIEs and if it is deemed to be a VIE If the entity is considered to be a VIE, the Company determines whether it would be considered the entity's primary beneficiary The primary beneficiary of a VIE is the party that has the power to direct the activities that most significantly impact the performance of the entity and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the entity The Company will consolidate those VIEs for which it has determined that it is the primary beneficiary The Company will consolidate an entity not deemed a VIE upon determination that it has a controlling financial interest

(c) Use of Estimates

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

(1) Summary of Significant Accounting Policies - Continued

(d) Restricted Cash, Restricted Accounts Receivable and Ad Co-Op Liability

Under the terms of the franchise agreements, the Company bills and collects a monthly co-op advertising fee from its franchisees The amounts billed and collected are restricted to pay for costs of preparing and producing various advertising and marketing materials for the franchised restaurants Ad co-op liability represents advertising co-op fees billed to franchisees that have not yet been expended

(e) Accounts Receivable - Trade and Allowance for Doubtful Accounts

Accounts receivable - trade represent amounts due from franchisees for royalties, advertising, food, supplies, equipment and other related franchise fees payable under their franchise agreements Management reviews accounts receivable on a monthly basis to determine if any accounts receivable balances will potentially be uncollectible Accounts receivable balances that are determined to be uncollectible are included in an allowance for doubtful accounts After all attempts to collect a receivable have failed, the receivable is written off against the allowance Management believes the allowance for doubtful accounts is adequate as of March 31, 2016 and 2015 However, actual write-offs may exceed the recorded allowance The following table presents a roll-forward of the Company's allowance for doubtful accounts (trade and restricted) for the fiscal years ended March 31

		2016	2015
Beginning balance	$	(426,284)	(466,532)
Bad debt expense		(94,609)	(149,337)
Increase in Ad Coop reserve		(14,501)	(54,601)
(Write offs) and recoveries		(8,614)	244,186
Ending balance	$	(544,008)	(426,284)

(f) Inventories

Inventories consist of food and restaurant supply items, which are stated at the lower of cost or market, as determined by the first-in first-out (FIFO) method

(g) Property and Equipment

Property and equipment are stated at cost less accumulated depreciation Depreciation is computed using an accelerated method over the estimated useful lives of these assets, generally ranging from three to 39 years Cost and accumulated depreciation on assets sold or retired are removed from the accounts and any resulting gains and losses are credited or charged to earnings Additions and betterments which extend the useful life of an asset are capitalized Repair and maintenance costs are expensed as incurred

(1) Summary of Significant Accounting Policies - Continued

(h) Intangible Assets

Intangible assets consist of franchise rights The Company has identified franchise rights as an intangible asset with an indefinite life and therefore, this asset is not amortized Franchise rights represent the right to the use of the Company's trademarks and trade name and the right to license additional restaurants under the trade name

(i) Long-Lived Asset Impairment Testing

The Company evaluates the recoverability of the net carrying value of its property and equipment and intangible assets with finite useful lives whenever events or circumstances occur that bear on possible impairment of such assets In that circumstance, if the total of future estimated undiscounted cash flows expected to relate to these assets were less than the carrying amount of the assets, such carrying amount would be written down to the fair value, and a loss on impairment recognized by a charge to earnings Intangible assets that have indefinite useful lives are not amortized but are tested at least annually for impairment, or more frequently, if events or changes in circumstances indicate that the asset might be impaired There were no impairment charges recognized during the years ended March 31, 2016, 2015 or 2014

(j) Gift Card Liability

Gift card liability represents the balance of unredeemed gift cards outstanding that are owed to the franchisees upon redemption This liability is recorded in the period in which a gift card is issued and proceeds are received and the liability is reduced as gift cards are redeemed and payments are made to the franchisees

The Company recognizes into income gift cards when the probability of redemption becomes remote and therefore no payment will be made to the franchisees In establishing its policy, the Company considered historical trends and state escheat laws and determined that the likelihood for redemption of gift cards greater than 6 years old from the date of issuance was remote There are no expiration dates on the Company's gift cards, nor does the Company charge any service fees that decrease customer balances For the fiscal years ended March 31, 2016, 2015 and 2014, the Company recognized approximately $215,000, $195,000 and $233,000, respectively, of revenue related to gift cards not expected to be redeemed (6 years and greater) which is reflected in other income in the accompanying consolidated statements of income

(1) Summary of Significant Accounting Policies - Continued

(k) Revenue Recognition

The Company receives an initial franchise fee for restaurants opened by franchisees These initial franchise fees are recognized as revenue when substantially all the initial services required by the franchise agreement have been performed and operations commence (typically, when the restaurant is opened) Initial franchise fees for restaurants where operations have not commenced as of March 31, 2016 and 2015 was $636,476 and $1,177,950, respectively, and are included in deferred franchise fees current and long term on the accompanying consolidated balance sheets

The Company recognizes ongoing royalty revenue under its franchise agreements monthly as earned Estimates at the end of each period are made based on historical sales reported for each restaurant The Company recognizes revenue for the sale of food, equipment and supplies when title is transferred and product is shipped The Company recognizes rebate revenues and management fees as earned

Beginning in fiscal 2016, the Company began providing consulting services Consulting fee revenue is recognized as the services are provided

(l) Advertising

The Company expenses the cost of advertising in the period incurred, except for co-op advertising, which reduces the ad co-op liability when incurred Advertising expense was approximately $117,000, $112,000 and $239,000 for the fiscal years ended March 31, 2016, 2015 and 2014, respectively, and is included in general and administrative expenses in the accompanying consolidated statements of income

(m) Shipping and Handling Costs

All shipping and handling costs are expensed as incurred and included in cost of food, equipment and supplies sales in the accompanying consolidated statements of income

(n) Research and Development Costs

The Company charges the costs of research and development related to product or concept development to operations as incurred The Company incurred research and development costs of approximately $23,000, $74,000 and $46,000 during the fiscal years ended March 31, 2016, 2015 and 2014, respectively Such costs are included in general and administrative expenses in the accompanying consolidated statements of income

(1) Summary of Significant Accounting Policies - Continued

(o) Income Taxes

TMPRI and FB have elected to be taxed under the provision of Subchapter S of the Internal Revenue Code Under such provisions, the Company does not pay federal income taxes on its taxable income Instead, the stockholders are liable for individual income tax expense on their respective share of the Company's taxable income or losses, and as such, no provision for federal income taxes has been included in the accompanying consolidated financial statements

The Company follows the guidance for Accounting for Income Tax Uncertainties, which prescribes a recognition threshold of more-likely-than-not and a measurement attribute on all tax positions taken or expected to be taken (including the status of the Company as a "pass-through" entity) in a tax return in order to be recognized in the financial statements In making this assessment, a company must determine whether it is more-likely-than-not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based solely on the technical merits of the position and must assume that the tax position will be examined by the appropriate taxing authority that would have full knowledge of all relevant information Once the recognition threshold is met, the tax position is then measured to determine the actual amount of benefit to recognize in the financial statements In addition, the recognition threshold of more-likely-than-not must continue to be met in each reporting period to support continued recognition of the tax benefit Tax provisions that previously met the more-likely-than-not threshold should be derecognized in the period in which that threshold is no longer met

The Company recognizes interest and penalties related to uncertain tax positions in income tax expense The Company recognized approximately $0, $29,000 and $0 in interest, penalties and other estimate changes for the fiscal years ended March 31, 2016, 2015 and 2014, respectively

(p) Concentration of Credit Risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of cash, restricted cash and accounts receivable

The Company maintains accounts with federally insured financial institutions that may at times exceed insured limits The Company has not experienced any losses from such concentrations

Concentrations of credit risk with respect to accounts receivable are minimized due to the large number of franchisees comprising the Company's customer base The Company conducts ongoing credit evaluations of its franchisees and generally does not require collateral or other security to support accounts receivable

(1) Summary of Significant Accounting Policies - Continued

(q) New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No 2014-09, *Revenue from Contracts with Customers (Topic 606)* that will supersede most current revenue recognition guidance, including industry-specific guidance The core principle of the new guidance is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services The standard provides a five-step analysis of transactions to determine when and how revenue is recognized Other major provisions include the capitalization and amortization of certain contract costs, ensuring the time value of money is considered in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances Additionally, the guidance requires disclosures related to the nature, amount, timing, and uncertainty of revenue that is recognized The amendments are required to be adopted for the Company's December 31, 2019 consolidated financial statements Early adoption is permitted Transition to the new guidance may be done using either a full or modified retrospective method The Company is currently evaluating the full effect that the adoption of this standard will have on the Company's consolidated financial statements

In February 2016, the FASB issued ASU No 2016-02, *Leases (Topic 842)* (ASU 2016-02) The guidance in ASU 2016-02 supersedes the lease recognition requirements in Accounting Standards Codification (ASC) Topic 840, *Leases* ASU 2016-02 requires an entity to recognize assets and liabilities arising from a lease for both financing and operating leases, along with additional qualitative and quantitative disclosures ASU 2016-02 is effective for fiscal years beginning after December 15, 2019, with early adoption permitted The Company is currently evaluating the effect this standard will have on its consolidated financial statements

(2) Variable Interest Entities (VIE)

TMPRI has identified FB and Burger 21 International as VIEs in which TMPRI or FB are the primary beneficiary, and as such, has consolidated their financial statements with those of the Company (see deconsolidation of Burger 21 International in Note 1(b)) FB is a management company which leases all employees to TMPRI and other entities related through common ownership TMPRI receives the majority of FB's services and absorbs the majority of FB's direct and indirect expenses Burger 21 International was established May 2011 as the franchisor to the Burger 21 restaurant concept Prior to deconsolidation, FB was primarily involved in directing the activities that most significantly impact the creation and performance of Burger 21 International Post deconsolidation, FB has no involvement in Burger 21 International

(2) Variable Interest Entities (VIE) - Continued

Since TMPRI, FB and Burger 21 International are related under common control (prior to deconsolidation), and because TMPRI holds no ownership interest in FB or Burger 21 International, the assets and liabilities of FB and Burger 21 International have been included in these financial statements at their historical basis In addition, TMPRI had identified Burger 21 Inc and its wholly owned subsidiaries as a VIE in which TMPRI is the primary beneficiary (prior to deconsolidation of Burger 21 International) At March 31, 2015 the Company had elected to not consolidate Burger 21 Inc as the assets and results of operations were not material to the consolidated financial statements as a whole Post deconsolidation, Burger 21 International and Burger 21 Inc continue to not qualify as VIEs

The effect of consolidating FB and Burger 21 International (deconsolidated in fiscal year 2015) on the Company's consolidated balance sheets as of March 31 is as follows

		2016	2015
Total assets	$	793,705	1,613,414
Total liabilities		1,105,571	923,046
Total stockholders' equity (non-controlling interest in consolidated variable interest entities)	$	(311,866)	690,368

The effect of the FB consolidation on income before non-controlling interest in consolidated variable interest entity was approximately, $1,557,000, $2,109,000 and $2,126,000 for each of the fiscal years ended March 31, 2016, 2015 and 2014 The effect of the Burger 21 International consolidation before non-controlling interest in consolidated variable interest entity were losses of approximately $223,000 and $144,000 for the fiscal years ended March 31, 2015 and 2014, respectively

The liabilities of FB and Burger 21 International do not represent additional claims on TMPRI's general assets, rather they represent claims against the specific assets of FB and Burger 21 International Likewise, the assets of the consolidated FB and Burger 21 International entities do not represent additional assets available to satisfy claims against TMPRI's general assets

Additionally, as of March 31, 2016, 2015 and 2014, TMPRI has identified several entities owned by the stockholders as VIEs for which TMPRI is not the primary beneficiary These entities are owned wholly or in part by TMPRI's stockholders and include TMPRI franchisees, other stockholder owned restaurants or a real estate management company The Company determined that these entities were VIEs due to contractual arrangements that exist that may expose the Company to loss or where implicit guarantees exist due to common ownership with the stockholders of the Company See Notes 5 and 7 which discuss the nature of the activities (royalty fees, loans and/or loan guarantees) between the VIEs and TMPRI

(3) Property and Equipment

Property and equipment consists of the following as of March 31

		2016	2015
Leasehold improvements	$	799,412	74,293
Furniture and fixtures		314,424	320,355
Computer and office equipment		551,549	552,258
Computer software		34,054	169,768
		1,699,439	1,116,674
Less accumulated depreciation		(347,567)	(873,684)
	$	1,351,872	242,990

Depreciation expense was approximately $159,000, $120,000 and $171,000 for the fiscal years ended March 31, 2016, 2015 and 2014, respectively

(4) Intangible Assets

Intangible assets consist of non-amortized franchise rights of $53,124 as of March 31, 2016, 2015, and 2014

(5) Related Party Transactions

(a) Due from Related Parties and Stockholders, Net

Due from related parties consist of unsecured non-interest bearing short-term advances to entities owned by the stockholders of the Company for management fees or reimbursement of expenses These balances are due on demand and repayment has been guaranteed by the stockholders of the Company Unsecured non-interest bearing short-term advances totaled approximately $14,000 and $66,000 as of March 31, 2016 and 2015, respectively

Due from stockholders consists of advances between the Company and the Company's stockholders and is included in the balance of amounts due from related parties The advances are unsecured, non-interest bearing and due on demand Due from stockholders totaled approximately $27,000 and $3,000 as of March 31, 2016 and 2015, respectively

(5) Related Party Transactions - Continued

(b) Related Party Franchisees

As of March 31, 2016, 2015 and 2014, the stockholders of the Company owned three, three and four entities, respectively, consisting of restaurant franchisees of TMPRI These related entities do not pay royalties to TMPRI as is generally provided for under TMPRI's franchise agreements However, these entities participate in the co-op advertising program The Company's maximum exposure to loss is approximately $206,000, the amount of royalty fees that would be provided for under a franchise agreement

As of March 31, 2015 one of the Company's stockholders owned four entities consisting of restaurant franchisees of Burger 21 International As of March 31, 2014, the stockholders of the Company, together, owned four entities, consisting of restaurant franchisees of Burger 21 International These related entities do not pay royalties to Burger 21 International as is generally provided for under the Company's franchise agreements The Company's maximum exposure to loss representing the amount of royalty fees that would be provided for under a franchise agreement was zero as of March 31, 2016 as a result of the fiscal year 2015 deconsolidation

(c) Management Fees

Management fees paid to the Company by entities owned by the stockholders of the Company totaled approximately $0, $194,000 and $110,000 for the fiscal years ended March 31, 2016, 2015 and 2014, respectively

(d) Related Party Lease Obligation

Real Property Management (RPM), an entity owned by the stockholders, owned the land on which TMPRI's corporate building is built TMPRI leased the land from RPM and constructed a building on the parcel of land, located in Tampa, Florida The provisions of the land lease provided for a lease payment of $1,600 per month for the first 30 months and $3,200 per month for the remaining 438 months through 2016 Upon expiration of the land lease, including renewal periods expected for an indefinite period of time, ownership of the building and any improvement thereon would transfer to RPM On February 21, 2015, RPM sold the land and building to a related party The sale caused an early termination of the land lease and triggered the transfer of the building and improvements to RPM The transfer of the assets, net of related debt, of approximately $910,000 was treated as distributions to the stockholders during fiscal 2015 FB entered into a new building lease with the new related party owner of the building to continue to operate in the building, requiring monthly payments of $16,667 through June 2015 and month-to-month thereafter

Rent expense related to this lease was approximately $125,000, $68,000 and $38,000 for the fiscal years ended March 31, 2016, 2015 and 2014, respectively Rent expense is included as general and administrative expense in the accompanying consolidated statements of income

Future minimum annual lease payments under the above operating lease are $0 for fiscal 2017

(6) Employee Benefit Plan

The Company has a 401(k) profit sharing defined contribution plan Employees are eligible to participate in the plan after completing one year of service and obtaining 21 years of age The Company may make discretionary matching and profit sharing contributions to the Plan The Company contributed approximately $54,000, $63,000 and $59,000 to the Plan during the fiscal years ended March 31, 2016, 2015 and 2014, respectively

(7) Commitments and Contingencies

(a) Operating Lease Obligations

The Company leases office equipment and office space from unrelated third parties under non-cancelable operating lease agreements expiring through November 2022 Effective November 2015, the Company entered into a new office lease which expires November 2022 and includes two five-year renewal options and up to approximately $256,000 in tenant improvement allowances Rent expense was approximately $117,000, $31,000 and $32,000 for the fiscal years ended March 31, 2016, 2015 and 2014, respectively

Future minimum annual lease payments under the above operating leases are as follows

2017	$	193,000
2018		190,000
2019		193,000
2020		197,000
2021		184,000
Thereafter		294,000
	$	1,251,000

(b) Loan Guarantees

TMPRI is a co-guarantor on long-term debt of several entities owned by the stockholders As of March 31, 2016 and 2015, the total aggregate outstanding principal of the notes outstanding for which TMPRI is a co-guarantor was approximately $300,000 and $466,000, respectively, with maturities through 2018 Management believes it is highly unlikely that TMPRI will be required to perform on its guarantees and therefore, the fair value of the guarantees is nominal The Company's maximum exposure to loss is approximately $300,000, the amount of debt currently outstanding as of March 31, 2016

(c) Litigation

The Company from time to time has been named as a defendant in various claims and legal actions arising in the ordinary course of business Management does not believe that the outcome of such claims and legal actions will have a material adverse effect on the financial position or results of operations of the Company

(8) Income Taxes

The Company follows the guidance for Accounting for Income Tax Uncertainties as described in Note 1 As of March 31, 2016 and 2015, the Company has recognized approximately $1,120,000 and $1,071,000, respectively, of unrecognized tax benefits, which includes approximately $464,000 and $438,000, respectively, of interest and penalties

Changes in the Company's gross liability for unrecognized tax benefits, including interest and penalties, for March 31, 2016 and March 31, 2015 are as follows

		2016	2015
Beginning balance	$	1,070,942	985,605
Additions based on tax positions related to the current year		51,832	56,130
Reductions based on current year tax payments		-	-
Interest and penalties and other estimate changes		(3,170)	29,207
Ending balance	$	1,119,604	1,070,942

The Company estimates that this liability will be increased by approximately $100,000 in the next twelve months as a result of additional tax, interest and penalty accrual for unrecognized tax benefits

Income tax expense also includes approximately $7,800 paid to various states for income taxes related to the year ended March 31, 2016

The Company files income tax returns in the U S federal jurisdiction and various state jurisdictions The Company has open tax years from 2012 to 2015 for the United States Federal Income Tax For state tax purposes, the statute of limitations for open tax years varies depending on the state in which the Company began conducting business

(9) Subsequent Events

Effective April 12, 2016, MPF of Mobile, LLC was incorporated as a wholly-owned subsidiary of TMPRI This company holds the operations of a restaurant scheduled to open during fiscal year 2017

In preparation of these consolidated financial statements, the Company has evaluated events and transactions for potential recognition and disclosure through May 27, 2016, the date the consolidated financial statements were available to be issued

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM

The Melting Pot Restaurants, Inc and Subsidiaries
Balance Sheet
As of September 30, 2016
Unaudited

ASSETS	
Cash in Bank	2,505 937
Restricted Cash	-
Accounts Receivable - Trade	1,223 291
Accounts Receivable - Restricted	-
Inventory	190,427
Due from Related Parties and Stockholders, net	681 820
Prepaid and Other Current Assets	115,013
Total Current Assets	4 716 488
Property and Equipment	1,189 491
Intangibles assets, net	87 177
Other Assets	242 040
Total Assets	6 235 196
LIABILITIES AND EQUITY	
Accounts Payable	166,614
Accrued Expenses	944 457
Gift Card Liability	2,072 565
Due from Shareholders	29,313
Deferred Franchise Fees - Current	90 000
Income taxes payable	1,119 604
Current Maturities of long-term debt	-
Total Current Liabilities	4,422,553
Long-term Debt	-
Deferred Franchise Fees	537 726
Total Long Term Liabilities	537 726
Equity	
Common Stock	7,000
Additional Paid in Capital	(18 878 763)
Retained Earnings	20 146,680
Total Equity	1 274,917

Total Liabilities and Shareholders' Equity	6,235 196

The Melting Pot Restaurants Combined
Income Statement
For the Six Months Ended September 30, 2016
Unaudited

Sales	
Sales Food & Supplies	1 278,852
COS Food & Supplies	79 787
Gross Profit	1 199,065
Franchise and Managment Revenue	
Franchise License Fees	82 414
Royalty Fees	4 002,674
Franchise and Managment Revenue	4,085 088
Total Revenue	5 284 153
Operating Expenses	
Accounting Fees	97 931
Advertising	34,944
Bad Debt	15 000
Bank Fees	581
Computer	94,100
Depreciation and Amortization	139 580
Dues and Donations	26,526
Education and Training	21 511
Employee Expenses	19 143
Entertainment and Meals	13 605
Equipment Rental	3,870
Franchise Cost to Close	1 179
Franchise Meeting	51 859
Gift Card Fees	11 836
Insurance	127 875
Interest	0
Legal Fees	40 621
License & Franchise Expenses	1,886
Office Expense and Supplies	11 684
Opening Expenses	70,769
Other Expense	5 681
Penson Plan Administration	7 000
Pension Contriutions 401K	26 391
Postage and Courier	18,378
Printing	3 061

Prizes & Gifts	5,422
Professional Services	181 363
Professional Services - International	1,227
R&D	9 718
Rent	71,487
Repair and Maintenance	5,099
Salaries and Bonus	2 230,258
Taxes	156,525
Telephone	38 754
Travel	249 359
Utilities and Trash Removal	8 941
Website Hosting	0
Total Expenses	3,803,163
Earnings from Operations	1,480,990
Other Income	
Other Income and (Expenses)	50 806
Total Other Income	50 806
Net Earnings	1 531 796

EXHIBIT "B"
TO THE DISCLOSURE DOCUMENT

FORM OF

FRANCHISE AGREEMENT

THE MELTING POT RESTAURANTS, INC

FRANCHISE AGREEMENT

_____	_____
Name of Franchisee	Agreement Effective Date
_____	_____
Restaurant Opening Date	Agreement Expiration Date

Address of Restaurant

_____

_____

_____

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THE MELTING POT® RESTAURANTS

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "**Agreement**") is made and entered into this _____ day of _____, 20___, by and between **THE MELTING POT RESTAURANTS, INC**, a Florida corporation with its principal office at 7886 Woodland Center Boulevard, Tampa, Florida 33614 (the "**COMPANY**"), and _____, with its principal address at _____ _____ ("**FRANCHISEE**")

1 PREAMBLES

COMPANY has developed certain specialty restaurants, known as THE MELTING POT® or MELTING POT® Restaurants that serve primarily dinner THE MELTING POT® Restaurants serve cheese fondue, beef, chicken, seafood, and vegetable fondue, chocolate fondue, salads, fruits, and fresh breads, imported and domestic beer and wine, and other foods and beverages THE MELTING POT® Restaurants are operated under certain trade names, service marks, logos, trade dress, and other commercial symbols, including, without limitation, the "THE MELTING POT®" trade name and service mark (collectively, the '**Marks**") THE MELTING POT® Restaurants are operated pursuant to business formats, methods, procedures, designs, layouts, signs, artwork, music, equipment, menus, recipes, trade dress, standards and specifications prescribed or approved by COMPANY all of which may be improved, further developed or otherwise modified from time to time by COMPANY (collectively, the "**System**") COMPANY grants to persons who meet COMPANY'S qualifications and who are willing to undertake the investment and effort to develop a THE MELTING POT® Restaurant, a franchise to develop, own, and operate such a restaurant, offering products and services prescribed or approved by COMPANY and using the Marks and the System

FRANCHISEE acknowledges that he has read this Agreement and COMPANY'S Franchise Disclosure Document and that he understands and accepts the terms, conditions, and covenants contained in this Agreement as being reasonably necessary to maintain THE MELTING POT® Restaurants in order to protect and preserve the goodwill associated with the Marks and the System FRANCHISEE further acknowledges that he has conducted an independent investigation of the franchise contemplated by this Agreement and recognizes that, like any other business, the nature of the business of operating a THE MELTING POT® Restaurant may evolve and change over time, that an investment in a THE MELTING POT®Restaurant involves business risks, and that the success of the franchise contemplated by this Agreement will be largely dependent upon the business abilities and efforts of FRANCHISEE FRANCHISEE understands that COMPANY may enter into, create, own and/or offer other franchised or non-franchised concepts inside or outside the Territory (as defined in Exhibit A) in accordance with this Agreement

COMPANY expressly disclaims the making of, and FRANCHISEE acknowledges that he has not received or relied upon, any warranty or guarantee, express or implied, as to the revenues, profits, or success of the franchise contemplated by this Agreement FRANCHISEE further acknowledges that he has not received or relied on any representations about the franchise contemplated by this Agreement by COMPANY, or its officers, directors, employees, or agents that are contrary to the statements made in COMPANY'S Franchise Disclosure Document or to the terms hereof Any information FRANCHISEE acquires from other THE MELTING POT® Restaurant franchisees relating to their sales, profits or cash flows does not constitute information obtained from COMPANY, nor does COMPANY make any representation as to the accuracy of any such information FRANCHISEE acknowledges that, in all of his dealings with COMPANY, its officers, directors, employees and agents act only in a representative, and not in an individual, capacity All business dealings between FRANCHISEE and such persons as a result of this Agreement are solely between FRANCHISEE and COMPANY FRANCHISEE further acknowledges that COMPANY has advised him to have this Agreement reviewed and explained to him by an attorney FRANCHISEE represents to

COMPANY, as an inducement to his entry into this Agreement, that he has made no misrepresentations in obtaining the franchise contemplated by this Agreement

FRANCHISEE has applied for a franchise to develop, own, and operate a THE MELTING POT® Restaurant at the Premises (as identified in Exhibit A), and such application has been approved by COMPANY in reliance upon all of the representations made in FRANCHISEE'S application In consideration of the foregoing and of the covenants hereinafter contained, COMPANY and FRANCHISEE, intending to be legally bound, agree as hereinafter provided

If FRANCHISEE is at any time a business organization (**"Business Entity"**) (like a corporation, limited liability company or partnership), FRANCHISEE agrees and represents that

(1) FRANCHISEE will have the authority to execute, deliver and perform its obligations under this Agreement and is duly organized or formed and validly existing in good standing under the laws of the state of its incorporation or formation,

(2) FRANCHISEE'S organizational documents or partnership agreement will recite that the issuance and transfer of any ownership interests in it are restricted by the terms of this Agreement, and all certificates and other documents representing ownership interests in it will bear a legend referring to the restrictions of this Agreement,

(3) The Principal Owner's Statement (the **"Owners Statement"**) will completely and accurately describe all of FRANCHISEE'S owners and their interests in it A copy of COMPANY'S current form of Owner's Statement is attached to the Franchise Disclosure Document FRANCHISEE and its owners agree to revise the Owner's Statement as may be necessary to reflect any ownership changes and to furnish such other information about FRANCHISEE'S organization or formation as COMPANY may request,

(4) Each of FRANCHISEE'S owners who own, at any time during the Term, 10% or more of the beneficial interest in FRANCHISEE will sign and deliver to COMPANY its standard form of Personal Guaranty (a current form is attached to COMPANY'S Franchise Disclosure Document (**"FDD"**)) undertaking to be bound jointly and severally by all provisions of this Agreement and any other agreements between FRANCHISEE and COMPANY,

(5) At COMPANY'S request, FRANCHISEE will furnish true and correct copies of all documents and contracts governing the rights, obligations and powers of its owners and agents (like articles of incorporation or organization and partnership, operating or shareholder agreements) FRANCHISEE'S organizational structure and governing documents must be acceptable to COMPANY and contain terms and provisions to prevent management deadlocks and resolve disputes among FRANCHISEE'S shareholders or owners with minimal disruption to FRANCHISEE'S business operations A form of Franchisee Operating Agreement acceptable to COMPANY is attached to the FDD, and

(6) During the Term, one of FRANCHISEE'S owners will maintain a controlling ownership interest in the Business Entity, with authority to make operational decisions that are binding on FRANCHISEE COMPANY may designate which one of FRANCHISEE'S owners must maintain a controlling interest in the Business Entity based on the COMPANY'S assessment of the character, skill, aptitude, business ability and financial capacity of FRANCHISEE'S owners

2 GRANT AND INITIAL TERM OF FRANCHISE/TERRITORIAL RIGHTS

A GRANT OF FRANCHISE Subject to the provisions of this Agreement, COMPANY grants to FRANCHISEE a franchise (the "**Franchise**") to develop, own, and operate a THE MELTING POT® Restaurant (the "**Restaurant**") at the Premises selected by FRANCHISEE and accepted in writing by COMPANY in the Area (as defined in Exhibit A) and to use the Marks and the System in the operation thereof FRANCHISEE recognizes that COMPANY will only accept a site for the Premises that is consistent with COMPANY'S development plans for THE MELTING POT® Restaurants in the Area Expiration or termination of this Agreement shall constitute expiration or termination of the Franchise FRANCHISEE may not operate Restaurant from any site other than the Premises without COMPANY'S prior written consent

B INITIAL TERM The initial term of the Franchise shall commence upon the date of execution hereof by COMPANY and shall expire on the last day of the month that includes the earlier of (1) the 10th anniversary of the opening of the Restaurant to the public, or (2) the 11th anniversary of the date of execution hereof by COMPANY, unless otherwise terminated prior thereto by operation of law or in accordance with any provision of this Agreement (the "**Term**")

C TERRITORIAL RIGHTS

(1) **Restrictions on COMPANY** During the Term, provided FRANCHISEE is not in breach of, or in default under, this Agreement, COMPANY agrees that COMPANY and its affiliates will not develop, own or operate, or grant to any other persons the right to develop, own or operate (a) any THE MELTING POT® Restaurant located within the Territory, (b) other than a THE MELTING POT® Restaurant, any restaurant, bar, wine bar, dessert bar, coffee shop, food kiosk, food court unit or other prepared food outlet located anywhere in the United States that uses any of the Marks or any confusingly similar marks to identify itself in its trade name, signage or marketing materials, or (c) other than a THE MELTING POT® Restaurant located outside the Territory, any restaurant, bar, wine bar, dessert bar, coffee shop, food kiosk, food court unit or other prepared food outlet located anywhere in the United States that serves fondue products by at-the-table preparation, or that offers fondue products as 15% or more of its food products based on total number of food items on the menu (excluding alcoholic and nonalcoholic beverages) Notwithstanding any provision to the contrary, outside the Territory COMPANY and its affiliates may develop, own, or operate, or grant to any other persons the right to develop, own or operate a THE MELTING POT® Restaurant with local, regional or other menu variations and that uses any of the Marks to identify itself in its trade name, signage, or marketing materials Nothing in this Agreement restricts or limits any of COMPANY'S or its affiliates' rights or business activities relating to any business operations to be conducted outside of the United States

(2) **COMPANY'S Reserved Rights** Subject to the restrictions in Section 2 C (1), COMPANY (on behalf of itself and its affiliates) retains the right, in its sole discretion and without granting any rights to FRANCHISEE (a) to develop, own, and operate, or to grant other persons the right to develop, own, and operate, THE MELTING POT® Restaurants at such locations outside the Territory and on such terms and conditions as COMPANY deems appropriate, (b) to sell, within and outside the Territory, fondue and other food products and services, including products and services prescribed or approved for THE MELTING POT® Restaurants, under the Marks or other trademarks, service marks and commercial symbols, through dissimilar channels of distribution (such as supermarkets, retail stores, the Internet, catalogues, non-food kiosks or other outlets that are not prepared food outlets) and on such terms and conditions as COMPANY deems appropriate,

(c) if FRANCHISEE fails to obtain a Successor Franchise for any successive period of 5 years, to develop, own or operate, or to grant to any other persons the right to develop, own or operate, THE MELTING POT® Restaurants during the remainder of the Term for operation after the Term at such locations within the Territory and on such terms and conditions as COMPANY deems appropriate, or (d) to develop, own or operate, or to grant to any other persons the right to develop, own or operate, other business and restaurant concepts anywhere (within or outside of the Territory) COMPANY (on behalf of itself and its affiliates) retains the right, in its sole discretion and without granting any rights to FRANCHISEE, to engage in any other activity, action or undertaking not expressly prohibited under this Agreement

(3) For purposes of this Section 2 C (i) a "restaurant" is a business establishment, or a part of a business establishment, that primarily serves meals for on-premises consumption, and (ii) a "prepared food outlet" is a business establishment, or a part of a business establishment, that primarily sells food products that do not require further preparation before consumption (i e , cooking)

D COMMERCIALLY REASONABLE EFFORTS FRANCHISEE agrees that he will at all times faithfully, honestly and diligently perform his obligations, continuously exert commercially reasonable efforts to promote and enhance the Restaurant and not engage in any other business or activity that conflicts with his obligations to operate the Restaurant in compliance with this Agreement

3 SUCCESSOR FRANCHISES

A FRANCHISEE'S RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE This Agreement expires at the end of the Term FRANCHISEE will have the right to acquire a Successor Franchise to operate the Restaurant as a THE MELTING POT® Restaurant, for an additional 5-year period on the terms and conditions of the franchise agreement COMPANY is then using in granting Successor Franchises for THE MELTING POT® Restaurants (the "**Successor Franchise**") if

(1) FRANCHISEE has received no more than five (5) defaults or breaches of this Agreement (whether or not subsequently cured) during the 24 month period commencing 43 months prior to the expiration of the Term until the date 19 months' prior to the expiration of the Term, and

(2) FRANCHISEE (and each of FRANCHISEE'S owners) is then in full compliance with this Agreement and remains so until the end of the Term, and

(3) FRANCHISEE maintains possession of and agrees to remodel and/or expand the Restaurant, add or replace improvements, equipment and signs and otherwise modify its Restaurant as COMPANY requires to bring it into compliance with specifications and standards then applicable for THE MELTING POT® Restaurants, and

(4) If FRANCHISEE is unable to maintain possession of the Premises, or if in COMPANY'S judgment the Restaurant should be relocated, FRANCHISEE secures substitute premises COMPANY approves, develops such premises in compliance with specifications and standards then applicable for THE MELTING POT® Restaurants and continues to operate the Restaurant at the Premises until operations are transferred to the substitute premises

B GRANT OF A SUCCESSOR FRANCHISE FRANCHISEE agrees to give COMPANY written notice of his election to acquire a Successor Franchise no later than the 16th month and no sooner than the 19th month prior to the expiration of this Agreement (the "**Successor Notice**") If FRANCHISEE elects to acquire a Successor Franchise, COMPANY may require FRANCHISEE (or its majority shareholder, majority owner or approved managing partner), at FRANCHISEE'S expense, to meet with one or more representatives of the COMPANY at COMPANY'S principal headquarters (currently located in Tampa, Florida), for a period not to exceed 2 days, for the purpose of reviewing COMPANY'S then-current standards and specifications for granting Successor Franchises (the "**Successor Protocol**") and FRANCHISEE'S compliance therewith Such meeting, if required by COMPANY, will occur within 90 days of COMPANY'S receipt of the Successor Notice COMPANY agrees to give FRANCHISEE written notice ("**COMPANY'S Notice**") within 120 days of when it receives the Successor Notice of COMPANY'S decision whether

(1) to grant FRANCHISEE a Successor Franchise on the condition that FRANCHISEE meets COMPANY'S standards and specifications and continues to comply with this Agreement, or

(2) not to grant FRANCHISEE a Successor Franchise based on COMPANY'S determination that FRANCHISEE and its owners have not substantially complied with the material terms of this Agreement during its term

If COMPANY elects not to grant a Successor Franchise, COMPANY'S Notice will describe the reasons for its decision In addition, FRANCHISEE'S right to acquire a Successor Franchise is subject to FRANCHISEE'S continued compliance with all of the terms and conditions of this Agreement through the date of its expiration, and (ii) FRANCHISEE'S satisfaction of the Successor Protocol prior to expiration of this Agreement, and (iii) satisfaction of all other conditions of this Section

C AGREEMENTS/RELEASES If FRANCHISEE satisfies all of the other conditions to the grant of a Successor Franchise, FRANCHISEE and its owners agree to execute (i) the form of franchise Agreement and any ancillary agreements COMPANY is then customarily using in connection with the grant of Successor Franchises for THE MELTING POT® Restaurants (a "**Successor Agreement**"), and (ii) general releases relating solely to matters involving this Agreement and the relationship under it, in form satisfactory to COMPANY, of any and all claims against COMPANY and its shareholders, officers, directors, employees, agents, successors and assigns (excluding any claims for indemnification and any claims under applicable franchise disclosure or relationship laws relating solely to the grant of the Successor Franchise) Failure by FRANCHISEE or its owners to sign such agreements and releases and deliver them to COMPANY for acceptance and execution within 60 days after their delivery to FRANCHISEE will be deemed an election not to acquire a Successor Franchise At such time, COMPANY will also execute and deliver to FRANCHISEE a general release of any and all claims against it and its owners, officers, directors, employees, successors and assigns However, such releases will exclude any claims for indemnification and for underpayment of royalties and Brand Development Fund Contributions, and will relate solely to matters involving this Agreement and the relationship under it The area for the Territory for the Successor Agreement will be defined in the manner set forth in Exhibit A to this Agreement

D TRAINING AND REFRESHER PROGRAMS COMPANY'S grant of a Successor Franchise is also conditioned on the satisfactory completion by FRANCHISEE (or a manager of FRANCHISEE'S approved by COMPANY) of any new training, marketing, business strategy or other meetings and programs as COMPANY may reasonably require

E FEES AND EXPENSES COMPANY'S grant of a Successor Franchise is contingent on FRANCHISEE'S payment to COMPANY of a Successor Franchise fee equal to 1/4 of COMPANY'S then-current initial franchise fee (the "**Successor Fee**") FRANCHISEE must pay the Successor Fee at the time it executes the Successor Agreement In addition, COMPANY has the right to charge for services COMPANY renders to FRANCHISEE and actual out-of-pocket expenses COMPANY incurs in conjunction with the grant

of the Successor Franchise Payment of those charges is due upon FRANCHISEE'S receipt of COMPANY'S invoice

F **SUBSEQUENT SUCCESSOR FRANCHISES** The fees and other conditions for any later granting of subsequent Successor Franchises will be governed by the Successor Franchise Agreement (as described above) and will include terms and conditions for obtaining a subsequent successor franchise that are generally consistent with the conditions for obtaining a successor franchise under this Agreement

4 SITE SELECTION, DEVELOPMENT AND OPENING OF THE RESTAURANT

A **SITE SELECTION** FRANCHISEE acknowledges that, if he has not done so prior to signing this Agreement, he (with or without COMPANY'S assistance) must locate and COMPANY must (in its reasonable discretion) accept the site for the Premises within 275 days of signing this Agreement unless such time period is extended by COMPANY in accordance with its Extension Policy (as described below) The site must meet COMPANY'S criteria for demographic characteristics, traffic patterns, parking, character of neighborhood, competition from and proximity to other businesses and other THE MELTING POT® Restaurants, the nature of other businesses in proximity to the site and other commercial characteristics and the size, appearance and other physical characteristics of the proposed site COMPANY will accept or reject a location FRANCHISEE proposes for a Restaurant within 30 days after it receives from FRANCHISEE a complete site report and any other materials it requests FRANCHISEE acknowledges and agrees that

(1) COMPANY'S recommendation or acceptance of the Premises, and any information regarding the Premises communicated to FRANCHISEE, does not constitute a representation or warranty of any kind, express or implied, as to the suitability of the Premises for a THE MELTING POT® Restaurant or for any other purpose,

(2) COMPANY'S recommendation or acceptance of the Premises indicates only that it believes that the Premises fall within the acceptable criteria for sites and premises that it has established as of the time of its recommendation or approval of the Premises,

(3) application of criteria that have appeared effective with respect to other sites and premises may not accurately reflect the potential for all sites and premises, and, after COMPANY'S approval of a site, demographic and/or other factors included in or excluded from its criteria could change to alter the potential of a site and premises, and

(4) the uncertainty and instability of such criteria are beyond COMPANY'S control, and it will not be responsible for the failure of a site and premises it has recommended or accepted to meet expectations as to potential revenue or operational criteria

B **LEASE OF PREMISES** FRANCHISEE acknowledges that COMPANY must approve the lease or sublease, or any renewal or modification thereof, for the Premises COMPANY will not unreasonably or untimely withhold such approval FRANCHISEE is obligated to deliver a copy of the signed lease, sublease, or any renewal or modification thereof, to COMPANY within 30 days after its execution FRANCHISEE acknowledges that COMPANY'S approval of the lease for the Premises does not constitute a guarantee or warranty, express or implied, of the successful operation or profitability of a THE MELTING POT® Restaurant operated at the Premises Such approval indicates only that COMPANY believes that the Premises and the terms of the lease fall within the acceptable criteria COMPANY has established as of the time of its approval FRANCHISEE further acknowledges that COMPANY has advised him to have an attorney review and evaluate the lease

FRANCHISEE has purchased or leased, or will, within 275 days after the date of the execution of this Agreement, purchase or lease the premises at which the Restaurant is to be operated Any lease or sublease of such premises shall contain such terms and provisions as are reasonably acceptable to COMPANY and shall (i) be collaterally assigned pursuant to the form of Collateral Assignment and Assumption of Lease COMPANY has approved and agreed upon by the Lessor, in order to secure the performance of any and all of FRANCHISEE'S liabilities and obligations to COMPANY, and (ii) contain provisions acceptable to COMPANY (either via rider, addendum or within the Lease) FRANCHISEE and the landlord must sign COMPANY'S current form of Rights of Franchisor Rider to Lease

COMPANY will not negotiate the lease or sublease for the Premises on behalf of FRANCHISEE FRANCHISEE is required, to utilize the services of COMPANY's designated real estate broker/consultant network (**"Real Estate Broker"**) for all lease negotiations The total fee for the site selection services provided by the Real Estate Broker is $5,000, (i) $2,500 of which FRANCHISEE agrees to pay to COMPANY upon the signing of this Agreement and which COMPANY will then remit to the Real Estate Broker, and (ii) $2,500 of which COMPANY will pay directly to the Real Estate Broker on FRANCHISEE'S behalf

As set forth in Section 4 A of this Agreement above, FRANCHISEE must locate and secure a site for the Premises at which the Restaurant is to be operated within 275 days of signing this Agreement Any extensions of the time period to execute a purchase or lease agreement for the Premises are subject to COMPANY'S Extension Policy Pursuant to the terms of the Extension Policy, upon receipt of a timely written request for a first extension, COMPANY may, in its sole discretion, grant FRANCHISE a 90 day extension of the time period in which to sign a lease or otherwise obtain the right to occupy a site Upon receipt of a timely written request for a second extension and payment by FRANCHISEE to the COMPANY of an Extension Fee of $4,000, COMPANY may, in its sole discretion, grant FRANCHISE a second 90 day extension of time Upon receipt of a timely written request for a third extension and payment by FRANCHISEE to the COMPANY of an Extension Fee of $8,000, COMPANY may, in its sole discretion, grant FRANCHISE a third and final 90 day extension of time If FRANCHISE obtains the right to occupy a site prior to the end of any given 90 day Extension Period, COMPANY will refund to FRANCHISE that portion of the Extension Fee allotted to the days remaining in that 90 day Extension Period

C **DEVELOPMENT OF THE RESTAURANT** COMPANY will work with FRANCHISEE and its architects and engineers regarding COMPANY'S mandatory and suggested specifications for a THE MELTING POT® Restaurant, including COMPANY'S requirements for dimensions, designs, image, interior layout, decor, fixtures, equipment, signs, furnishings, etc FRANCHISEE agrees to follow COMPANY'S then-current THE MELTING POT® Restaurant Development Protocol COMPANY may require FRANCHISEE to obtain bids from designated consultants, contractors and vendors in connection with the development of the Restaurant COMPANY DOES NOT MAKE ANY REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, IN REGARD TO ANY CONTRACTORS, SUBCONTRACTORS, OR OTHER SUPPLIERS OR SERVICE PROVIDERS APPROVED OR DESIGNATED BY COMPANY IN CONNECTION WITH THE CONSTRUCTION, DEVELOPMENT OR OPERATION OF THE RESTAURANT

Promptly after purchasing or leasing the premises at which the Restaurant is to be operated and having been furnished with the above-described plans and specifications, FRANCHISEE will do or cause to be done the following

(1) prepare and submit to COMPANY for approval, which shall not be unreasonably withheld, final plans and specifications for the Restaurant, specifically noting any proposed modifications to COMPANY'S basic plans and specifications, all such modifications being subject to prior written notification to, and approval by, COMPANY FRANCHISEE agrees not to execute any contracts for the construction, equipment, fixtures or signage for the Restaurant until FRANCHISEE

has received COMPANY'S approval of FRANCHISEE'S final construction documents,

(2) obtain all required permits and agreements for the Restaurant to lawfully serve beer and wine or, if elected by FRANCHISEE (and approved by COMPANY), beer, wine and liquor, for on-premises consumption,

(3) obtain all required building, utility, sign, health, sanitation, and business permits and agreements, and any and all other required permits and agreements,

(4) construct all required improvements to the premises, purchase and install all required fixtures, furniture, equipment, computer hardware, and computer software, and decorate the premises in compliance with the plans and specifications approved by COMPANY and all applicable ordinances, building codes, permit requirements, and lease or deed requirements and restrictions FRANCHISEE agrees to use architectural, engineering and contractor firms acceptable to COMPANY and to submit periodic construction reports and other information related to the construction and development of the Restaurant, including, without limitation, budget variances and cost information, as requested or prescribed by COMPANY from time to time,

(5) establish computerized and manual filing, accounting, point-of-sale and inventory control systems conforming to requirements prescribed by COMPANY,

(6) obtain a certificate of occupancy for the Restaurant, and

(7) purchase, in accordance with COMPANY'S specifications and requirements, an opening inventory of food and beverage products, ingredients, and other products and supplies required for the Restaurant

At COMPANY'S option or FRANCHISEE'S request, COMPANY will consult with FRANCHISEE to assist him with the Restaurant, but the ultimate responsibility for such development remains with FRANCHISEE COMPANY will furnish FRANCHISEE with its normal Scope of Work Anything above and beyond the standard Scope of Work, including but not limited to exterior improvements, additional drawings, etc will be provided on an additional services and cost basis COMPANY'S Restaurant development assistance may include

- space evaluation
- design/package layout
- foodservice design
- kitchen/interior design
- tele-support
- project management and value engineering
- recommendations for architectural services
- floor plan and rough sketch-ins
- layouts for POS and audio

D FIXTURES, EQUIPMENT, FURNITURE, SIGNS, COMPUTER HARDWARE, AND COMPUTER SOFTWARE FRANCHISEE agrees to use in the construction and operation of the Restaurant only those brands or types of construction and decorating materials, fixtures, equipment, furniture, lighting fixtures, signs, computer hardware, and computer software that COMPANY has approved for THE MELTING POT® Restaurants, to the extent COMPANY has prescribed or may hereafter prescribe relevant specifications and standards therefor FRANCHISEE may purchase approved brands and types of construction and decorating materials, fixtures, equipment, furniture, lighting fixtures, signs, computer hardware, and

computer software (the "**Equipment**") from any supplier approved or designated by COMPANY (which may include COMPANY and/or its affiliates) if COMPANY has approved or designated one or more suppliers for such items

FRANCHISEE, at its expense, must install, use and maintain all computer hardware and software, including point-of-sale systems, that COMPANY specifies periodically and maintain access to the Internet or other computer network(s) that COMPANY specifies The point-of-sale and computer systems must be capable of connecting with COMPANY'S computer system so that COMPANY can obtain and daily review the results of FRANCHISEE'S Restaurant's operations COMPANY currently requires, and FRANCHISEE agrees to subscribe to, the Data Central® system Although COMPANY does not own the Data Central® system, COMPANY owns the rights to all of the data within it, including the menu, profit and loss information, inventory, labor costs, etc FRANCHISEE must produce, or allow to be produced, all data derived from FRANCHISEE'S Restaurant's operations, including but not limited to data derived or produced by existing and future suppliers of services or equipment to FRANCHISEE COMPANY reserves the right to charge FRANCHISEE a reasonable fee for development and modifications of and enhancements made to any proprietary software that COMPANY licenses to FRANCHISEE and other maintenance and support services that COMPANY, or its affiliates, furnish to FRANCHISEE related to the computer hardware and software, including access to and use of any internet or intranet networks COMPANY establishes The computer system, as a whole, must be compliant with standards created by the Payment Card Industry ("**PCI**") Security Standards Council, including any new or modified requirements issued from time to time FRANCHISEE must maintain adequate firewalls and antivirus software as required in the PCI Data Security Standards

FRANCHISEE must grant to COMPANY a security interest in all the supplies and equipment listed on Exhibit B to this Agreement (the "**Secured Equipment**") The Lessor must waive any lien rights it may have for the Secured Equipment either in the lease agreement or in the Rights of Franchisor Rider to Lease (see Franchise Disclosure Document, Exhibit E-1) The security interest in the Secured Equipment secures the payment to COMPANY, and performance of all of FRANCHISEE'S obligations under this Agreement and the purchase price of all Secured Equipment sold to FRANCHISEE by COMPANY or its affiliates, all obligations of FRANCHISEE to COMPANY relating to the purchase and all costs, expenses, future advances and liabilities which may be made or incurred by COMPANY in the administration and collection of any such obligations To the extent applicable, FRANCHISEE grants COMPANY and its affiliates a purchase money security interest in all products FRANCHISEE purchases from any of them and consents to any notices given to other creditors designed to perfect such security interest and to grant it first priority This Agreement constitutes a security agreement, and upon request by COMPANY, FRANCHISEE will sign and deliver to COMPANY any additional documents required to perfect this security interest including, without limitation, a standard Uniform Commercial Code ("**UCC**") financing statement FRANCHISEE authorizes COMPANY to file a copy of this Agreement, a UCC financing statement and any other documents that may be necessary to perfect the security interest granted by FRANCHISEE in this Agreement

E OPENING OF THE RESTAURANT FRANCHISEE agrees that he will not open the Restaurant for business without a certificate of occupancy and COMPANY'S prior written approval FRANCHISEE agrees to complete the development of and open the Restaurant for business by the earlier to occur of (i) 270 days after the date of execution of the purchase agreement or lease for the premises of the Restaurant, or (ii) 545 days after the date of the execution of this Agreement Any extensions of this time period to open the Restaurant are subject to COMPANY'S extension policy, which may change from time to time and may require FRANCHISEE to pay additional fees to COMPANY

F RELOCATION OF THE RESTAURANT If FRANCHISEE'S lease for the premises of the Restaurant terminates, with or without the fault of FRANCHISEE, or if in the judgment of COMPANY and FRANCHISEE there is a change in the character of the location of the Restaurant sufficiently detrimental to its business potential to warrant its relocation, COMPANY will grant permission for relocation of the Restaurant to a location within the Territory approved in writing by COMPANY In the absence of such permission to relocate, this Agreement and the Franchise shall automatically terminate upon the loss of the

right to continue to occupy the premises at which FRANCHISEE was previously authorized to operate a THE MELTING POT® Restaurant Any approved relocation shall be at FRANCHISEE'S sole expense, and FRANCHISEE shall pay COMPANY its then-current 'Training Relocation Fee" equal to $2,500 per trainer (not to exceed $15,000), to compensate COMPANY for costs and expenses that COMPANY incurs related to the relocation, including the cost of COMPANY personnel who assist with the relocation COMPANY will determine, in its sole discretion, the number of trainers and the time period over which their assistance will be provided in connection with such relocation In addition, FRANCHISEE shall pay COMPANY'S then-current "Construction and Design Relocation Fee", not to exceed $10,000 per location, for design plans and specifications for the new location FRANCHISEE is obligated, at its expense, to have an architect prepare all required construction plans and specifications to suit the shape and dimensions of the new premises FRANCHISEE agrees that such approved location shall be developed in accordance with the then-current standards and specifications for a THE MELTING POT® Restaurant and in accordance with the provisions of this Section, including the design plans and specifications provided by COMPANY COMPANY will act in good faith regarding relocations and will not unreasonably require relocation of the Restaurant either during the Term or in the context of FRANCHISEE seeking a Successor Franchise In connection with any relocation of the Restaurant, COMPANY may require FRANCHISEE and/or its manager to satisfactorily complete new or refresher training programs designated by COMPANY COMPANY may charge FRANCHISEE a reasonable fee and the cost of training materials for each such person attending training

5 TRAINING AND OPERATING ASSISTANCE

A TRAINING BY COMPANY Before the Restaurant's opening, FRANCHISEE must meet the following minimum requirements for management personnel and satisfactorily complete the training indicated All managers must be approved by COMPANY in writing No Restaurant may open until the following minimum requirements are met

(1) FRANCHISEE shall employ a 3-person qualified management team to manage the Restaurant – 1 will be the manager who will oversee the entire operation of the Restaurant (the "**General Manager**"), and 2 will be assistant managers, 1 whose primary, but not exclusive, duties will include the front of the house responsibilities (the "**Manager**") and 1 whose primary, but not exclusive, duties will include the heart of the house responsibilities (the "**Kitchen Manager**") Each manager will fulfill the job duties for his or her position as described in COMPANY'S Operations Manual or otherwise,

(2) The General Manager can, contingent upon COMPANY approval, be FRANCHISEE (or one of its owners acceptable to COMPANY, in the event FRANCHISEE is a Business Entity) or an employee with verifiable general manager experience in the restaurant and hospitality industry In its sole and absolute discretion, COMPANY may require the General Manager to maintain at least a ten percent (10%) economic interest in the Restaurant, on terms reasonably satisfactory to COMPANY If FRANCHISEE (or one of its owners) will serve as the General Manager of the Restaurant, he/she must satisfactorily perform all duties that COMPANY prescribes for General Managers from time to time, as set forth in the Operations Manual or otherwise in writing,

(3) The General Manager, the Manager and the Kitchen Manager must attend, for its full duration, and satisfactorily complete COMPANY'S operations training program If FRANCHISEE (or one of its owners acceptable to COMPANY) does not serve as the General Manager, FRANCHISEE (or such owner) may be required to attend and satisfactorily complete all or a portion of COMPANY'S operations training program, as determined by COMPANY in its sole and absolute discretion

Successful completion of the Restaurant operations training will be validated/measured through on-the-job observations, written tests, practice quizzes, and classroom training, conducted by COMPANY certified restaurant general managers, trainers, and restaurant support center representatives If this Agreement relates to FRANCHISEE'S or its affiliates' second or subsequent THE MELTING POT® Restaurant, COMPANY will not require FRANCHISEE (or its majority shareholder, majority owner or approved managing partner) or its managers to attend COMPANY'S initial training program, provided such individuals have previously attended and successfully completed such training

All training will be conducted in a COMPANY-owned Restaurant or at the Restaurant Support Center classroom in the city and state where COMPANY'S principal headquarters are located All FRANCHISEE and management trainee travel and living expenses incurred must be paid by FRANCHISEE A separate training fee of up to $1,500 per person will be charged for initial training of more than 4 persons If FRANCHISEE designates any new managers after the Restaurant opens for business, each such manager shall attend and satisfactorily complete, within 9 months of assuming his or her position, such initial or other training as COMPANY requires from time to time FRANCHISEE will be charged a separate training fee of up to $1,500 for each additional manager completing initial or other training after the Restaurant is open COMPANY may also require FRANCHISEE and/or any of its personnel to attend and satisfactorily complete remedial training if FRANCHISEE fails to operate the Restaurant in compliance with system standards A separate training fee of up to $1,500 per person may be charged for such training

Training schedules have been established on a rotating basis throughout the year FRANCHISEE may select from one of the designated start dates to attend training according to COMPANY'S annual training calendar It is FRANCHISEE'S responsibility to ensure that all training requirements are completed Each person who attends training may be required to sign and deliver to COMPANY a liability waiver and release form, a non-competition agreement, and a confidentiality, non-solicitation and assignment of inventions agreement, in forms reasonably satisfactory to COMPANY

A fee of up to $200 may be charged to FRANCHISEE for all management trainees / participants attending the ServSafe® Food Protection Manager Course FRANCHISEE (or its majority shareholder, majority owner or approved managing partner) and all operating managers are required to have a manager food safety certification through the ServSafe® program Some states require that additional criteria be met in order to operate a restaurant, please check with your local state agency FRANCHISEE is solely responsible for complying with all laws, ordinances, rules and regulations relating directly or indirectly to the development and operation of the Restaurant

COMPANY has the right, in its sole discretion, to periodically offer additional training, refresher courses, conferences and seminars, on an optional or mandatory basis COMPANY may require that FRANCHISEE (or its majority shareholder, majority owner or approved managing partner, if FRANCHISEE is a corporation, limited liability company or partnership) and one manager attend and satisfactorily complete such additional training, refresher courses, conferences and/or seminars, and require that FRANCHISEE or its representative attend all sessions offered by the COMPANY FRANCHISEE agrees that it and any representative in attendance in such training, refresher courses, conferences and/or seminars (a) shall be attentive to the session speakers and materials (and not reading, responding to email, and/or attending to other business), (b) shall act in a professional and respectful manner, and (c) shall not be a disruptive presence COMPANY may charge FRANCHISEE a reasonable fee and the cost of training materials for each such person attending, and COMPANY need not refund all or any portion of the fee if FRANCHISEE or its representative fails to attend COMPANY may also charge FRANCHISEE a Compliance Fee for each attendee who fails to attend a required training course, conference or seminar The Compliance Fee is in addition to any other remedies available to COMPANY

FRANCHISEE and one manager it designates must participate in and satisfactorily complete any and all new and/or revised training programs and management criteria COMPANY may implement from time to time, in its sole discretion All reasonable costs associated with training materials and revising materials,

charts, posters, or other training related collateral must be paid by FRANCHISEE COMPANY may develop and implement online training tools ("**e-learning**") and provide part of the initial training and all or any portion of additional or refresher training to FRANCHISEE and/or its employees via e-learning COMPANY may charge FRANCHISEE an initial set-up fee and ongoing access and/or development fees for any e-learning tools that COMPANY provides or makes available to FRANCHISEE, in COMPANY'S sole discretion, which shall be in addition to any continuing Technology and User Fee under Section 9 E

FRANCHISEE must give COMPANY reasonable assistance in training other FRANCHISEES, COMPANY will reimburse FRANCHISEE for its reasonable out-of-pocket expenses in providing such assistance

B HIRING AND TRAINING OF EMPLOYEES BY FRANCHISEE FRANCHISEE shall hire all employees of the Restaurant, shall be exclusively responsible for the terms of their employment and compensation, and shall implement a training program for employees of the Restaurant in compliance with COMPANY'S requirements FRANCHISEE agrees to maintain at all times a staff of trained employees sufficient to operate the Restaurant in compliance with COMPANY'S standards

C OPENING ASSISTANCE COMPANY, at its cost, shall provide FRANCHISEE with the services of 1 or more personnel, including an Lead Trainer, for such period of time as COMPANY considers necessary for supervisory assistance and guidance in connection with the opening and initial operation of the Restaurant, consistent with the Operations Manual COMPANY shall have the right to determine the time or times at which such personnel shall be available to FRANCHISEE, but will not do so until after FRANCHISEE has (i) satisfied the pre-opening conditions described in the Pre-Opening Agreement attached as Exhibit C to this Agreement and delivered an executed copy of the Pre Opening Agreement to COMPANY, and (ii) received a certificate of occupancy for the Restaurant and delivered a copy of such certificate to COMPANY In the event that FRANCHISEE needs and requests additional opening assistance, and COMPANY approves such request, FRANCHISEE will pay all costs and expenses of such personnel, for as long as any such personnel assist at the Restaurant All personnel provided under this Section shall be selected by COMPANY and are subject to change or removal by COMPANY in its sole discretion

D OPERATING ASSISTANCE COMPANY will advise FRANCHISEE from time to time of operating problems of the Restaurant disclosed by reports submitted to or inspections made by COMPANY Further, COMPANY may furnish to FRANCHISEE such guidance and assistance in connection with the operation of the Restaurant, as is from time to time deemed appropriate by COMPANY Operating assistance may consist of advice and guidance with respect to

(1) establishment of administrative, bookkeeping, accounting, reporting, inventory control, sales, and general operating methods and procedures used in the operating of THE MELTING POT® Restaurants,

(2) food and beverage products and services prescribed and approved for sale by THE MELTING POT® Restaurants,

(3) selection, purchasing, and preparation of food and beverage products prescribed and approved for THE MELTING POT® Restaurants, including, but not limited to, a Core Beverage Program presented in such style as COMPANY may prescribe,

(4) advertising and promotional programs for THE MELTING POT® Restaurants, and

(5) recommended, suggested and/or prescribed prices for food and beverage products and services prescribed and approved for THE MELTING POT® Restaurants

Such guidance may include, without limitation, food and beverage cost tools and other financial and cost information that COMPANY periodically prepares or compiles and share with franchisees Any such information is provided without warranty as to its completeness or accuracy, as there may be occasional errors or variations among unit measurements or market conditions that can affect the numbers, calculations or projections contained therein FRANCHISEE is solely responsible for verifying the accuracy of all such information Ongoing guidance may be provided, in the sole discretion of COMPANY, in the form of COMPANY'S Operations Manual, bulletins or other written materials (including e-mail), telephone consultations, and/or consultations at the office of COMPANY or at the Restaurant in conjunction with an inspection of the Restaurant Additional guidance and assistance may be made available to FRANCHISEE, at the written request of FRANCHISEE and the sole discretion of COMPANY, at per diem fees and charges established from time to time by COMPANY

E **OPERATIONS MANUAL** COMPANY will grant FRANCHISEE during the Term access to the operations manual via COMPANY'S intranet, which may consist of 1 or more manuals and other written or electronic materials (collectively, the "**Operations Manual**"), for the operation of THE MELTING POT® Restaurants, containing mandatory and suggested formats, specifications, standards, methods and procedures prescribed from time to time by COMPANY and information relative to other obligations of FRANCHISEE hereunder COMPANY shall have the right from time to time to add to, and otherwise modify, the Operations Manual to reflect changes in prescribed and approved products and services, as well as changes in mandatory and suggested formats, specifications, standards, methods and procedures for THE MELTING POT®Restaurants If FRANCHISEE keeps a printed copy of the Operations Manual, then FRANCHISEE must keep his copy of the Operations Manual current The master copy maintained by COMPANY at its principal office shall be controlling in the event of a dispute relative to the contents of the Operations Manual FRANCHISEE shall not at any time copy any part of the Operations Manual, or disclose its contents to any third party, without the written approval of COMPANY

6 MARKS

A **OWNERSHIP AND GOODWILL OF THE MARKS** FRANCHISEE acknowledges that COMPANY is the owner of the Marks, that FRANCHISEE has no interest whatsoever in or to the Marks, that FRANCHISEE'S right to use the Marks is derived solely from this Agreement and is limited to the conduct of his business pursuant to and in compliance with this Agreement and the mandatory and suggested formats, specifications, standards, methods, and procedures prescribed by COMPANY from time to time during the Term Any other use of the Marks by FRANCHISEE shall constitute an infringement of the right of COMPANY in and to the Marks FRANCHISEE agrees that all use of the Marks by FRANCHISEE, and any goodwill established thereby, shall inure to the exclusive benefit of COMPANY, and FRANCHISEE acknowledges that this Agreement does not confer any such goodwill or other interest in the Marks upon FRANCHISEE Neither FRANCHISEE nor any of FRANCHISEE'S officers, directors, shareholders, members or partners, directly or indirectly, shall engage in conduct that, in the sole judgement of COMPANY, impairs or may impair the goodwill associated with the Marks or otherwise subjects the Marks, COMPANY, the System, or persons or entities associated with the Marks, COMPANY or the System, to ridicule, scandal, reproach, scorn or indignity All provisions of this Agreement applicable to the Marks shall apply to any additional trade names, trademarks, service marks, logos, trade dress, commercial symbols, or other identifying characteristics of THE MELTING POT®Restaurants hereafter developed and authorized for use by and licensed to FRANCHISEE pursuant to this Agreement

B **LIMITATIONS ON FRANCHISEE'S USE OF THE MARKS** FRANCHISEE agrees to use the Marks as the sole identification of the Restaurant, provided that FRANCHISEE shall identify himself as the independent owner thereof in the manner prescribed by COMPANY FRANCHISEE shall not use any Mark as part of any corporate, partnership, or organizational name or with any prefix, suffix, or other modifying words, terms, designs, or symbols, or in any modified form, nor may FRANCHISEE use any Mark in connection with the sale of any product or service which is not prescribed or approved by COMPANY or in any other manner not expressly prescribed or approved in writing by COMPANY FRANCHISEE agrees to

display the Marks prominently and in the manner prescribed or approved by COMPANY on signs, menus, and forms Further, FRANCHISEE agrees to give such notices of mark registration as COMPANY specifies and to obtain such fictitious or assumed name registrations as may be required under applicable law

C **DISCONTINUANCE OF USE OF THE MARKS** If it becomes advisable at any time, in COMPANY'S sole discretion, for COMPANY and/or FRANCHISEE to modify or discontinue use of any Mark, and/or use one or more additional or substitute trade names, trademarks, service marks, logos, trade dress, or other commercial symbols, FRANCHISEE agrees to comply with COMPANY'S directions with respect thereto within a reasonable time after notice thereof by COMPANY FRANCHISEE acknowledges that in connection with the use of a new or modified Mark, he may be required, at his own expense, to remove existing signs and the like from the Restaurant, and to purchase and install new signs and the like COMPANY shall have no liability whatsoever to FRANCHISEE in connection therewith

D **OWNERSHIP OF MARKS** COMPANY is the owner of all right, title and interest in and to the Marks COMPANY has taken and will take all reasonable steps necessary in its good faith business judgment necessary to preserve and protects its rights in the Marks COMPANY will only use, and permit FRANCHISEE and other persons to use, the Marks in accordance with the System, its standards and specifications, and on terms consistent with them

E **NOTIFICATION OF INFRINGEMENT AND CLAIMS** FRANCHISEE shall notify COMPANY immediately in writing of any apparent infringement of, or challenge to FRANCHISEE'S use of, any Mark, or any claim by any person of any rights in any Mark, or any similar trade name, trademark, service mark, logo, trade dress, or other commercial symbol of which FRANCHISEE becomes aware FRANCHISEE shall not communicate with any person other than COMPANY and its counsel in connection with any infringement, challenge, or claim COMPANY shall take such action as its deems appropriate in its good faith business judgment and have the right to exclusively control any litigation, U S Patent and Trademark Office proceeding, or other administrative proceeding arising out of any such infringement, challenge, or claim or otherwise relating to any Mark, including any claim of unfair competition relating thereto

FRANCHISEE may not, without the written approval of COMPANY, in its sole discretion, commence or prosecute, or seek leave to intervene in, any litigation or other proceeding, including any arbitration proceeding, in which FRANCHISEE purports to enforce any right to recover any element of damage arising from the use or infringement of any Mark or from any unfair competition resulting therefrom FRANCHISEE agrees to execute any and all instruments and documents, render such assistance, and do such acts and things as, in the opinion of COMPANY'S counsel, may be necessary or advisable to protect and maintain the interests of COMPANY in any such litigation, U S Patent and Trademark Office proceeding, or other administrative or arbitration proceeding or to otherwise protect and maintain the interests of COMPANY in the Marks

F **INDEMNIFICATION** COMPANY will indemnify, defend and hold FRANCHISEE harmless from and against, and reimburse it for, all damages for which it is held liable to third parties in any proceeding arising out of FRANCHISEE'S authorized use of any of the Marks pursuant to and in compliance with this Agreement, resulting from claims by third parties that FRANCHISEE'S use of any of the Marks infringes their trademark rights, in any such claim in which FRANCHISEE is named as a party, so long as FRANCHISEE has timely notified COMPANY of the claim and has otherwise complied with the terms of this Agreement COMPANY will not indemnify FRANCHISEE against the consequences of its use of the Marks unless such use is authorized and in accordance with this Agreement FRANCHISEE must provide written notice to COMPANY of any such claim with 10 days of its receipt of such notice and it must tender the defense of the claim to COMPANY COMPANY will defend any such claim and COMPANY will have no obligation to indemnify or reimburse FRANCHISEE for any fees or disbursements of any attorney retained by it COMPANY will have the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim FRANCHISEE will refrain from communicating with any person other than COMPANY and its counsel in

connection with any infringement challenge or claim The indemnity obligations under this Section 6 F will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement, for as long as they are enforceable under applicable state law

7 CONFIDENTIAL INFORMATION/COMPETITIVE RESTRICTIONS

A CONFIDENTIAL INFORMATION COMPANY possesses certain confidential information, consisting of the ingredients, recipes, and methods of preparation of food and beverage products sold at THE MELTING POT® Restaurants and the formats, specifications, standards, methods, procedures, information, and knowledge of and experience in the operating and franchising of THE MELTING POT® Restaurants (the "**Confidential Information**") The Confidential Information will not include any information which

(1) is or becomes generally available to the public other than as a result of disclosure in breach of this Agreement,

(2) was available to FRANCHISEE on a non-confidential basis prior to its disclosure, or

(3) becomes available to FRANCHISEE on a non-confidential basis from a person other than someone associated with COMPANY who is not otherwise bound by a Confidentiality Agreement with COMPANY

Nothing in this Agreement will prevent FRANCHISEE from testifying truthfully in a court of competent jurisdiction pursuant to a validly issued subpoena, as long as FRANCHISEE has promptly notified COMPANY and given it a reasonable opportunity to seek a protective order COMPANY will not utilize the Confidential Information in connection with the ownership, operation or franchising of any restaurant located in the Territory that serves fondue products by at-the-table preparation, or that offers fondue products as 15% or more of its food products based on total number of food items on the menu (excluding alcoholic and nonalcoholic beverages), other than a THE MELTING POT® Restaurant

COMPANY will disclose certain of the Confidential Information to FRANCHISEE in furnishing FRANCHISEE training, in the Operations Manual, in computer software licensed to FRANCHISEE, and in guidance and written materials furnished to FRANCHISEE during the Term

The Operations Manual includes a section disclosing recipes for various ingredients, condiments, and other menu items However, there is no disclosure of the recipes of the proprietary salad dressing, batter mixes, sauce mixes, sauces, and bulk chocolates which FRANCHISEE uses and sells at and from the Restaurant FRANCHISEE shall be obligated to purchase such proprietary salad dressing, batter mixes, sauce mixes, sauces, and bulk chocolates from COMPANY, an affiliate of COMPANY or a supplier approved by COMPANY In no event shall COMPANY be required to disclose the recipes for such proprietary salad dressings, batter mixes, sauce mixes, sauces, and bulk chocolates If COMPANY develops new proprietary ingredients, condiments, and menu items as additions to or substitutions for such proprietary salad dressings, batter mixes, sauce mixes, sauces, and bulk chocolates, FRANCHISEE shall be obligated to purchase such proprietary ingredients, condiments, and menu items from COMPANY or an affiliate of COMPANY or a supplier approved by COMPANY and COMPANY shall not be required to disclose the recipes for such proprietary ingredients, condiments, and menu items The purchase of bulk chocolate, to the extent it does not contain proprietary recipes or ingredients, will be governed by Section 10 D

FRANCHISEE acknowledges and agrees he will not acquire any interest in the Confidential Information other than the right to use it in the development and operation of the Restaurant during the Term, and that the use or duplication of the Confidential Information in any other business would constitute unfair competition FRANCHISEE acknowledges and agrees that the Confidential Information is proprietary to and a trade secret of COMPANY and is disclosed to FRANCHISEE solely on the condition that FRANCHISEE

agrees, and FRANCHISEE does hereby agree, that he will (1) not use the Confidential Information in any other business or capacity, (2) maintain the absolute confidentiality of the Confidential Information during and after the Term, (3) not make unauthorized copies of any portion of the Confidential Information disclosed in written or other tangible form, and (4) adopt and implement all reasonable procedures prescribed from time to time by COMPANY to prevent unauthorized use or disclosure of the Confidential Information, including, without limitation, restrictions on disclosure thereof to employees of the Restaurant, and the use of noncompete agreements and confidentiality, non-solicitation and assignment of inventions agreements as directed by COMPANY from time to time FRANCHISEE agrees that it will obtain executed noncompete agreements and confidentiality, non-solicitation and assignment of inventions agreements from its management personnel and any other employees designated by COMPANY from time to time The form of noncompete agreement and confidentiality, non-solicitation and assignment of inventions agreement shall be COMPANY'S then-standard form, a copy of which is attached to COMPANY'S franchise disclosure document FRANCHISEE agrees to maintain copies of such executed agreements at all times during the Term of this Agreement and to provide copies of executed agreements to COMPANY upon request

FRANCHISEE agrees that COMPANY shall have the perpetual right to use and authorize other THE MELTING POT® Restaurants to use, and FRANCHISEE shall fully and promptly disclose to COMPANY, all ideas, concepts, methods, and techniques relating to the development and/or operation of fondue restaurants conceived or developed by FRANCHISEE and/or his employees during the terms of this Agreement

B COMPETITIVE RESTRICTIONS/IN-TERM FRANCHISEE acknowledges and agrees that COMPANY would be unable to protect its trade secrets against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among COMPANY and all franchised owners of THE MELTING POT®Restaurants if any franchised owner of a THE MELTING POT® Restaurant is permitted to have any interest in or involvement with any restaurant serving fondue other than a THE MELTING POT® Restaurant Therefore, during the Term, neither FRANCHISEE (nor any of FRANCHISEE'S owners in the event FRANCHISEE is a Business Entity), nor any member of his or their immediate families, shall, directly or indirectly

(1) have any interest, as an owner, investor, partner, director, officer, employee, consultant, representative, or agent, or in any other capacity, in any business or facility owning, operating or managing, or granting franchises or licenses to others to own, operate or manage, any fondue restaurant or restaurant serving fondue, other than a THE MELTING POT® Restaurant (a "**Competitive Restaurant**"), wherever located This prohibition shall not preclude any such person from owning less than 5% of the outstanding shares of stock of any publicly held corporation owning or operating any such restaurant so long as such person is not engaged in any fashion in the management or operation thereof, or

(2) hire, solicit to hire, or engage the services of anyone who is employed, or was employed within the 6-month period before such hiring, solicitation or engagement, by COMPANY, its affiliates, or any other franchisees without the previous employer's prior written consent

C INVENTIONS Every improvement, product, recipe, process, apparatus, method or design (collectively the "**Inventions**") that FRANCHISEE may at any time make, devise, or conceive, individually or jointly with others, during the term of this Agreement, whether during business hours or otherwise, that relate in any manner to the business of THE MELTING POT® Restaurants, or that may be useful to the COMPANY in connection with the System, shall (solely as between the COMPANY and the FRANCHISEE) be the exclusive property of the COMPANY FRANCHISEE will make full and prompt disclosure to the COMPANY of every such Invention The COMPANY shall have the sole and exclusive right to patent or copyright all Inventions, and FRANCHISEE shall take whatever lawful steps the COMPANY may request to assist it in obtaining patents and/or copyrights covering the Inventions, without charge to the COMPANY or any of its subsidiaries, affiliates or

franchisees

8 RELATIONSHIP OF THE PARTIES/INDEMNIFICATION

A RELATIONSHIP OF THE PARTIES It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that COMPANY and FRANCHISEE shall be independent contractors, and that nothing in this Agreement is intended to make either party a general or special agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose

FRANCHISEE shall conspicuously identify himself at the premises of the Restaurant and in all dealings with customers, lessors, contractors, suppliers, public officials, and others as the owner of the Restaurant under a franchise from COMPANY, and shall place such other notices of independent ownership on such signs, forms, stationery, advertising, and other materials as COMPANY may require from time to time

COMPANY has not authorized or empowered FRANCHISEE to use the Marks other than as provided by this Agreement, and FRANCHISEE shall not employ any Mark (other than to identify the business name of the Restaurant) in signing any contract, lease, mortgage, check, purchase agreement, negotiable instrument, or other legal obligation without the prior written approval of COMPANY, or employ any Mark in a manner that is likely to result in liability of COMPANY for any indebtedness or obligation of FRANCHISEE

Except as may otherwise be specifically provided in this Agreement, neither COMPANY nor FRANCHISEE shall make any express or implied agreements, guarantees, or representations, or incur any debt, in the name of or on behalf of the other, or represent that their relationship is other than franchisor and FRANCHISEE, and neither COMPANY nor FRANCHISEE shall be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized hereunder, nor shall COMPANY be obligated for any damages to any person or property directly or indirectly arising out of the operation of the Restaurant, whether or not caused by FRANCHISEE'S or COMPANY'S alleged negligent or willful action or failure to act

COMPANY shall have no liability for any sales, use, excise, gross receipts, property, or other taxes, whether levied upon FRANCHISEE, the Restaurant or its assets, or COMPANY, in connection with sales made, services performed, or business conducted by FRANCHISEE

B INDEMNIFICATION BY FRANCHISEE FRANCHISEE agrees to indemnify, defend and hold harmless COMPANY, its affiliates and their respective shareholders, directors, officers, employees, agents, successors and assignees (the "**Indemnified Parties**") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations and damages described in this Section, any and all taxes described in this Agreement and any and all claims and liabilities directly or indirectly arising out of the Restaurant's operation or FRANCHISEE'S breach of this Agreement For purposes of this indemnification, "**claims**" includes all obligations, damages (actual, consequential or otherwise) and costs reasonably incurred in the defense of any claim against any of the Indemnified Parties, including, without limitation, reasonable accountants', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living expenses COMPANY has the right to defend any such claim against it This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement

Under no circumstances will COMPANY or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate their or COMPANY'S losses and expenses, in order to maintain and recover fully a claim against FRANCHISEE FRANCHISEE agrees that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts COMPANY or another Indemnified Party may recover from FRANCHISEE

C **INDEMNIFICATION BY COMPANY** COMPANY agrees to indemnify, defend and hold harmless FRANCHISEE, its affiliates and their respective shareholders, directors, officers, employees, agents, successors and assignees (the "**Franchisee Parties**") against, and to reimburse any one or more of FRANCHISEE Parties for all claims, obligations and damages described in this paragraph and any and all claims and liabilities directly or indirectly arising out of COMPANY'S operation of its franchising business, but not for claims of vicarious liability that arise out of FRANCHISEE'S operation of its Restaurant For purposes of this indemnification, "**claims**" includes all obligations, damages (actual, consequential or otherwise) and costs reasonably incurred in the defense of any claim against any of FRANCHISEE Parties including, without limitation, reasonable accountants', arbitrators, attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living and expenses COMPANY has the right to defend any such claims for which it has agreed to indemnify FRANCHISEE This indemnity will continue in full force and effect subsequent to and notwithstanding expiration or termination of this Agreement Under no circumstances will FRANCHISEE or any other Franchisee Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate its or their losses and expenses, in order to maintain and recover fully a claim against COMPANY COMPANY agrees that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts FRANCHISEE or another Franchisee Party may recover from COMPANY

D **CONTRIBUTION** Without limiting either of the parties' rights or obligations to fully indemnify and defend each other from certain claims, if, for any reason, either party is found by a court of competent jurisdiction to be liable or otherwise responsible for any amount based on any claim or claims made against such party for which the foregoing indemnification sections are not upheld, then both parties will contribute to such amounts as follows

(1) If it is a claim in which the FRANCHISEE otherwise would have been required to indemnify COMPANY, then the contribution will be made in the same ratio as the parties share in Gross Revenue of the Restaurant for example, based on the royalty and service fee described in this Agreement, FRANCHISEE will pay 95 5% of that amount and COMPANY will pay 4 5% of that amount

(2) If it is a claim for which COMPANY'S indemnification of the FRANCHISEE required under this Agreement is not upheld, then the parties will contribute to such amounts as follows (i) COMPANY 95 5%, and FRANCHISEE 4 5%

Furthermore, notwithstanding the foregoing, neither party will be required to indemnify, nor to contribute, amounts as stated above for any claim in which the other party is adjudicated by final non-appealable judgment to have primarily caused the claim, obligation or damage, due to its gross negligence or willful or reckless misconduct

9 FRANCHISE FEES

In addition to the fees described elsewhere in this Agreement, FRANCHISEE agrees to pay the following amounts to COMPANY

A **INITIAL FRANCHISE FEE** FRANCHISEE shall pay to COMPANY a nonrecurring initial franchise fee (the "**Initial Franchise Fee**") in the amount of $45,000, payable upon the execution of this Agreement The Initial Franchise Fee shall be fully earned by COMPANY upon the execution of this Agreement and shall be nonrefundable

B **ROYALTY AND SERVICE FEE** FRANCHISEE agrees to pay to COMPANY a royalty and service fee of 4 5% of Gross Revenues, payable on the 10th day of each calendar month (or such other time, manner and frequency as COMPANY may designate in the Operations Manual from time to time)

Notwithstanding the foregoing, if applicable laws or regulations covering the Restaurant prohibit the payment of royalty fees on the sale of alcoholic beverages, the royalty fee shall be 5 5% of Gross Revenues

C **DEFINITION OF GROSS REVENUES** The term **"Gross Revenues"** shall mean the aggregate amount of all sales of food, beverages, goods, articles, and other merchandise, and the aggregate amount of all receipts for services performed, whether for cash, on credit, barter or otherwise, made and rendered in, about, or in connection with the Restaurant, including off-premises sales and monies derived at or away from the Restaurant, provided they are in connection with the business conducted at the Restaurant, including all discounts except for the amounts of coupon discounts COMPANY may require from time to time as set forth in the Operations Manual or otherwise Franchisor may require all owner complimentary meals provided by FRANCHISEE to be included in the calculation of Gross Revenues at the full retail price charged by FRANCHISEE to customers for such meals Gross Revenues shall not include any federal, state, municipal, or other sales, value added, or retailer s excise taxes paid or accrued by FRANCHISEE Authorized deductions will be determined by Franchisor from time to time, in its sole discretion Such authorized deductions may be excluded from the calculation of Gross Revenues as and to the extent provided in the Operations Manual from time to time Notwithstanding anything to the contrary in this Section or otherwise, if applicable laws or regulations covering the Restaurant prohibit the payment of royalty fees or other amounts on the sale of alcoholic beverages, then the term "Gross Revenues" will exclude revenues on the sale of alcoholic beverages

D **ELECTRONIC FUNDS TRANSFER** COMPANY has implemented an electronic funds transfer system, commonly referred to as "ACH", for payment of the royalty and service fees, Brand Development Fund Contributions and other payments required to be paid to COMPANY FRANCHISEE agrees to execute all documents required to authorize his bank to electronically transfer funds from his account to COMPANY'S account at its bank as payment of such amounts due FRANCHISEE must comply with the procedures that COMPANY specifies in the Operations Manual or otherwise, and shall perform such acts and sign and deliver such documents as may be necessary to accomplish payment by this method COMPANY may require FRANCHISEE to give COMPANY authorization, in a form that COMPANY designates, to initiate debit entries or credit correction entries to the Restaurant's bank operating account for payments of royalty and service fees and other amounts due under this Agreement, including any applicable interest charges

E **TECHNOLOGY AND USER FEE** COMPANY may assess a continuing fee (**"Technology and User Fee"**) for (a) administrative services COMPANY or its affiliate performs in updating, developing, maintaining and/or hosting the Restaurant management software system database, (b) development of, and access to, other technology for use in the operation of THE MELTING POT® Restaurants, including, without limitation, e-learning tools, and/or (c) any supplemental software or programs used by COMPANY from time to time to extract and/or analyze information contained in any management software system database (which information may be used for internal and external purposes, as determined by COMPANY in its sole discretion) COMPANY may charge a Technology and User Fee in an amount up to 1% of Gross Revenues, but not to exceed $20,000 per Restaurant per calendar year As new technologies are developed, COMPANY reserves the right to implement them, and to recover the costs associated with them, from FRANCHISEE

F **GIFT CARD SYSTEM SERVICE FEES** FRANCHISEE agrees to pay COMPANY a fee for the processing of gift cards (the **"Gift Card System Fee"**) in the amount COMPANY charges from time to time On or before the 10th day of each calendar month (or as otherwise prescribed by COMPANY in the Operations Manual), FRANCHISEE must pay the Gift Card System Fee for the immediately preceding month (or such other time, manner and frequency as COMPANY may designate in the Operations Manual from time to time)

G **HOSTING FEE** FRANCHISEE agrees that COMPANY may charge FRANCHISEE a reasonable fee for hosting services if COMPANY requires FRANCHISEE to use certain computer software

accessible through the Internet or COMPANY'S Website (a "**Hosting Fee**") COMPANY does not presently charge a Hosting Fee FRANCHISEE agrees to pay COMPANY a Hosting Fee at such time, in such amount, and pursuant to such terms, as COMPANY shall determine in its sole discretion

H **ADDITIONAL ASSISTANCE** FRANCHISEE agrees to pay COMPANY a fee of $300 per day plus expenses for any additional or special guidance or assistance FRANCHISEE needs or requests above and beyond the assistance provided by COMPANY described elsewhere in this Agreement

I **LATE PAYMENTS** All royalty and service fees, Brand Development Fund Contributions, amounts due for purchases by FRANCHISEE from COMPANY or its affiliates, and other amounts which FRANCHISEE owes to COMPANY or its affiliates shall bear interest after the due date at the highest applicable legal rate for open account business credit in the state in which the Restaurant is located, but not to exceed 1 5% per month, plus a late payment fee of 5% of the amount due FRANCHISEE acknowledges that this Paragraph G shall not constitute COMPANY'S agreement to accept such payments after they are due or a commitment by COMPANY to extend credit to, or otherwise finance FRANCHISEE'S operation of, the Restaurant Further, FRANCHISEE acknowledges that his failure to pay all amounts when due shall constitute grounds for termination of this Agreement

J **COMPLIANCE FEE** If COMPANY determines that FRANCHISEE has violated this Agreement and sends FRANCHISEE a notice of the violation in accordance with its terms, then COMPANY may assess, and FRANCHISEE will be required to pay within 20 days of such notice, a fee ranging from $100 to $1,500 per notice ("**Compliance Fee**") This Compliance Fee applies for each notice of violation COMPANY sends to FRANCHISEE even if the violation is of the same provision of this Agreement, but COMPANY will not assess a Compliance Fee more than one time per month for a particular violation However, multiple violations resulting in multiple notices will result in multiple Compliance Fees and a higher Compliance Fee due to frequency of violations during each year Additionally, if COMPANY incurs any expense resulting from Franchisee's violation of this Agreement, including but not limited to any compliance violation, COMPANY may, and FRANCHISEE hereby gives the permission to COMPANY to, debit such expense via ACH from FRANCHISEE'S bank account

K **APPLICATION OF PAYMENTS** Notwithstanding any designation FRANCHISEE might make, COMPANY has sole discretion to apply any of FRANCHISEE'S payments to any of his past due indebtedness to COMPANY

L **PAYMENT OFFSETS** COMPANY may setoff from any amounts that it may owe FRANCHISEE any amount that FRANCHISEE owes to COMPANY, or its affiliates, for any reason whatsoever, including without limitation, royalty and service fees, Brand Development Fund Contributions, late payment penalties and late payment interest, amounts owed to COMPANY or its affiliates for purchases or services or for any other reason Thus, payments that COMPANY makes to FRANCHISEE may be reduced, in COMPANY'S discretion, by amounts that FRANCHISEE owes to COMPANY or its affiliates from time to time In particular, COMPANY may retain (or direct to its affiliates) any amounts that it has received for FRANCHISEE'S account as a credit and payment against any amounts that FRANCHISEE may owe to COMPANY, or its affiliates, at any time COMPANY may do so without notice to FRANCHISEE at any time However, FRANCHISEE does not have the right to offset payments owed to COMPANY for amounts purportedly due to FRANCHISEE from COMPANY

M **DISCONTINUANCE OF SERVICE** If FRANCHISEE does not timely pay amounts due COMPANY under this Agreement, COMPANY may discontinue any services to FRANCHISEE, without limiting any of COMPANY'S other rights in this Agreement COMPANY will not discontinue any service to FRANCHISEE pursuant to this paragraph of this Section, without prior written notice and the opportunity to cure within 30 days of such notice

10 RESTAURANT IMAGE AND OPERATING STANDARDS

A CONDITIONS AND APPEARANCE OF THE RESTAURANT/ REBUILDING OF THE RESTAURANT FRANCHISEE agrees to maintain the condition and appearance of the premises of the Restaurant consistent with the image of THE MELTING POT® Restaurants as attractive, clean, and efficiently operated restaurants which offer a variety of high quality food and beverage products, efficient and courteous service, and pleasant ambience FRANCHISEE agrees to effect such refurbishing and maintenance of the premises of the Restaurant and such modifications and additions to its layout, decor, and general theme as is required from time to time to maintain such image (as may be modified from time to time by COMPANY), including, without limitation, replacements of worn out or obsolete fixtures, equipment, furniture, signs, and utensils, repair of the interior and exterior of the premises of the Restaurant and appurtenant parking areas, and periodic cleaning and redecorating If at any time, in COMPANY'S reasonable judgment, the general state of repair, appearance, or cleanliness of the premises of the Restaurant (including parking areas) or its fixtures, equipment, furniture, signs, or utensils does not meet COMPANY'S standards therefor, COMPANY shall so notify FRANCHISEE, specifying the action to be taken by FRANCHISEE to correct such deficiency If FRANCHISEE fails or refuses to initiate within 30 days after receipt of such notice and thereafter continue in good faith and with due diligence a bona fide program to undertake and complete any such required maintenance or refurbishing, COMPANY shall have the right, but shall not be obligated, to enter upon the premises of the Restaurant and effect such maintenance and refurbishing on behalf of FRANCHISEE, and FRANCHISEE shall pay the entire cost thereof to COMPANY on demand, which payment, at the election of COMPANY, FRANCHISEE shall make to COMPANY via electronic funds transfer

If the premises of the Restaurant is damaged or destroyed by fire or any other casualty, FRANCHISEE shall, within 270 days thereof, initiate such repairs or reconstruction, and thereafter in good faith and with due diligence continue (until completion) such repairs or reconstruction as necessary to restore the premises of the Restaurant to its condition prior to such casualty If, in COMPANY'S reasonable judgment, the damage or destruction is of such a nature or to such extent that it is feasible for FRANCHISEE to repair or reconstruct the premises of the Restaurant in conformance with the then current standard THE MELTING POT® Restaurant specifications without incurring substantial additional costs therefor, COMPANY may require FRANCHISEE, by giving written notice thereof, to repair or reconstruct the premises of the Restaurant in conformance with such specifications

B ALTERATIONS TO THE RESTAURANT FRANCHISEE shall make no material alterations to the premises or appearance of the Restaurant nor shall FRANCHISEE make any unapproved replacements of or alterations to the fixtures, equipment, furniture, or signs of the Restaurant without the prior written approval of COMPANY COMPANY shall have the right, in its sole discretion and at the sole expense of FRANCHISEE, to undo any alterations to the premises of the Restaurant not previously approved by COMPANY and restore the premises to the condition or design, layout, or decor in existence prior to the undertaking of any such unauthorized alterations

C UNIFORM IMAGE The presentation of a uniform image to the public is an essential element of a successful franchise system FRANCHISEE therefore agrees that the Restaurant will offer for sale only such types of quality food and beverage products and other prescribed or approved quality products and services as COMPANY, in its sole discretion, determines from time to time to be appropriate for THE MELTING POT® Restaurants FRANCHISEE further agrees that the Restaurant will not, without the prior written approval of COMPANY, offer any products or services not then prescribed or approved by COMPANY for THE MELTING POT® Restaurants, nor shall the Restaurant or the premises which it occupies be used for any purpose other than the operation of a THE MELTING POT® Restaurant in compliance with this Agreement FRANCHISEE will not, without COMPANY'S prior written consent, sell, dispense, give away or otherwise provide food or beverage products or other products or items except by means of retail sales or complimentary meals to employees or customers at the Restaurant, or an approved

program of charitable giving FRANCHISEE will not, without COMPANY's prior written consent, sell or dispense gift cards through a third-party vendor or retailer

D APPROVED BRANDS AND/OR SUPPLIES The reputation and goodwill of THE MELTING POT® Restaurants are based upon, and can be maintained only by, the sale of distinctive, high quality products and services FRANCHISEE therefore agrees that the Restaurant will (1) use ingredients in the preparation of food and beverage products, (2) prepare and offer for sale food and beverage products, (3) use plates, glassware, utensils, uniforms, menus, forms, packaging materials, labels, and other supplies, and (4) use or offer for sale only such other products and services (collectively, **"Products, Supplies or Services"**) which conform to specifications and quality standards (e g , brand specifications) and/or are purchased from suppliers approved from time to time by COMPANY (which may include COMPANY and/or its affiliates), as to any Products, Supplies or Services with respect to which COMPANY has established such specifications or standards or such an approved supplier program COMPANY may from time to time modify the list of approved brands and/or suppliers, and FRANCHISEE shall not, after receipt in writing of such modification, reorder any brand or from any supplier which is no longer approved

If FRANCHISEE proposes to purchase, prepare or offer for sale any Equipment, Products, Supplies or Services for which a list of approved brands and/or suppliers has then been promulgated by COMPANY of any brand and/or supplier which is not then approved, he shall first notify COMPANY and submit sufficient information, specifications, and samples concerning such brand and/or supplier for a determination by COMPANY whether such brand complies with COMPANY'S specifications and standards and/or such supplier meets COMPANY'S approved supplier criteria COMPANY shall, within a reasonable time, notify FRANCHISEE whether or not such proposed brand and/or supplier is approved, and will not unreasonably withhold its approval COMPANY may from time to time prescribe procedures for the submission of requests for approved brands or suppliers and obligations that approved suppliers must assume (which may be incorporated in a written agreement to be executed by approved suppliers) COMPANY may charge a fee for evaluating alternative brands and/or suppliers, not to exceed the reasonable cost of the inspection or actual cost of testing

COMPANY'S determination of approved suppliers and brands or supplies will be based on a variety of criteria that may include quality, design, price, distribution methods, supply considerations and compatibility with the System COMPANY may approve supplier(s) for certain geographical area(s) but not for others COMPANY will consider requests for changes or additions to its approved suppliers, as well as changes to its specifications and standards (e g , brand specifications), in a timely manner and will not unreasonably withhold such approvals COMPANY will respond to any requests to change approved suppliers and/or brands or supplies within 30 days of notice, as long as it has the opportunity to fully evaluate such approved supplier or standard Notwithstanding the foregoing, COMPANY may limit the number of approved suppliers with whom FRANCHISEE may deal, designate sources that FRANCHISEE must use, and/or refuse any of FRANCHISEE'S requests for any reason, including that COMPANY has already designated an exclusive source (which might be COMPANY or its affiliate) for a particular item or service, or if COMPANY believes that doing so is in the best interests of THE MELTING POT® Restaurants network

FRANCHISEE shall at all times maintain an inventory of approved food and beverage products, ingredients, and other products sufficient in quantity and variety to realize the full potential of the Restaurant (although COMPANY will not consider it a breach of this Agreement if FRANCHISEE fails to do so but demonstrates that it exercised all commercially reasonable efforts to do so and failure was due to events the same or similar to those described in Section 17 C)

COMPANY will be entitled to all rebates, bonuses and promotional benefits associated with the Equipment, Products, Supplies or Services

E FORMATS, SPECIFICATIONS, STANDARDS, METHODS, AND PROCEDURES FRANCHISEE acknowledges and agrees that each and every detail of the appearance and operation of the

Restaurant is important to COMPANY and the franchised owners of other THE MELTING POT® Restaurants COMPANY shall endeavor to maintain high standards of quality and service at all THE MELTING POT® Restaurants and FRANCHISEE agrees to uphold those standards To this end, FRANCHISEE and COMPANY agree to cooperate with each other in maintaining such high standards in the operation of the Restaurant and, accordingly, FRANCHISEE agrees to comply with all mandatory formats, specifications, standards, methods, and procedures (whether contained in the Operations Manual or any other written or oral communication to FRANCHISEE) which COMPANY may, in its sole discretion, promulgate relating to the appearance or operation of THE MELTING POT® Restaurants, including, without limitation

(1) type, quality, taste, portion control, ingredients, uniformity, manner of preparation, and sale of all food and beverage products served by the Restaurant and all other products, utensils, and materials used in the preparation, packaging, and sale thereof,

(2) methods and procedures relating to receiving, preparing, and servicing customer orders,

(3) hours and days during which the Restaurant will be open for business,

(4) the safety, maintenance, cleanliness, sanitation, function, and appearance of the premises of the Restaurant and its fixtures, equipment, furniture, decor, and signs,

(5) types, models and brands of required computer hardware and software, including POS systems and reservation systems,

(6) qualifications, dress, general appearance, salesmanship, and demeanor of the employees of the Restaurant,

(7) use and display of the Marks,

(8) use and retention of standard forms,

(9) use and illumination of exterior and interior signs, posters, displays, menus, and the like,

(10) identification of FRANCHISEE as the owner of the Restaurant, and

(11) advertising and promotion

Mandatory formats, specifications, standards, methods, and procedures prescribed from time to time by COMPANY in the Operations Manual for THE MELTING POT® Restaurants or otherwise communicated to FRANCHISEE in writing shall constitute provisions of this Agreement as if fully set forth herein All references herein to this Agreement shall include all such mandatory formats, specifications, standards, methods, and procedures

If FRANCHISEE fails to comply with any system standards, COMPANY may require FRANCHISEE and/or its management personnel to attend and satisfactorily complete refresher training, including, without limitation, a standards retraining course FRANCHISEE will be required to pay COMPANY'S then-current fees for such training, as described in Section 5 A

If FRANCHISEE has a liquor license, FRANCHISEE will be required to follow the guidelines of THE MELTING POT® Core Beverage Program, including carrying and selling imported and domestic liquors and mixed drinks made from such liquors

F COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES FRANCHISEE shall secure and maintain in force all required licenses, permits, and certificates relating to his operation of the Restaurant and shall operate the Restaurant in full compliance with all applicable laws, ordinances, and regulations

FRANCHISEE shall at all times give prompt, courteous, and efficient service to his customers The Restaurant shall, in all dealings with its customers, suppliers, the public, the COMPANY and the COMPANY'S agents and representatives, adhere to the highest standards of professionalism, respectful treatment, honesty, integrity, fair dealing, and ethical conduct FRANCHISEE shall timely pay all amounts due to any and all suppliers, creditors, vendors, lessors, landlords, service providers, the COMPANY and the like, and FRANCHISEE shall meet and act upon all target dates and contractually obligated deadlines set by suppliers, landlords, service providers, and the COMPANY FRANCHISEE hereby provides COMPANY express permission to receive account information, including payment history, accounts receivable status, and order history from any and all suppliers, creditors, vendors, lessors, landlords and service providers to FRANCHISEE

FRANCHISEE agrees that he will not take any action, or fail to take any action, which may cause the permits or licenses to serve beer and wine, or, if elected by FRANCHISEE, beer, wine, and liquor, at the Restaurant to be revoked, suspended, or restricted, and FRANCHISEE shall be solely responsible for compliance with all applicable laws, regulations, ordinances, and standards pertaining thereto FRANCHISEE shall immediately notify COMPANY of steps taken or threatened to be taken by the issuing authority to revoke suspend or restrict any of such licenses or permits

FRANCHISEE shall notify COMPANY in writing within 10 days of the commencement of any action, suit, proceeding, or investigation, or of the issuance of any order, writ, injunction, award, or decree, by any court, agency, or other governmental authority that may adversely affect the operation or financial condition of FRANCHISEE or the Restaurant

FRANCHISEE shall notify COMPANY in writing at least five (5) business days prior to closing on or otherwise securing a line of credit and/or a loan

All advertising and promotion by FRANCHISEE shall be completely factual and shall conform to the highest standards of ethical advertising FRANCHISEE agrees to refrain from any business or advertising practice that may be injurious to the business of COMPANY or the goodwill associated with the Marks and the System

G MANAGEMENT OF THE RESTAURANT The Restaurant shall at all times be under the direct, day-to-day, full-time supervision of FRANCHISEE (or if FRANCHISEE is a corporation, limited liability company or partnership, then its majority shareholder, majority owner or an approved managing partner, as appropriate) who shall have satisfactorily completed the initial training program subject to the requirements of the Operations Manual

FRANCHISEE shall at all times faithfully, honestly, and diligently perform his obligations hereunder and continuously exert all reasonable commercial efforts to promote and enhance the business of the Restaurant FRANCHISEE (or the majority shareholder, majority owner or approved managing partner) shall not engage in any other business or other activity, directly or indirectly, which substantially conflicts with FRANCHISEE'S obligations hereunder, with the exception of the development, ownership, and operation of such additional THE MELTING POT® Restaurants as COMPANY may permit, in its sole discretion, FRANCHISEE to develop, own, and operate COMPANY may require FRANCHISEE (or its majority shareholder, majority owner or approved managing partner, as applicable) to devote a minimum number of hours each week, including a minimum number of hours during the Restaurant's regular business hours, to the on-premises supervision of the Restaurant and its operations, as determined by COMPANY in its sole discretion If, in the opinion of COMPANY, FRANCHISEE is not exerting all reasonable commercial efforts

to promote and enhance the business of the Restaurant, or engaging in any other business or other activity, directly or indirectly, which substantially conflicts with FRANCHISEE'S obligations hereunder, COMPANY is authorized, but shall not be required, to appoint a manager to maintain operations of the Restaurant for and on behalf of FRANCHISEE, to charge FRANCHISEE a reasonable fee for such management services, and to cease to provide such management services at any time

H **INSURANCE** FRANCHISEE shall at all times during the Term maintain in force, at his sole expense, comprehensive public liability insurance, alcoholic beverages liability (dram shop) insurance, product liability insurance, motor vehicle liability insurance against claims for bodily and personal injury, death, and property damage caused by or occurring in conjunction with the conduct of business by FRANCHISEE pursuant to the Franchise Such insurance coverage shall be maintained under policies of insurance containing minimum liability protection in such amounts as may be specified by COMPANY from time to time in the Operations Manual (but not in excess of what COMPANY maintains for its affiliated Restaurants, if any) FRANCHISEE shall carry property insurance to keep the premises of the Restaurant and its contents insured against loss or damage by fire and such other risks covered in the Standard Extended Coverage Endorsement in an amount not less than 100% of the full replacement cost FRANCHISEE shall carry workers' compensation insurance covering all of his employees as required by the laws of the state in which the Restaurant is located

Each insurance policy shall be issued by an insurance carrier acceptable to COMPANY All liability insurance policies shall name COMPANY as an additional insured, shall contain a waiver of the insurance carrier's right of subrogation against COMPANY, and shall provide that COMPANY will receive 30 days prior written notice of termination, expiration, or cancellation of any such policy

COMPANY may reasonably increase the minimum liability protection requirement annually and require at any time on reasonable prior notice to FRANCHISEE different or additional kinds of insurance to reflect inflation, changes in standards of liability, or higher damage awards in public, dram shop, product, or motor vehicle liability litigation or other relevant changes in circumstances

FRANCHISEE shall submit to COMPANY annually a copy of the certificate or other evidence of the renewal or extension of each insurance policy If FRANCHISEE at any time fails or refuses to maintain in effect any insurance coverage required by COMPANY, or to furnish satisfactory evidence thereof, COMPANY, at its option and in addition to its other rights and remedies hereunder, may obtain such insurance coverage on behalf of FRANCHISEE, and FRANCHISEE shall promptly execute any application or other form of instruments required to obtain any such insurance and pay to COMPANY, on demand, any costs and premiums paid or incurred by COMPANY

FRANCHISEE'S obligation to obtain and maintain the insurance described herein shall not be limited in any way by reason of any insurance maintained by COMPANY, nor shall FRANCHISEE'S performance of such obligations relieve FRANCHISEE of any obligations under this Agreement

I **VENDING MACHINES** No vending machines, newspaper racks, juke boxes, gum or candy machines, pinball machines, video games, rides, or other mechanical or electronic devices or games shall be installed or operated on the premises of the Restaurant, other than as may be approved by COMPANY, in its sole discretion, pursuant to the Operations Manual or other policy

J **CREDIT CARDS AND OTHER METHODS OF PAYMENT** FRANCHISEE shall at all times have arrangements in existence with VISA, MasterCard, American Express, and such other credit card issuers or sponsors, check verification services, electronic funds transfer systems and gift card processing equipment, as COMPANY designates from time to time in order that the Restaurant may accept customers' credit cards, personal checks, or other forms of non-currency payment If COMPANY designates a processor for all credit card transactions at THE MELTING POT® Restaurants during the Term, FRANCHISEE agrees to use that processor for all credit card transactions at the Restaurant If COMPANY designates that it or its

designee shall process gift card transactions for THE MELTING POT® Restaurants during the Term, FRANCHISEE agrees to use the service provided or designated by COMPANY to process all gift card transactions for the Restaurant FRANCHISEE agrees to follow the rules and procedures governing the offer, sale, redemption and crediting of gift card transactions developed and implemented from time to time for use at THE MELTING POT® Restaurants, as periodically modified, including responsibility for gift card obligations for gift card sales made by FRANCHISEE (liability for gift card sales survives the termination or expiration of this Agreement) FRANCHISEE agrees to pay COMPANY the Gift Card System Fee set forth in Section 9 F above

K **PRICING** COMPANY reserves the right, at any time and from time to time, to establish maximum, minimum, or other pricing requirements on prices that FRANCHISEE may charge for products or services to the fullest extent allowed by applicable law, which may include regional, special venue or demographic variations

L **ENVIRONMENTAL MATTERS** COMPANY and FRANCHISEE each recognize and agree that there are changing standards in the area of environmental, sustainability and energy performance, in terms of applicable law, competitors' actions, consumer expectations, obtaining and maintaining a market advantage, available and affordable solutions, and other relevant considerations In view of those and other factors, as well as the long-term nature of this Agreement, FRANCHISEE agrees that COMPANY has the right to periodically set reasonable standards with respect to environmental, sustainability, and energy performance standards for THE MELTING POT® Restaurants through the Operations Manual or other written directives, and FRANCHISEE agrees to abide by those standards, at FRANCHISEE'S expense

11 ADVERTISING

A **BY COMPANY** Recognizing the value of uniform branding to the goodwill and public image of THE MELTING POT® Restaurants, COMPANY may institute, maintain, and administer a brand development fund (the "**Brand Development Fund**") for such branding, advertising or public relations programs as COMPANY, in its sole discretion, may deem necessary or appropriate to advertise or promote THE MELTING POT® Restaurants COMPANY shall direct all such programs, with sole discretion over the creative concepts, materials, endorsements, and media used therein, and the placement and allocation thereof COMPANY shall have the right to determine, in its sole discretion, the composition of all geographic territories and market areas for the development and implementation of such programs If COMPANY decides to use all or any portion of the Brand Development Fund to purchase media, then all decisions regarding media purchase and media placement will be made by COMPANY in consultation with the franchise steering committee known as the "Strategic Partnership Committee", provided, however, that COMPANY shall have ultimate authority and final approval over such decisions and all aspects of the Brand Development Fund In addition to fulfilling any obligation it has with respect to the Brand Development Fund, COMPANY will abide by all obligations it has regarding the Brand Development Fund that are expressed in the Franchise Disclosure Document, as it is amended from time to time

FRANCHISEE shall contribute to the Brand Development Fund (the "**Brand Development Fund Contributions**") an amount designated from time to time by COMPANY, in its sole discretion, not to exceed 1 5% of his Gross Revenues (or 1 83% if applicable law covering the Restaurant prohibits payments to COMPANY on the sale of alcoholic beverages), but not more than $45,000 per Restaurant during any calendar year, payable in accordance with the schedule designated from time to time by COMPANY, in its sole discretion THE MELTING POT® Restaurants owned by COMPANY or its affiliates shall contribute to the Brand Development Fund on the same basis

FRANCHISEE agrees that the Brand Development Fund may be used to meet any and all costs of maintaining, administering, directing, and preparing national, regional, or local advertising materials, programs, and public relations activities, including, without limitation, costs for preparing and conducting television, radio, magazine, billboard, newspaper, Internet and other media programs and activities, costs

associated with conducting market research, costs associated with website development and marketing, including, without limitation, search engine optimization and social media, administering regional and multi-regional advertising programs, including, without limitation, purchasing direct mail and other media advertising, employing advertising, promotion and marketing agencies, and vendors providing marketing services, development, implementation and maintenance of online asset management tools, marketing and advertising training programs and materials, and costs for providing promotional brochures and advertising templates and materials to THE MELTING POT® Restaurants

COMPANY may spend in any fiscal year an amount greater or less than the aggregate contributions of THE MELTING POT® Restaurants to the Brand Development Fund in that year and COMPANY may make loans to the Brand Development Fund bearing reasonable interest to cover any deficits of the Brand Development Fund and cause the Brand Development Fund to invest any surplus for future use by the Brand Development Fund

The Brand Development Fund shall be accounted for separately from the other funds of COMPANY and shall not be used to defray any of COMPANY'S general operating expenses, except for such salaries, administrative costs, and overhead as COMPANY may incur in activities reasonably related to the administration or direction of the Brand Development Fund and its programs (including, without limitation, conducting market research, preparing advertising materials, and collecting and accounting for contributions to the Brand Development Fund) The COMPANY will prepare annual or quarterly reports of the operations of the Brand Development Fund, which will be unaudited Such reports will be made available to FRANCHISEE

FRANCHISEE understands and acknowledges that the Brand Development Fund is intended to maximize general recognition of the Marks and the goodwill and patronage of THE MELTING POT® Restaurants for the benefit of all THE MELTING POT® Restaurants and that COMPANY undertakes no obligation in developing, implementing, or administering advertising or public relations programs to ensure that expenditures which are proportionate or equivalent to FRANCHISEE'S contributions are made for the market area of the Restaurant or that any THE MELTING POT® Restaurant benefits directly or pro rata from the placement of advertising through the Brand Development Fund

Except as expressly provided in this paragraph, COMPANY assumes no direct or indirect liability or obligation to FRANCHISEE with respect to the maintenance, direction, or administration of the Brand Development Fund

B BY FRANCHISEE In addition to making the Brand Development Fund Contributions, FRANCHISEE shall be obligated to spend no less than the minimum amount designated by COMPANY from time to time (not to exceed 3% of annual Gross Revenues) each year for approved expenditures for media placement and tactical execution directly related to local advertising and promotional activities for the Restaurant Such expenditures shall be made directly by FRANCHISEE, in such media (including print, broadcast and out-of-home media outlets) and by such methods as FRANCHISEE may determine to be appropriate, subject to the approval of COMPANY, which shall not be unreasonably withheld Notwithstanding the foregoing, COMPANY may require FRANCHISEE to participate in drives, contests, in-store promotions, social media programs and/or other sales promotion programs, including, without limitation, grass-roots or "micro-local" advertising strategies or programs, as determined by COMPANY from time to time in its sole discretion If COMPANY makes arrangements with a food or beverage manufacturer or distributor for a special promotion of one or more of the foods and/or beverages of such manufacturer or distributor at all THE MELTING POT® Restaurants, FRANCHISEE shall be obligated to participate in such special promotion as specified by COMPANY

FRANCHISEE'S local advertising requirement will be reduced by any contributions to the Local Advertising Cooperative Amounts that FRANCHISEE pays to marketing agencies, public relations firms or other marketing personnel for creation of advertising or marketing materials, coordination of marketing efforts

or other activities unrelated to media placement will count toward satisfaction of the local advertising requirement up to a maximum amount equal to 0 75% of Gross Revenues COMPANY may require FRANCHISEE to provide documented evidence that FRANCHISEE has made the minimum expenditures for local advertising and promotion If FRANCHISEE fails to provide documented evidence to COMPANY'S satisfaction of the expenditures for local advertising and promotion made by FRANCHISEE, or, if COMPANY determines that FRANCHISEE has failed to make the required minimum expenditures, FRANCHISEE shall be in material default of its obligations under this Agreement and COMPANY may, in addition to all other rights and remedies available to COMPANY, require FRANCHISEE to do one of the following, at COMPANY'S option (i) contribute the deficient amount to the Brand Development Fund, or (ii) reimburse COMPANY for amounts it spends satisfying FRANCHISEE'S local advertising requirement, plus COMPANY'S related costs

COMPANY may provide FRANCHISEE tools to create novel or individualized menus, advertisements, campaigns or digital or print media However, unless provided otherwise in the Operations Manual or written bulletins, prior to their use by FRANCHISEE, samples of all local advertising, marketing, and promotional materials not prepared or previously approved by COMPANY (or previously prepared or approved by COMPANY but subsequently modified or altered by FRANCHISEE), shall be submitted to COMPANY for approval, which approval COMPANY may withhold in its sole discretion If written disapproval is not received by FRANCHISEE within 15 days from the date of receipt by COMPANY of such materials, COMPANY shall be deemed to have given the required approval, unless COMPANY notifies FRANCHISEE, prior to expiration of such 15-day period, that COMPANY requires additional time to review the proposed materials COMPANY'S notice to FRANCHISEE will specify the number of additional days for COMPANY'S review COMPANY may from time to time exempt certain types of advertising and marketing materials, methods, formats and/or mediums from the requirements of this Section 11 B , as determined by COMPANY in its sole discretion Any such exemption may be for a limited period of time and may be revoked at any time Except as set forth above, FRANCHISEE shall not use any advertising, marketing or promotional materials that COMPANY has not developed or approved, and will promptly discontinue the use of any advertising or promotional plans or materials, whether or not previously approved or exempt, and whether or not FRANCHISEE has invested sums for printing or development of such materials or otherwise, upon notice from COMPANY COMPANY reserves the right to prohibit or restrict FRANCHISEE'S participation in any coupons or online discount offers or promotions, as determined by COMPANY in its sole discretion FRANCHISEE shall not videotape, film or photograph any aspect of the Restaurant or its operations for any advertising, marketing, or promotional purpose without COMPANY'S prior written consent

Notwithstanding any of the foregoing, COMPANY will not require FRANCHISEE to spend during any calendar year more than a total of 4% of its Gross Revenues for advertising expenses required by Sections 11 A-11 C of this Agreement To the extent FRANCHISEE'S required advertising expenditures exceed such amount, it may reduce its expenditures by the amount of the excess during the following year

In addition to making the Brand Development Fund Contributions required by this Agreement and the local advertising expenditures described above, FRANCHISEE agrees to list and advertise the Restaurant in the principal (as determined by COMPANY) telephone directories distributed within the Territory and such online directories as COMPANY designates, in such directory categories as are specified by COMPANY using COMPANY'S standard forms of listing and classified directory advertisements Such classified directory advertisements shall include other THE MELTING POT® Restaurants operating within the distribution area of such classified directories and the cost of such advertisements shall be reasonably apportioned among all THE MELTING POT® Restaurants included therein in proportion to the annualized total Gross Revenues of such Restaurants for the preceding calendar year FRANCHISEE shall have the right to list and advertise the Restaurant in classified telephone directories which are not distributed within the Territory, provided that no other THE MELTING POT® Restaurant is in operation or under development within the distribution area of such directories

C FRANCHISEE'S PARTICIPATION IN LOCAL ADVERTISING COOPERATIVE COMPANY may from time to time, in its sole judgment, designate areas or territories within which it has determined (on the basis of television coverage, newspaper coverage, or other criteria which it may establish) that a local advertising cooperative (the **"Local Advertising Cooperative"**) should be established for all THE MELTING POT® Restaurants located within such an area or territory If COMPANY establishes a Local Advertising Cooperative, FRANCHISEE shall be obligated to participate in such cooperative The Local Advertising Cooperative shall be formed by all of the owners of THE MELTING POT® Restaurants within such area or territory and shall operate pursuant to such bylaws and in such form as the members thereof may determine, on the basis of 1 vote for each THE MELTING POT® Restaurant within such area or territory The bylaws adopted by the Local Advertising Cooperative shall obligate the Local Advertising Cooperative to participate in special promotions in the manner provided for participation by FRANCHISEE In addition, FRANCHISEE will sign, deliver and comply with any membership agreement utilized by such cooperative Noncompliance with any such membership agreement shall be considered a breach of this Agreement

Pursuant to the bylaws adopted by the Local Advertising Cooperative, FRANCHISEE shall contribute to the Local Advertising Cooperative an amount of his Gross Revenues designated thereby, not to exceed 1 5% of Gross Revenues Such bylaws, and any amendments to them, as well as all membership agreements and their terms and conditions, are subject to COMPANY'S approval

D WEBSITES Except for the world wide web internet pages owned by COMPANY and approved for FRANCHISEE to use during the Term, FRANCHISEE may not advertise in, create or own any website for marketing or in any fashion displaying THE MELTING POT® Marks, products or information COMPANY is the sole owner of all right, title and interest in and to such domain names as COMPANY designates in the Operations Manual from time to time FRANCHISEE may not offer for sale through the internet or other electronic means, any products or perform any services that COMPANY has not authorized in writing COMPANY has the right to designate, approve, control or limit all aspects of FRANCHISEE'S use of the internet, intranet, world wide web, wireless technology and related technologies, including, without limitation, online bulletin boards, chat rooms, and marketplaces (**"e-commerce"**) FRANCHISEE must follow all of COMPANY'S policies and procedures for the use and regulation of e-commerce FRANCHISEE recognizes and agrees that COMPANY owns all rights, title and interest in and to any and all data or other information collected via e-commerce related to the System or Marks, including, without limitation, any customer data, click-stream data, cookies, user data and hits

COMPANY has established and maintains an Internet website at the uniform resource locator www meltingpot com, which provides information about THE MELTING POT Restaurants and franchise system COMPANY may, but will not be required to, include on such website an interior "micro-site web page" containing information about FRANCHISEE'S Restaurant If COMPANY includes such a micro-site web page on its website, COMPANY may require FRANCHISEE to prepare and maintain, at its expense, all content for such micro-site web page and to obtain related search engine optimization services as COMPANY may require from time to time COMPANY may, at its option, obtain search engine optimization services for the entire website, including all micro-site web pages, and require each Restaurant location to pay a pro rata portion of such expenses, as determined by COMPANY FRANCHISEE will be responsible for providing content and updating such content for the micro-site web page at the frequency and in the manner prescribed in the Operations Manual from time to time COMPANY may require FRANCHISEE to use templates that COMPANY furnishes for this purpose FRANCHISEE shall be responsible for the accuracy of all content provided by FRANCHISEE or its representatives and posted to its micro-site web page, and shall further be responsible for ensuring that such content does not violate or infringe upon the copyright or trademark rights of any third party Any search engine optimization expenses incurred by FRANCHISEE related to the micro-site web page will count toward FRANCHISEE'S required local advertising expenditures under Section 11 B , provided, however, that COMPANY shall have the right to periodically limit or cap the amount of any such credit for search engine optimization expenditures to ensure that FRANCHISEE utilizes a blended "micro local approach" to local advertising that incorporates other types of local media and advertising strategies and materials, as determined appropriate by COMPANY, in its reasonable discretion

COMPANY also may maintain one or more social media sites (e g , www twitter com, www facebook com or such other social media sites) FRANCHISEE may not establish or maintain any social media sites utilizing any user names, or otherwise associating with the Marks, without COMPANY'S advance written consent COMPANY may designate from time to time regional or territory-specific user names/handles that FRANCHISEE must maintain FRANCHISEE must adhere to the social media policies that COMPANY establishes from time to time and will require all of its employees to do so as well

E **PROMOTIONS FOR RESTAURANTS** COMPANY may from time to time develop and administer advertising and sales promotion programs, including menu discounts and coupons, customer loyalty and rewards programs, and charitable and/or fundraising programs, designed to promote and enhance the collective success of all THE MELTING POT® Restaurants and to demonstrate the commitment of THE MELTING POT® Restaurants to the communities in which they operate FRANCHISEE will participate, at its expense, in all such programs in accordance with the terms and conditions established by COMPANY for each such program COMPANY will have sole discretion to determine the type, quantity, timing, placement and choice of media and market areas for such programs In addition, COMPANY will have sole discretion to determine the structure of, and accounting for, any customer loyalty and rewards program FRANCHISEE understands and agrees that COMPANY will have sole discretion to decide whether and to what extent such programs will count toward FRANCHISEE'S local advertising expenditures under Section 11 B above Accordingly, FRANCHISEE acknowledges and agrees that its participation in such programs may be in addition to FRANCHISEE'S required local advertising COMPANY will determine the type, quantity, timing, placement and choice of media and market areas for any programs contemplated under this Section 11 E

12 RECORDS AND REPORTS

A **ACCOUNTING AND RECORDS** FRANCHISEE agrees, at his expense, to (i) utilize, for a period ending no sooner than one year from the date the Restaurant opens for business, an accounting firm approved by COMPANY, (ii) implement and maintain, during the Term, computerized and manual record keeping and accounting systems conforming to the requirements prescribed by COMPANY from time to time, and (iii) maintain on the premises of the Restaurant and preserve for no less than 3 years from the date of their preparation, or for such longer period as may be required by any applicable statute or regulation, full, complete, and accurate books, records, and accounts, copies of sales tax returns, and copies of such portions of FRANCHISEE'S state and federal income tax returns as reflects his operation of the Restaurant Notwithstanding the foregoing, if at any time during the Term of this Agreement FRANCHISEE fails repeatedly to timely submit financial reports when due, or submits inaccurate financial information to COMPANY, then COMPANY may require FRANCHISEE to utilize an outside accounting firm designated or approved by COMPANY or COMPANY'S internal accounting department, as determined by COMPANY in its sole discretion COMPANY may charge a reasonable fee for any internal accounting services provided to FRANCHISEE pursuant to this Section

COMPANY may require FRANCHISEE to use an accrual method of accounting and satisfy other accounting and record keeping requirements prescribed by COMPANY from time to time FRANCHISEE agrees to use in his operation of the Restaurant only cash registers with "non-resettable totals" FRANCHISEE will not be required to store any records on the Premises more than 1 year as long as it agrees to grant COMPANY access to all of such records at such other sites otherwise in accordance with the terms of this Agreement If requested by COMPANY during the Term, FRANCHISEE further agrees to use in his operation of the Restaurant cash registers, computer hardware, and computer software, including, without limitation, point-of-sale systems, that permit COMPANY to electronically poll and capture all transactions entered into such cash registers and FRANCHISEE to electronically transmit financial statements, reports, and information to COMPANY

COMPANY may use the information obtained as it deems appropriate, except that information FRANCHISEE designates as confidential will not be disclosed to third parties in a manner that identifies

FRANCHISEE as the subject or source except (i) with FRANCHISEE'S permission, (ii) as may be required by law, (iii) in connection with audits or collections under this Agreement, or (iv) shared within THE MELTING POT® Restaurant system (FRANCHISEE understands that COMPANY disseminates operational and financial data throughout the system and to prospects) COMPANY may require FRANCHISEE to use approved computer hardware and software in order to maintain the accounting system and other communication processes prescribed by COMPANY in the Operations Manual or otherwise

B REPORTS AND TAX RETURNS FRANCHISEE shall furnish to COMPANY the following

(1) within 14 calendar days after the end of each reporting period (a) a statement relating to his Gross Revenues for that reporting period, and (b) a profit and loss statement for the Restaurant for that reporting period,

(2) within 30~~14~~ calendar days after the end of each reporting period (a) a year-to-date profit and loss statement, (b) a year-to-date source and use of funds statement, and (c) a balance sheet as of the last day of that reporting period , and

(3) within 90 days after the end of each calendar year (a) an annual profit and loss statement, (b) an annual source and use of funds statement, and (c) a balance sheet as of the end of such year, reviewed by an independent certified public accountant

FRANCHISEE shall also furnish to COMPANY such other written and electronic reports and such other information and supporting records as COMPANY shall from time to time reasonably designate FRANCHISEE must produce, or allow to be produced, all data derived from FRANCHISEE'S Restaurant's operations All such financial statements, reports, and information shall be on forms or in formats prescribed or approved by COMPANY and using such software as COMPANY may designate Unless transmitted to COMPANY electronically, all such financial statements, reports, and information shall be signed and verified as accurate by FRANCHISEE If requested by COMPANY, FRANCHISEE shall confirm electronically transmitted financial statements, reports, and information by signing and verifying equivalent written financial statements, reports, and information

FRANCHISEE shall maintain readily available for inspection by COMPANY, and shall furnish to COMPANY upon its request, exact copies of all state sales tax returns and such portions of FRANCHISEE'S federal and state income tax returns as reflect his operation of the Restaurant In addition, FRANCHISEE, at his expense, shall furnish to COMPANY (and its agents) for inspection or audit, such forms, reports, records, financial statements, and other information as COMPANY may reasonably require FRANCHISEE shall make such financial and other information available at such locations as COMPANY may reasonably request (including COMPANY'S office), and shall afford COMPANY (and its agents) full and free access thereto on the premises of the Restaurant during regular business hours COMPANY (and its agents) shall have the right to make extracts from, and copies of, all such documents and information

13 INSPECTION AND AUDITS

A COMPANY'S RIGHT TO INSPECT AND EVALUATE THE RESTAURANT COMPANY and its designated representatives shall have the right before FRANCHISEE opens the Restaurant for business and thereafter from time to time during regular business hours, and without prior notice to FRANCHISEE, to inspect and evaluate the Restaurant, observe and record operations, interview personnel and customers, and inspect FRANCHISEE'S books and records to determine whether FRANCHISEE is complying with this Agreement and COMPANY'S standards and specifications for the operation of THE MELTING POT® Restaurants FRANCHISEE shall fully cooperate with representatives of COMPANY making any such inspection and shall permit representatives of COMPANY to take photographs, movies, and videotapes of the Restaurant COMPANY will provide FRANCHISEE with a written summary of COMPANY'S evaluation

(which may be in electronic form) within 5 business days after the completion of the audit and inspection of the Restaurant FRANCHISEE will promptly correct, at its own expense, all deficiencies (i e , failures to comply with System standards and specifications) noted by COMPANY'S evaluators within the time period COMPANY specifies following FRANCHISEE S receipt of COMPANY'S notice of such deficiencies COMPANY may then conduct one or more follow-up evaluations to confirm that FRANCHISEE has corrected these deficiencies and is otherwise complying with this Agreement and the Operations Manual COMPANY may charge FRANCHISEE an evaluation fee to compensate COMPANY for its costs and expenses, including travel and per diem personnel expenses, during any such follow-up evaluation or any evaluation that FRANCHISEE requests

B COMPANY'S RIGHT TO EXAMINE BOOKS AND RECORDS COMPANY shall have the right at any time during business hours, and without prior notice to FRANCHISEE, to examine or audit or cause to be examined or audited, the business records, cash control devices, bookkeeping and accounting records, bank statements, sales and income tax records and returns, and other books and records of the Restaurant and the books and records of any corporation or partnership which holds the Franchise Except as otherwise stated in this Agreement, FRANCHISEE shall maintain all such books, records, and supporting documents at all times on the premises of the Restaurant FRANCHISEE shall fully cooperate with employees of COMPANY and independent accountants hired by COMPANY to conduct any such examination or audit

If any such examination or audit discloses an understatement of his Gross Revenues, FRANCHISEE shall pay to COMPANY, within 15 days after receipt of the examination or audit report, the royalty and service fees and any Brand Development Fund Contributions due on the amount of such understatement, plus interest from the date originally due until the date of payment Any contention that COMPANY or its independent accountants have miscalculated any sum then due shall not excuse FRANCHISEE from making full payment of all sums then determined to be due, with all disputed sums to be paid as provided herein and a refund to be made by COMPANY within 10 days of any final determination that a lesser sum than FRANCHISEE has paid pursuant hereto was properly due to COMPANY Further, in the event any such examination or audit is made necessary by the failure of FRANCHISEE to furnish reports, supporting records, financial statements, or other documents or information as herein required, or failure to furnish such reports, records, financial statements, documents, or information on a timely basis, or if an understatement of his Gross Revenues for any month is determined by any such examination or audit to be greater than 2%, FRANCHISEE shall reimburse COMPANY for the cost of such audit or examination, including, without limitation, legal fees and any independent accountants' fees, plus the travel expenses, room and board, and compensation of employees of COMPANY The foregoing remedies shall be in addition to all other remedies and rights of COMPANY hereunder or under applicable law

C CONDUCT OF INSPECTIONS AND AUDITS COMPANY agrees that any inspection or audit of FRANCHISEE or of the Restaurant is intended simply to determine compliance with this Agreement and to ensure that the Restaurant is operating in accordance with standards and specifications Accordingly, COMPANY agrees to undertake such inspections and audits in a manner that will not materially and adversely disrupt the operation of the Restaurant, however, FRANCHISEE understands and acknowledges that any inspection or audit necessitates some level of disruption from the ordinary course of business

D EXPENSE OF INSPECTIONS AND AUDITS COMPANY agrees that all inspections, examinations and audits are at its expense, unless (i) such inspection, examination or audit is made necessary by the failure of FRANCHISEE to furnish reports, supporting records, financial statements, or other documents or information as required by this Agreement, or its failure to furnish such reports, records, financial statements, documents or information on a timely basis, (ii) an understatement of FRANCHISEE'S Gross Revenues for any month is determined by any such examination or audit to be greater than 2%, or (iii) as otherwise set forth in this Agreement

14 ASSIGNMENT

A **BY COMPANY** This Agreement and the Franchise are fully assignable by COMPANY and shall inure to the benefit of any assignee or other legal successor to the interest of COMPANY herein but COMPANY must reasonably believe that any such assignee or successor is capable of fulfilling and willing to fulfill COMPANY'S obligations under this Agreement

B **FRANCHISEE MAY NOT ASSIGN WITHOUT APPROVAL OF COMPANY** FRANCHISEE understands and acknowledges that the rights and duties created by this Agreement are personal to FRANCHISEE and that COMPANY has granted the Franchise in reliance upon the individual or collective character, skill, aptitude, attitude, business ability, and financial capacity of FRANCHISEE or its owners Therefore, except as hereinafter provided with respect to an assignment to a corporation, neither the Franchise, nor the Restaurant (or any interest therein), nor any part or all of the ownership of FRANCHISEE may be voluntarily, involuntarily, directly or indirectly, assigned, sold, subdivided, subfranchised, or otherwise transferred by FRANCHISEE or its owners (including, without limitation, by merger or consolidation, by issuance of additional securities representing an ownership interest in FRANCHISEE, by operation of law, or, in the event of the death of FRANCHISEE or an owner of FRANCHISEE, by will, declaration of or transfer in trust, or the laws of intestate succession) without the prior written approval of COMPANY, and any such assignment or transfer without such approval shall constitute a breach hereof and shall convey no rights to or interests in the Franchise or the Restaurant

C **CONDITIONS FOR APPROVAL OF ASSIGNMENT** If FRANCHISEE and its owners are in substantial compliance with all material terms of this Agreement, COMPANY shall not unreasonably withhold its approval of an assignment, provided that the proposed assignee is, in the opinion of COMPANY, of good moral character and has sufficient business experience, aptitude, and financial resources to own and operate the Restaurant and otherwise meets COMPANY'S then applicable standards for new FRANCHISEES, and further provided that the following conditions are met prior to, or concurrent with, the effective date of the assignment

(1) all obligations of FRANCHISEE and its owners incurred in connection with this Agreement, including without limitation, liability for gift card sales, have been assumed by the assignee,

(2) FRANCHISEE shall have paid such royalty and service fees, Brand Development Fund Contributions, amounts owed for purchases by FRANCHISEE from COMPANY or its affiliates, and any other amounts owed to COMPANY or its affiliates which are then due,

(3) the assignee agrees to complete the initial training program then required of new FRANCHISEES,

(4) if required, the lessor of the premises of the Restaurant has consented to FRANCHISEE'S assignment or sublease of the premises to the proposed assignee,

(5) the assignee (and each of assignee's owners if assignee is a Business Entity) shall at COMPANY'S option, execute and agree to be bound by (i) an assignment and assumption agreement satisfactory to COMPANY whereby the assignee assumes the obligations of FRANCHISEE under this Agreement (which will be the case for assignees who are already franchisees of COMPANY or are immediate family members of FRANCHISEE or of its majority owner if it is a Business Entity), or (ii) the form of franchise agreement and such ancillary agreements as are then customarily used by COMPANY in the granting of new franchises for THE MELTING POT® Restaurants, which shall provide for the same royalty and service

fees and Brand Development Fund Contributions required hereunder for a term equal to the remaining Term,

(6) FRANCHISEE or the assignee shall have paid to COMPANY a transfer fee in the amount of $7,500 to defray expenses incurred by COMPANY in connection with the assignment, including, without limitation, legal and accounting fees, credit and other investigation charges, and evaluation of the assignee and the terms of the assignment, provided, however, if the transfer is to an already existing franchisee of COMPANY, COMPANY will reduce the transfer fee to $3,750,

(7) except to the extent limited or prohibited by applicable law, FRANCHISEE (and each of its owners if FRANCHISEE is a Business Entity) shall have executed a general release, in form satisfactory to COMPANY, of any and all claims against COMPANY and its affiliates, officers, directors, employees, and agents pertaining in any way to this Agreement and the parties' relationship under it (except that claims for indemnification and claims under applicable franchise disclosure or relationship laws relating solely to the transfer of the franchise), and COMPANY shall execute a reciprocal release of all claims against FRANCHISEE and its affiliates, officers, directors, employees and agents (except that claims for indemnification and underpayment of royalty and Brand Development Fund Contributions will be excluded) Such releases will not be required if the transfer is made to an immediate family member of FRANCHISEE or of its majority owner if it is a Business Entity,

(8) COMPANY shall have approved the material terms and conditions of such assignment and shall have determined that the price and terms of payment are not so burdensome as to adversely affect the future operation of the Restaurant by the assignee,

(9) FRANCHISEE (and each of its owners if FRANCHISEE is a Business Entity) shall have executed a noncompetition covenant in favor of COMPANY and the assignee, agreeing that for a period of not less than 2 years, commencing on the effective date of the assignment or from the effective date of any injunction required to enforce the provisions of the covenant, whichever is later, he will not have any direct or indirect interest as an owner, investor, partner, director, officer, employee, consultant, representative, or agent, or in any other capacity, in any Competitive Restaurant located or operating (a) on the Premises, (b) within the Area of Dominant Influence ("**ADI**") (as defined by Arbitron) in which the Restaurant is located, (c) within a 30-mile radius of the Restaurant, (d) within the ADI in which any other THE MELTING POT® Restaurant, in operation or under development as of the effective date of the assignment, is located, or (e) within a 30-mile radius of any other THE MELTING POT® Restaurant in operation or under development as of the effective date of the assignment, and

(10) FRANCHISEE (or its owners) shall have entered into an agreement with COMPANY agreeing that any obligations of such assignee to make installment payments of the purchase price to FRANCHISEE (or its owners) shall be subordinated to such assignee's obligations to COMPANY and its affiliates, including, without limitation, any royalty and service fees and Brand Development Fund Contributions

COMPANY'S consent to an assignment of any interest shall not constitute a waiver of any claims it may have against the assignor, nor shall it be deemed a waiver of COMPANY'S right to demand exact compliance with any of the terms or conditions of this Agreement by the assignee

D DEATH OR DISABILITY OF FRANCHISEE Upon the death or permanent disability of FRANCHISEE (or the majority shareholder, majority owner or approved managing partner of FRANCHISEE), the executor, administrator, conservator, or other personal representative of such person, or the remaining shareholders, owners or partners, as appropriate, shall, within a reasonable time, not to exceed 30 days from the date of death or permanent disability, appoint a competent manager to assume such person's management duties and responsibilities The appointment of such manager shall be subject to COMPANY'S prior written approval, and such manager shall, if requested by COMPANY, attend and satisfactorily complete COMPANY'S then required initial training program at FRANCHISEE'S expense If the Restaurant is not being managed by a COMPANY approved manager within such 30-day period, COMPANY is authorized, but shall not be required, to immediately appoint a manager to maintain the operations of the Restaurant for and on behalf of FRANCHISEE until an approved assignee or manager shall be able to assume the management and operation of the Restaurant COMPANY'S appointment of a manager of the Restaurant shall not relieve FRANCHISEE of his obligations hereunder, and COMPANY shall not be liable for any debts, losses, costs or expenses incurred in the operation of the Restaurant or to any creditor of FRANCHISEE for any products, materials, supplies, or services purchased by the Restaurant during any period in which it is managed by COMPANY appointed manager COMPANY shall have the right to charge a reasonable fee for such management services and to cease to provide such management services at any time

Upon the death or permanent disability of FRANCHISEE (or any owner of FRANCHISEE if FRANCHISEE is a Business Entity), the executor, administrator, conservator, or other personal representative of such person shall transfer his interest within a reasonable time, not to exceed 12 months from the date of death or permanent disability, to a person approved by COMPANY, unless a new managing shareholder, owner or partner approved by COMPANY has been appointed as described above, subject to the satisfactory completion of all then required training for such managing shareholder, owner or partner, and subject to the transfer or assignment of such interest within 30 days of the completion of any applicable probate or administration proceedings with respect to the estate of such person Such transfer, including, without limitation, transfers by devise or inheritance, shall be subject to all the terms and conditions for assignments and transfers contained in this Agreement Failure to comply with the requirements of this Section shall constitute grounds for termination of this Agreement

E ASSIGNMENT TO A BUSINESS ENTITY Upon 30 days prior written notice to COMPANY, the Franchise and the assets and liabilities of the Restaurant may be assigned, by an agreement in form and substance approved by COMPANY, to a Business Entity that conducts no business other than operating Restaurants, which is actively managed by FRANCHISEE and in which FRANCHISEE owns and controls all of the equity and voting power of all issued and outstanding ownership interests Such an assignment shall not relieve FRANCHISEE of his obligations hereunder, and FRANCHISEE shall remain jointly and severally liable for all obligations hereunder The articles of incorporation, bylaws, and other organizational documents of such Business Entity shall recite that the issuance and assignment of any interest therein is restricted by the terms of this Agreement and all issued and outstanding stock certificates or other evidence of ownership of such Business Entity shall bear a legend reflecting or referring to such restrictions

Any person who becomes a shareholder or owner of ten percent or greater ownership interest of FRANCHISEE during the Term shall execute an agreement in form furnished or approved by COMPANY undertaking to be bound jointly and severally by all provisions of this Agreement and shall execute a personal guaranty, in the form attached as an exhibit to COMPANY'S Franchise Disclosure Document or any form then prescribed by COMPANY, of all obligations of FRANCHISEE to COMPANY and any affiliated corporation, partnership, or other business entity FRANCHISEE shall furnish to COMPANY at any time upon request a certified copy of FRANCHISEE'S articles of incorporation or other organizational documents and a list, in such form as COMPANY may require, of all shareholders or owners (of record and beneficially) reflecting their respective interests in FRANCHISEE

F COMPANY'S RIGHT OF FIRST REFUSAL If FRANCHISEE (or its owners) shall at any time determine to sell or to transfer for consideration the Franchise, the Restaurant (or an interest therein), or any ownership interest in FRANCHISEE, other than to any individual or entity already owning an interest therein, FRANCHISEE (or its owners) shall obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser and shall submit an exact copy of such offer to COMPANY COMPANY shall have the right, exercisable by written notice delivered to FRANCHISEE (or its owners) within 30 days from the date of delivery of an exact copy of such offer to COMPANY, to purchase the Franchise, such interest in the Restaurant, or such ownership interest in FRANCHISEE for the price and on the terms and conditions contained in such offer, provided that COMPANY may substitute cash for any form of payment proposed in such offer and shall have not less than 60 days within which to close any such transaction, or such longer period as may have been provided by the terms and conditions of such offer If COMPANY does not exercise its right of first refusal, FRANCHISEE (or its owners) may complete the sale to such purchaser pursuant to and on the terms of such offer, subject to COMPANY'S approval of the purchaser, provided that if the sale to such purchaser is not completed within 120 days after delivery of such offer to COMPANY, or if there is a material change in the terms and conditions of such offer, COMPANY shall again have the right of first refusal provided herein This right of first refusal will not apply to any sales or transfers in which the underlying voting and control of FRANCHISEE does not change

15 TERMINATION OF THE FRANCHISE

A BY FRANCHISEE If FRANCHISEE is in substantial compliance with all material terms of this Agreement and COMPANY materially breaches this Agreement and fails to cure such breach within 30 days after written notice thereof is delivered to COMPANY, FRANCHISEE may terminate the Franchise Such termination shall be effective 10 days after delivery to COMPANY of written notice that such breach has not been cured and FRANCHISEE elects to terminate the Franchise A termination (or purported or attempted termination) of the Franchise by FRANCHISEE, other than in strict compliance with the foregoing provisions, shall be deemed a termination by FRANCHISEE without cause and a material breach of this Agreement by FRANCHISEE giving COMPANY the right to terminate this Agreement immediately upon notice to FRANCHISEE and without providing FRANCHISEE any opportunity to cure such default

B BY COMPANY COMPANY shall have the right to terminate the Franchise by delivery of a written notice to FRANCHISEE stating that COMPANY elects to terminate the Franchise as a result of any of the breaches set forth below Such termination shall be effective upon delivery of such notice of termination or, if applicable, upon the failure to cure (to COMPANY'S satisfaction) any such breach within any applicable cure period set forth below, without the necessity of any further notice from COMPANY to FRANCHISEE It shall be a material breach of this Agreement if FRANCHISEE (and/or any of its owners)

(1) fails to timely develop the Restaurant or timely open the Restaurant for business or fails to satisfactorily complete the initial training program (or any portion thereof required by COMPANY in its sole and absolute discretion),

(2) abandons or fails to actively operate the Restaurant for 7 or more consecutive calendar days, unless the Restaurant has been closed for a purpose COMPANY has approved in writing,

(3) loses the right to occupy the premises of the Restaurant (except as otherwise expressly permitted hereunder),

(4) has made any material misrepresentation or omission in his application for the Franchise, or is convicted or pleads no contest to a felony, or is convicted of or pleads no contest to any crime or offense which is reasonably likely to adversely affect the reputation of the Restaurant or the goodwill associated with the Marks,

(5) surrenders or transfers control of the operation of the Restaurant (including entering into a management arrangement with any person not a party to this Agreement), makes an unauthorized direct or indirect assignment or transfer of this Agreement, the Franchise, the Restaurant, or any ownership interest in FRANCHISEE, or fails or refuses to effect an assignment, transfer, or appointment of an approved manager on death or disability,

(6) makes any unauthorized use of the Marks or the System and fails to cure such violation within 15 days after receipt of written notice from COMPANY (unless a shorter time period is specified in COMPANY'S notice, as determined by COMPANY in its sole discretion based on the nature of the violation),

(7) makes any unauthorized use or disclosure of any of the Confidential Information or uses, duplicates, or discloses any portion of the Operations Manual in violation of this Agreement,

(8) violates any non-compete provisions contained in this Agreement,

(9) terminates (or purports or attempts to terminate) the Franchise, other than in strict compliance with this Agreement,

(10) fails to timely pay royalty and service fees, Brand Development Fund Contributions, amounts due for purchases from COMPANY or its affiliates, or other payments due to COMPANY or its affiliates, or fails to timely pay amounts due to persons other than COMPANY or its affiliates (including suppliers, lessors, landlords, creditors, vendors and service providers), but FRANCHISEE will have 15 days after notice to cure any such breach,

(11) violates any health, safety, or sanitation law, ordinance or regulation and does not cure such violation within 24 hours after receipt of written notice from COMPANY,

(12) sells any unapproved menu items or uses any unapproved menus or collateral, but FRANCHISEE will have 24 hours after receipt of written notice from COMPANY to cure such violation

(13) fails to maintain insurance in strict compliance with this Agreement and does not cure such breach within 15 days after receipt of written notice from COMPANY,

(14) fails to comply with any provision of this Agreement or any mandatory format, specification, standard, method, or procedure prescribed by COMPANY and does not cure such non-compliance within 30 days after receipt of written notice from COMPANY,

(15) fails on 4 or more separate occasions within any 12 consecutive months (a) to submit when due financial statements, reports or other data, information, or supporting records, (b) to pay when due royalty and service fees, Brand Development Fund Contributions, amounts due for purchases from COMPANY or its affiliates, or other payments due to COMPANY or its affiliates, (c) to pay amounts due to other persons, or (d) to fail otherwise to comply with this Agreement, after notices of such breaches have been given by COMPANY, whether or not such breaches are cured after notices thereof have been delivered to FRANCHISEE, or

(16) makes an assignment for the benefit of creditors or admits in writing his/her/its insolvency or inability to pay debts generally as they become due, consents to the appointment of a receiver, trustee or liquidator of all or the substantial part of his/her/its property, the Restaurant is attached, seized, subjected to a writ or distress warrant or levied upon, unless such attachment, seizure, writ, warrant or levy is vacated within 30 days, or any order appointing a receiver, trustee or liquidator of FRANCHISEE or the Restaurant is not vacated within 30 days following the entry of such order

16 RIGHTS OF COMPANY AND OBLIGATIONS OF FRANCHISEE UPON EXPIRATION OR TERMINATION OF THE FRANCHISE

A PAYMENT OF AMOUNTS OWED FRANCHISEE agrees to pay to COMPANY within 30 days after the effective date of the expiration or termination of the Franchise such royalty and service fees, Brand Development Fund Contributions, amounts owed for products purchased by FRANCHISEE from COMPANY or its affiliates, interest due COMPANY on any of the foregoing, and all other amounts owed to COMPANY and its affiliates which are then unpaid If this Agreement is terminated as a result of FRANCHISEE'S breach, the parties agree that it would be difficult to determine the amount of damages that COMPANY would suffer with precision Therefore, the parties agree that a reasonable estimate of COMPANY's damages is the net present value of the royalty and service fees and Brand Development Fund contributions that would have become due but for the termination (i) through the expiration of the term of the Franchise, or (ii) during the thirty-six (36) months following the termination of this Agreement, whichever is earlier Royalty and service fees and Brand Development Fund contributions for purposes of this calculation shall be based on the Restaurant's average monthly Gross Revenues for the twelve (12) months preceding the termination date FRANCHISEE shall contemporaneously with such payments furnish a complete accounting of all such amounts owed to COMPANY and its affiliates COMPANY agrees to pay to FRANCHISEE within 30 days after the effective date of the expiration or termination of the Franchise any amounts owed by COMPANY or its affiliates to FRANCHISEE which are then unpaid, subject to a right of setoff for amounts owed by FRANCHISEE to COMPANY or its affiliates In addition to payment of amounts due to COMPANY or its affiliates, FRANCHISEE shall promptly pay any amounts due to third parties, including, without limitation, suppliers, lessors, landlords, creditors, vendors and employees

B GIFT CARD LIABILITY FRANCHISEE agrees to pay to COMPANY within 30 days after the effective date of the expiration or termination of the Franchise an amount equal to the total outstanding gift card liability for FRANCHISEE'S Restaurant as of the effective date of the expiration or termination of the Franchise Agreement

C EMPLOYEES FRANCHISEE acknowledges and agrees that, on termination or expiration of this Agreement for any reason, FRANCHISEE will continue to be exclusively responsible for all compensation and applicable withholding taxes and obligations, including preparation no later than thirty (30) days from the date of termination or expiration of Form W-2s for the former employees of the Restaurant

D THE MARKS FRANCHISEE agrees that, after the expiration or termination of the Franchise, he will

(1) not directly or indirectly at any time or in any manner identify himself or any business as a current or former THE MELTING POT® Restaurant, or as a FRANCHISEE of or as otherwise associated with COMPANY, or use the Marks, any colorable imitation thereof, or other indicia of THE MELTING POT® Restaurants in any manner or for any purpose, or use for any purpose any trade name, trademark, service mark, logo, trade dress, architectural designs, interior designs, decor, or other commercial symbol that suggests or indicates a connection or association with COMPANY,

(2) promptly destroy or deliver to COMPANY (at COMPANY'S option, exercisable within 10 days after the termination) all signs, sign faces, menus, advertising materials, forms, invoices, and other materials containing the Marks or otherwise identifying or relating to THE MELTING POT® Restaurants,

(3) promptly take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to his use of the Marks,

(4) promptly notify the telephone company and all listing agencies of the expiration or termination of FRANCHISEE'S right to use any telephone number and any regular, classified, or other telephone directory listings associated with the Marks and authorize transfer of the same to or at the direction of COMPANY FRANCHISEE agrees to sign COMPANY'S form of Conditional Assignment of Telephone Numbers and Listings simultaneous with the execution of this Agreement or as otherwise requested by COMPANY, and

(5) furnish to COMPANY within 30 days after the effective date of the expiration or termination evidence satisfactory to COMPANY of FRANCHISEE'S compliance with the foregoing obligations

(6) within 30 days after the effective date of the expiration or termination, FRANCHISEE will take such measures as necessary to completely de-identify his franchise from COMPANY, including but not limited to, making changes to the physical design of the interior and exterior of the Restaurant location Specific items to be removed for de-identification and returned to COMPANY include, but are not limited to bottle lights, burner units, fondue pots, all proprietary items, standard wall coverings and artwork, custom seating and all Secured Equipment

If requested by COMPANY during the Term, FRANCHISEE agrees to execute dated letters of direction to telephone companies and telephone directory listing agencies directing termination and/or transfer of FRANCHISEE'S right to use telephone numbers associated with the Marks, which COMPANY may use upon the expiration or termination of the Franchise FRANCHISEE acknowledges that as between COMPANY and FRANCHISEE, COMPANY has the sole right to and interest in all telephone numbers and directory listings associated with the Marks, and FRANCHISEE authorizes COMPANY, and hereby appoints COMPANY and any officer of COMPANY as his attorney in fact, to direct the telephone company and all listing agencies to transfer the same to COMPANY or at its direction should FRANCHISEE fail or refuse to do so, and the telephone company and all listing agencies may accept such direction or this Agreement as conclusive of the exclusive right of COMPANY in such telephone numbers and directory listings and its authority to direct their transfer

E CONFIDENTIAL INFORMATION FRANCHISEE agrees that, upon the expiration or termination of the Franchise, he will immediately cease to use in any business or otherwise the Confidential Information disclosed to FRANCHISEE pursuant to this Agreement and return to COMPANY all copies of the Operations Manual and other written forms of confidential or proprietary information for THE MELTING POT® Restaurants which have been loaned or provided to him by COMPANY

F COMPETITIVE RESTRICTIONS/POST-TERM

(1) **Pre-Opening Competitive Restrictions** If, at any time prior to the purchase or lease of the Premises at which the Restaurant is to be operated, the Franchise is terminated by COMPANY in accordance with the provisions of this Agreement or by FRANCHISEE without cause, FRANCHISEE agrees that for a period of 2 years commencing on the effective date of the termination or the effective date of any

injunction required to enforce the provisions of this paragraph, whichever is later, FRANCHISEE (and each of its owners if FRANCHISEE is a Business Entity) will not have any direct or indirect interest as an owner, investor, partner, director, officer, employee, consultant, representative, or agent, or in any other capacity, in any Competitive Restaurant located or operating within (a) the Area, (b) the Area of Dominant Influence ("**ADI**") in which the Area is located, or (c) 30 miles from the boundaries of the Area

(2) **Post-Opening Competitive Restrictions** If, at any time after the purchase or lease of the Premises at which the Restaurant is to be operated, this Agreement expires or is terminated by COMPANY in accordance with the provisions of this Agreement or by FRANCHISEE without cause, FRANCHISEE agrees that for a period of 2 years commencing on the effective date of the expiration or termination, the date on which FRANCHISEE ceases to conduct the business conducted pursuant to this Agreement, or the effective date of any injunction required to enforce the provisions of this paragraph, whichever is later, FRANCHISEE (and each of its owners if FRANCHISEE is a Business Entity) will not have any direct or indirect interest as an owner, investor, partner, director, officer, employee, consultant, representative, or agent, or in any other capacity, in any Competitive Restaurant located or operating (a) on the premises of the Restaurant, (b) within the ADI in which the Restaurant is located, (c) within a 30 mile radius of the Restaurant, (d) within the ADI in which any other THE MELTING POT® Restaurant, in operation or under development as of the effective date of such expiration or termination, is located, or (e) within a 30 mile radius of any other THE MELTING POT® Restaurant in operation or under development as of the effective date of such expiration or termination

(3) **Non-Solicitation** FRANCHISEE agrees that for a period of 2 years following the expiration or termination of this Agreement for any reason neither FRANCHISEE, its owners, nor any members of his or their immediate families will hire, solicit to hire, or engage the services of anyone who is employed, or was employed within the 6-month period before such hiring, solicitation or engagement, by COMPANY, its affiliates, or any other FRANCHISEES without the previous employer's prior written consent

The restrictions contained in this Section shall not preclude any such person from owning less than 5% of the outstanding shares of stock of any publicly held corporation owning or operating any fondue restaurant or restaurant serving fondue, so long as such person is not engaged in any fashion in the management or operation thereof

G COMPANY'S RIGHT TO PURCHASE THE RESTAURANT

(1) **Election** Upon the expiration or termination of the Franchise by COMPANY in accordance with the provisions of this Agreement or by FRANCHISEE without authorization under this Agreement, COMPANY shall have the option, exercisable by giving written notice thereof within 60 days before or after the effective date of such expiration or termination, to purchase from FRANCHISEE all the tangible assets (including, without limitation, inventory of products, materials, supplies, leasehold improvements, fixtures, equipment, and signs, but excluding any unamortized portion of the Initial Franchise Fee, cash, short term investments, and accounts receivable of the Restaurant) and to an assignment of FRANCHISEE'S lease for the premises of the Restaurant (or, if an assignment is prohibited, a sublease for the full remaining term and on the same terms and conditions as FRANCHISEE'S lease) and, if assignable, an assignment of all licenses and permits

of the Restaurant COMPANY shall have the unrestricted right to assign this option to purchase

(2) **Purchase Price** The purchase price for the assets of the Restaurant will be determined as follows

(a) If FRANCHISEE has financial statements for the previous 24 months that COMPANY considers reliable based on COMPANY'S analysis of the underlying records and FRANCHISEE'S reporting history, then the purchase price will be the greater of (1) adjusted book value as determined in accordance with generally accepted accounting principals ("**ABV**") and (2) fair market value ("**FMV**") FMV will be calculated as 3 times the Restaurant's earnings before interest, depreciation, taxes and amortization ("**EBIDTA**") during the immediately preceding 24 full calendar months, divided by 2

(b) If COMPANY determines that the financial statements are not available or are unreliable, then the purchase price will be determined by dividing the Restaurant's Gross Revenues (as determined for royalty payment purposes) during the immediately preceding 24 full calendar months by 2 (to annualize), then by 3 (so that the purchase price is 1/3 of annualized Gross Revenues),

(c) If COMPANY believes that records for Gross Revenues are either not available or not reliable, then the Gross Revenues will be determined by utilizing the 24 most recently filed reports by FRANCHISEE with COMPANY for purposes of payment of royalties Then, the purchase price will be determined otherwise in accordance with subsection (b) above If FRANCHISEE has not filed 24 Gross Revenues reports with COMPANY, then the annualized Gross Revenues will be determined by averaging the monthly Gross Revenues reports up to 24, to determine a monthly average, multiplying that number by 12, then dividing by 3

(3) **Purchase Price Adjustment** Except in the situation described in subsection (2)(c) above, the purchase price may be subject to adjustment if FRANCHISEE believes the purchase price does not represent fair market value for the Restaurant At FRANCHISEE'S expense, FRANCHISEE can obtain an objective appraisal for the fair market value of the Restaurant as a going concern The appraiser must have substantial experience in the valuation of restaurant businesses and must be either an independent certified public accountant, ASA-qualified, or otherwise accredited, qualified or certified by a professional organization with respect to its business valuation skills, and approved by COMPANY If the valuation from the appraisal is less than the purchase price determined above, then COMPANY will be entitled to reduce the final payment of the purchase price, or FRANCHISEE must reimburse COMPANY for the differential If the valuation is greater, then COMPANY may increase its final payment of the purchase price accordingly, or obtain a separate appraisal from an appraiser with the same qualifications mutually acceptable to both parties This valuation will be accomplished at COMPANY'S expense If, after issuing such valuation, the valuations differ and the parties are not able to agree upon a valuation, then the final determination of the purchase price will be made by a third appraiser acceptable to both of the previous appraisers The valuation from such appraiser will be final and conclusive The difference between the purchase price as so determined will be reflected in the final payment

(4) **Payments and Closing** Possession of the Restaurant and the premises and the assets will be delivered to COMPANY upon the earlier of final closing or 60 days after the date written notice of COMPANY'S intention to purchase the Restaurant is given At the time of delivery of possession, if delivery is before final closing, COMPANY will tender a down-payment of the purchase price in the amount of $25,000 At that time, FRANCHISEE will deliver to COMPANY a bill of sale transferring title to all of such assets and a commitment to cooperate with COMPANY with respect to the assignment of the lease for the premises Then, the payment of the balance of the purchase price will be paid in cash at the final closing of the purchase

The final closing will take place not later than 60 days after the determination of the purchase price, at which time FRANCHISEE shall (1) deliver instruments transferring good and merchantable title to the assets purchased, free and clear of all liens and encumbrances, to COMPANY or its nominee, with all sales and other transfer taxes paid by FRANCHISEE, (2) assign to COMPANY or its nominee all licenses and permits (including beer and wine licenses) which may be assigned, and (3) assign to COMPANY or its nominee FRANCHISEE'S leasehold interest in the premises of the Restaurant or, if an assignment is prohibited, sublease the same to COMPANY or its nominee for the full remaining term and on the same terms and conditions as FRANCHISEE'S lease, including renewal and/or purchase options If FRANCHISEE cannot deliver clear title to all of the purchased assets as aforesaid or there are other unresolved issues, the closing of the sale shall be accomplished through an escrow FRANCHISEE and COMPANY shall, prior to closing, comply with any applicable bulk sales provisions of the Uniform Commercial Code as enacted in the state where the Restaurant is located COMPANY shall have the right to set off against and reduce the purchase price by any sums then due to COMPANY or any of its affiliates Notwithstanding any of the foregoing, COMPANY (or it affiliate) will be entitled to all revenues, sales and profits from operating the Restaurant from the date it receives possession and the sale of the Restaurant will be deemed effective as of such date for all other purposes

(5) **Interim Management** If COMPANY exercises the foregoing option to purchase the Restaurant, COMPANY shall have the right pending determination of the purchase price and the closing of such purchase to appoint a manager to maintain the operation of the Restaurant on behalf of COMPANY, at its expense and subject to its having assumed all liabilities associated with the operation of the Restaurant and having executed a written indemnification agreement by which FRANCHISEE is held harmless for events occurring after COMPANY assumes operation of the Restaurant Alternatively, COMPANY may require FRANCHISEE to close the Restaurant during such time period without removing therefrom any assets of the Restaurant, other than perishable food and beverage products If COMPANY appoints a manager as authorized above, then it will be entitled to a management fee equal to 20% of the Restaurant's Gross Revenues (or 10% if COMPANY'S management personnel are on the Restaurant's payroll) during the period of its management and it will be authorized to pay itself such management fee out of the proceeds of the Restaurant, as well as direct payment of royalties or other payments that otherwise would be due to COMPANY as a result of the operation of the Restaurant as a franchise The manager will be authorized to set up separate bank accounts for the operation of the Restaurant during this period COMPANY will distribute profits to FRANCHISEE on reasonable intervals after maintaining reserves COMPANY will be responsible for the travel and living expenses of its personnel regardless of whether they are on the Restaurant's payroll

H CONTINUING OBLIGATIONS All obligations of COMPANY and FRANCHISEE which expressly or by their nature survive the expiration or termination of the Franchise shall continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied or by their nature expire

17 ENFORCEMENT

A SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS Except as expressly provided to the contrary herein, each section, paragraph, term, and provision of this Agreement, and any portion thereof, shall be considered severable and if, for any reason, any such portion of this Agreement is held to be invalid, contrary to, or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal of competent jurisdiction in a proceeding to which COMPANY is a party, that ruling shall not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible, which shall continue to be given full force and effect and bind the parties hereto, although any portion held to be invalid shall be deemed not to be a part of this Agreement from the date the time for appeal expires, if FRANCHISEE is a party thereto, otherwise upon FRANCHISEE'S receipt of a notice of non-enforcement thereof from COMPANY

If any applicable and binding law or rule of any jurisdiction requires a greater period of notice of the proposed termination of this Agreement than is required hereunder, or the taking of some other action not required hereunder, or if under any applicable and binding law or regulation of any applicable jurisdiction, any provision of this Agreement or any mandatory format, specification, standard, method, or procedure prescribed by COMPANY is invalid or unenforceable, the period of notice and/or other action required by such law or rule shall be substituted for the comparable provisions hereof, and COMPANY shall have the right, in its sole discretion, to modify such invalid or unenforceable provision, format, specification, standard, method, or procedure to the extent required to be valid and enforceable FRANCHISEE agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, which may result from striking from any of the provisions hereof, or any mandatory format, specification, standard, method, or procedure prescribed by COMPANY, any portion or portions which a court or other tribunal of competent jurisdiction may hold to be unenforceable in a final decision to which COMPANY is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such an order Any modification to this Agreement contemplated by this paragraph shall be effective only in such jurisdiction or jurisdictions as are specifically included within the authority of the court or other tribunal rendering the decision giving rise to such modification, unless COMPANY elects to give such modification greater applicability, and this Agreement shall be enforced in all other jurisdictions without regard to any such modification

B WAIVER OF OBLIGATIONS COMPANY may by written instrument unilaterally waive or reduce any obligation of or restriction upon FRANCHISEE under this Agreement, and FRANCHISEE may by written instrument unilaterally waive or reduce any obligation of or restriction upon COMPANY under this Agreement, effective upon delivery of written notice thereof to the other or such other effective date stated in the notice of waiver Whenever this Agreement requires a party's prior approval, consent or permission the other party shall make a timely written request therefor, and such approval, consent or permission shall be obtained in writing

Neither party makes any warranties or guarantees upon which the other party may rely, and assumes no liability or obligation to the other party, by granting any waiver, approval, or consent, or by reason of any neglect, delay, or denial of any request therefor Any waiver granted by a party shall be without prejudice to any other rights such party may have, will be subject to continuing review by such party, and may be revoked, in such party's sole discretion, at any time and for any reason, effective upon delivery to the other party of 10 days prior written notice

Neither party shall be deemed to have waived or impaired any right, power, or option reserved by this Agreement (including, without limitation, the right to demand exact compliance with every term, condition, and covenant herein, or to declare any breach thereof to be a breach and to terminate the Franchise), by virtue of any custom or practice of the parties at variance with the terms hereof, any failure, refusal, or neglect of a party to exercise any right under this Agreement or to insist upon exact compliance with the other party's obligations hereunder, including, without limitation, any mandatory format, specification, standard, method, or procedure, any waiver, forbearance, delay, failure, or omission by a party to exercise any right, power, or option, whether of the same, similar, or different nature, with respect to other THE MELTING POT® Restaurants, or the acceptance by a party of any payments due from the other party after any breach of this Agreement

C **FORCE MAJEURE** Neither COMPANY nor FRANCHISEE shall be liable for loss or damage or deemed to be in breach of this Agreement if its failure to perform its obligations results from (1) transportation shortages, material or energy shortages, 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 department or 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, (3) acts of God, (4) acts or omissions of the other party, (5) fires, strikes, embargoes, war or riot, or (6) any other similar event or cause Any delay resulting from any of the said causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable

D **RIGHTS AND REMEDIES ARE CUMULATIVE** The rights and remedies of both parties hereunder are cumulative and no exercise or enforcement by a party of any right or remedy hereunder shall preclude the exercise or enforcement by such party of any other right or remedy hereunder or which such party is entitled by law to exercise or enforce

E **COSTS AND ATTORNEY FEES** If either party is required to enforce this Agreement in a judicial or arbitration proceeding, the prevailing party shall be entitled to reimbursement of its costs and expenses, including reasonable accounting and attorney's fees

F **WAIVER OF PUNITIVE DAMAGES** WITHOUT LIMITING A PARTY'S OBLIGATIONS TO INDEMNIFY THE OTHER PARTY PURSUANT TO THIS AGREEMENT, FRANCHISEE AND COMPANY EACH WAIVES TO THE FULL EXTENT PERMITTED BY LAW ANY RIGHT TO, OR CLAIM FOR, ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER FRANCHISEE AND COMPANY ALSO AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN FRANCHISEE AND COMPANY, ANY PARTY MAKING A CLAIM WILL BE LIMITED TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS

G **LIMITATIONS OF CLAIMS** FRANCHISEE AND ITS OWNERS AGREE THAT ITS SOLE RECOURSE FOR CLAIMS ARISING BETWEEN THE PARTIES SHALL BE AGAINST COMPANY OR ITS SUCCESSORS OR ASSIGNS FRANCHISEE AND ITS OWNERS AGREE THAT THE MEMBERS, MANAGERS, SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS OF COMPANY SHALL NOT BE PERSONALLY LIABLE NOR NAMED AS A PARTY IN ANY ACTION BETWEEN COMPANY AND FRANCHISEE OR ITS OWNERS ANY AND ALL CLAIMS ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP BETWEEN FRANCHISEE AND COMPANY MUST BE MADE BY WRITTEN NOTICE TO THE OTHER PARTY WITHIN 2 YEARS FROM THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIM (REGARDLESS OF WHEN IT BECOMES KNOWN), EXCEPT FOR CLAIMS ARISING FROM (A) UNDER-REPORTING OF GROSS REVENUES, (B) UNDERPAYMENT OF AMOUNTS OWED, (C) CLAIMS FOR INDEMNIFICATION, (D) UNAUTHORIZED USE OF THE MARKS, AND/OR (E) ANY CLAIMS FOR AN APPLICABLE STATE FRANCHISE LAW FOR WHICH AN AGREED UPON WAIVER OR

REDUCTION IN THE LIMITATIONS PERIODS IS NOT PERMITTED BY SUCH LAW THIS PROVISION DOES NOT LIMIT THE RIGHT TO TERMINATE THIS AGREEMENT IN ANY WAY

H **GOVERNING LAW/CONSENT TO JURISDICTION** EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U S C SECTIONS 1051, ET SEQ), ANY OTHER APPLICABLE FEDERAL LAW, OR ANY APPLICABLE STATE FRANCHISE LAW, THIS AGREEMENT AND THE FRANCHISE SHALL BE GOVERNED BY THE LAWS OF THE STATE OF FLORIDA FRANCHISEE CONSENTS AND IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION AND VENUE OF ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION LOCATED IN THE COUNTY AND STATE IN WHICH COMPANY'S PRINCIPAL HEADQUARTERS ARE LOCATED, AND WAIVES ANY OBJECTION TO THE JURISDICTION AND VENUE OF SUCH COURTS THE EXCLUSIVE CHOICE OF JURISDICTION DOES NOT PRECLUDE THE BRINGING OF ANY ACTION BY THE PARTIES OR THE ENFORCEMENT BY THE PARTIES IN ANY JUDGMENT OBTAINED IN ANY SUCH JURISDICTION, IN ANY OTHER APPROPRIATE JURISDICTION OR THE RIGHT OF THE PARTIES TO CONFIRM OR ENFORCE ANY ARBITRATION AWARD IN ANY APPROPRIATE JURISDICTION

I **WAIVER OF JURY TRIAL** COMPANY AND FRANCHISEE EACH IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER PARTY

J **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 COMPANY and FRANCHISEE

K **VARIANCE** COMPANY has the right to vary standards or specifications for any franchisee based up on that particular franchisee's qualifications, the peculiarities of the particular site or circumstances, the demographics of the trade area, business potential, existing business practices or any other condition which COMPANY deems to be of importance to the successful operation of any particular THE MELTING POT® Restaurant COMPANY will not be required to disclose or grant to FRANCHISEE a like or similar variance hereunder

L **EXERCISE OF BUSINESS JUDGMENT** COMPANY has the right, in its sole judgment, to operate, develop and change the System in any manner that is not specifically prohibited by this Agreement Whenever COMPANY has reserved in this Agreement a right to take or withhold an action, or to grant or decline to grant FRANCHISEE a right to take or omit an action, COMPANY may, except as otherwise specifically provided in this Agreement, make its decision or exercise its rights based on the information readily available to COMPANY and its judgment of what is in its and/or its franchise network's best interests at the time its decision is made, regardless of whether COMPANY could have made other reasonable or even arguably preferable alternative decisions or whether COMPANY'S decision or the action it takes promotes COMPANY'S financial or other individual interests

M **CONSTRUCTION** The preambles to this Agreement are a part of this Agreement, which constitutes the entire Agreement of the parties, and there are no other oral or written understandings or agreements between COMPANY and FRANCHISEE relating to the subject matter of this Agreement as of the date of this Agreement other than as may be specifically referenced herein Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require FRANCHISEE to waive reliance on any representation that COMPANY made in the most recent Disclosure Document (including its exhibits and amendments) that COMPANY delivered to FRANCHISEE or its representative

Except as otherwise expressly provided herein, nothing in this Agreement is intended, nor shall it be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto

The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit, or construe the contents of such sections or paragraphs

The term "**FRANCHISEE**" as used herein is applicable to one or more persons, a corporation, or a partnership, as the case may be, and 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 FRANCHISEE hereunder, their obligations and liabilities to COMPANY shall be joint and several References to "**FRANCHISEE**" and "**assignee**" which are applicable to an individual or individuals shall mean the owner or owners of the equity or operating control of FRANCHISEE or the assignee if FRANCHISEE or the assignee is a Business Entity

This Agreement may be executed in multiple copies, each of which shall be deemed an original

Time is of the essence in this Agreement

18 EFFECTIVENESS OF AGREEMENT

The delivery of an unexecuted copy of this Agreement and any accompanying Franchise Disclosure Document to FRANCHISEE shall not be deemed to be an offer to grant a franchise or enter into an agreement which FRANCHISEE may accept by the execution of such copy No franchise shall be deemed to have been granted by COMPANY to FRANCHISEE and no agreement shall be deemed to have been reached between COMPANY and FRANCHISEE until COMPANY has delivered a fully executed copy of this Agreement to FRANCHISEE and the Initial Franchise Fee has been received by COMPANY

19 ARBITRATION/DISPUTE RESOLUTION

A AGREEMENT TO ARBITRATE Except for claims related to or based on the Marks (which at COMPANY'S sole option may be submitted to any court of competent jurisdiction) and except as otherwise expressly provided for in this Agreement, any litigation, claim, dispute, suit, action, controversy, proceeding or otherwise (' **Dispute**") between or involving FRANCHISEE and COMPANY (and/or involving FRANCHISEE or COMPANY'S affiliates, shareholders, directors, partners, officers, employees, agents, attorneys, accountants, affiliates, guarantors or otherwise), which are not resolved within 45 days of notice from either FRANCHISEE or COMPANY to the other, will be submitted to arbitration The arbitration will be conducted by the American Arbitration Association pursuant to its Commercial Arbitration Rules The parties to any arbitration will execute an appropriate confidentiality agreement, excepting only such disclosures and filings as are required by law or that are strictly necessary to enforcement and confirmation of an arbitration award In any arbitration, the parties must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) or the claim will be barred

B PLACE AND PROCEDURE The arbitration proceedings will be conducted in the county and state in which COMPANY'S principal headquarters are located, by a single arbitrator Any Dispute and any arbitration will be conducted and resolved on an individual and not a class-wide, multiple plaintiff or similarly-consolidated basis A proceeding between COMPANY and FRANCHSISEE or its owners may not be consolidated with another proceeding between COMPANY and any other person or entity Nor may any claims of another party or parties be joined with any claims asserted in any action or proceeding between COMPANY and FRANCHISEE

C AWARDS AND DECISIONS The arbitrator may award any relief deemed proper in the circumstances, including, for example, money damages (with interest on unpaid amounts from their due date(s)), specific performance, and injunctive relief The arbitrator may also award and determine the amount of attorneys' fees and related costs The arbitrator will not have the authority to award exemplary or punitive damages The decision of the arbitrator will be conclusive and binding and judgment on the arbitration award may be entered in any court of competent jurisdiction

D INJUNCTIVE RELIEF At the same time as or after the institution of an arbitration, a party may apply to a court of law for a preliminary or temporary injunction provided the same relief, in permanent form, is requested in the arbitration The court may require a bond, and any claims for wrongful issuance of an injunction are limited to the amount of the bond and must be made in the arbitration The court's decision concerning injunctive relief shall be subject to the final award in arbitration and shall not (except for the amount of the bond) be binding on the arbitrator Upon confirmation of a final award in arbitration, the court's injunction shall be modified, dissolved or carried-over in accordance with the final award

E SURVIVAL This Section 19 continues in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement for any reason

F NOTICES AND PAYMENTS All written notices permitted or required to be delivered by the provisions of this Agreement or of the Operations Manual shall be deemed so delivered (a) at the time delivered by hand or courier, (b) 1 business day after transmission by facsimile, telecopy or a comparable electronic system (including e-mail), (c) 2 business days after being placed in the hands of a commercial airborne carrier service for next business day delivery, or (d) 3 business days after being placed in the U S mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid

All such notices must be addressed to the parties as follows

If to COMPANY The Melting Pot Restaurants, Inc
7886 Woodland Center Boulevard
Tampa, FL 33614
Attn Franchise Administration

If to FRANCHISEE _____
_____
_____
Attn _____

Either party may change the address for delivery of all notices and reports, and any such notice will be effective within 10 business days of any change in address Any required payment or report not actually received by COMPANY during regular business hours on the due date (or properly placed in the U S mail and postmarked by postal authorities at least 3 business days prior thereto, or for which the receipt from the commercial carrier service is not dated at least 2 business days prior thereto) shall be deemed delinquent

20 ANTI-TERRORISM COMPLIANCE

FRANCHISEE agrees to comply with and/or assist COMPANY to the fullest extent possible in its efforts to comply with all Anti-Terrorism Laws In connection with such compliance, FRANCHISEE certifies, represents and warrants that none of its property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that FRANCHISEE is not otherwise in violation of any of the Anti-Terrorism Laws Any violation of the Anti-Terrorism Laws by FRANCHISEE or its employees, or any blocking of FRANCHISEE'S assets under the Anti-Terrorism Laws constitutes grounds for immediate termination of this Agreement and any other agreements FRANCHISEE has entered into with COMPANY or any of its affiliates in accordance with the termination provisions of this Agreement

(Signature page follows)

IN WITNESS WHEREOF, the parties hereto have executed, sealed, and delivered this Agreement on the day and year first above written

FRANCHISEE	**COMPANY**
_____	**THE MELTING POT RESTAURANTS, INC**
By _____	By _____
Title _____	Title _____
Date _____	Date _____

EXHIBIT A
AREA, PREMISES AND TERRITORY

The Premises will be located at a site in the following geographic area that has been approved by the COMPANY _____

_____ (the "**Area**")

The FRANCHISEE recognizes that the COMPANY will only approve a site for the Premises that is consistent with the Company's development plans to open multiple Restaurants in the Area

The "**Premises**" will be located at _____

_____

The '**Territory**" will be defined based upon the total population, as determined by COMPANY'S then current third party demographic software, within the entire geographical area within a circle with a radius of 10 miles (diameter of 20 miles) and its center located at the Premises (the "Circle") as follows (a) if the population within the Circle is less than 1 75 million people then the Territory will be the entire geographical area within a circle with a radius of 8 miles and its center located at the Premises, (b) if the population within the Circle is equal to or greater than 1 75 million people and less than 2 75 million people then the Territory will be the entire geographical area within a circle with a radius of 5 miles and its center located at the Premises, and (c) if the population within the Circle is equal to or greater than 2 75 million people then the Territory will be (i) no greater than the geographical area within a circle with a radius of less than five miles and its center located at the Premises, and (ii) it may be an irregularly shaped area defined by political subdivisions, bodies of water, streets and highways or distances COMPANY will not change the size of the Territory during the Term of your Franchise Agreement, however, COMPANY may change the size of the Territory if FRANCHISEE acquires a successor franchise in order to account for changes in population within the Circle during the Term of the Franchise Agreement

The total population within the Circle is currently _____, therefore, the corresponding Territory will be the entire geographical area within a circle with a radius of ___ miles and its center located at the Premises COMPANY will not change the size of the Territory during the Term of this Franchise Agreement, however, COMPANY may change the size of the Territory in order to account for changes in population within the Circle if FRANCHISEE acquires a successor franchise

FRANCHISEE	THE MELTING POT RESTAURANTS, INC
Signature _____	Signature _____
Name _____	Name _____
Date _____	Date _____

EXHIBIT B
PROPRIETARY THE MELTING POT® RESTAURANT

EQUIPMENT, PRODUCTS, SUPPLIES OR SERVICES

(a) **Bottle Light Fixtures** – Either wall mounted, inset or hanging

(b) **Cooking Pots and Liners** – Metal fondue pots and liners, used for cooking or warming products

(c) **White Plateware** - Custom fondue plates, ramekins, bowls, and small wares used for serving sauces

(d) **Fondue Forks** – Fondue forks with plastic colored handle

(e) **Roemmelators** – Devices made to safely transport the cooking pots

(f) **Inset Table Burners** – Electric, thermostatically controlled burners which are inset into dining tables Used for warming or cooking products

(g) **Stand Alone Burners** - Electric, thermostatically controlled for positioning on tables Used for warming, cooking or preparing products at the dining table or in the kitchen

(h) **Granite Tables and Table Bases** - designed with a cut-out in the granite to insert table burners and the under-mount thermostatic control knobs

(i) **Host Stand** – Wooden host and reservation desk

(j) **Signage** – Any type of signage, interior or exterior, bearing in any form THE MELTING POT® logo, name or insignia

(k) **Branded Items, Menus and Point of Sale Materials** – Any item bearing in any form THE MELTING POT® logo, name or insignia, including Dinner, Dessert and Pocket Menus, wine lists, table tents, check presenters, matches, napkins, glassware, welcome mats, mints, sugar packets, etc

(l) **Hardware, Software and Customer Database** – Any software or hardware not available to the general public, especially including those items which are used by or have been created to be used by or communicate within THE MELTING POT® Franchise System Any form of database, including the reservation book(s), which contain customer names and/or other miscellaneous customer information

(m) **Operations Manuals, Recipes, Documents and Files** – Any manual, document or otherwise related form which is used by THE MELTING POT® Franchise system, including all THE MELTING POT® Standards Forms, files (including electronic files), Brand Standards Manual, Social Media Policy Manual, Quality Certification Inspections, InMoment Survey Reports, All Training Manuals, Kitchen Reference Manual, Operations Manual, and other operational manuals, internal releases and newsletters

(n) **Trade Dress** – any item of clothing, including aprons, bearing in any form THE MELTING POT® logo, name or insignia

(o) **Products** – Any product that is supplied to the franchisee and not otherwise available to the general public, especially those items used to prepare sauces, bouillon, mixes, specialty drinks, marinated meats, milk, dark and white chocolate, Swiss, and cheddar cheese blends This also includes the containers and labels for THE MELTING POT® To-Go items such as dressing bottles, boxes or other containers for chocolates, chocolate wafers, Garlic & Wine Seasoning and other To-Go products which may be added at later date

EXHIBIT C
PRE-OPENING AGREEMENT

By signing below, FRANCHISEE acknowledges and agrees that if the items listed within this Agreement are not in place, FRANCHISEE is aware that the opening of the Restaurant will be delayed If the Restaurant opening is delayed, FRANCHISEE will be responsible for the associated costs incurred as a result of the delay, included but not limited to, the associated costs of the redeployment of FRANCHISOR'S training team *If the items below have not been completed by the date agreed upon The Melting Pot Restaurants Inc ("TMPRI") may but is not obligated to make arrangements to secure said items and/or complete such tasks and FRANCHISEE'S signature below authorizes _____ (an on-location representative) to make arrangements to secure said items and/or complete said tasks FRANCHISEE agrees to reimburse TMPRI any applicable costs incurred in connection with arrangements to secure said items and/or complete said tasks*

The following tasks must be completed prior to the arrival of the Lead Trainer and the training team, unless otherwise agreed to in writing by FRANCHISOR and FRANCHISEE **In order to secure the arrival of the Lead Trainer to your location, please sign, date and email this Agreement to Kim Garvey at kgarvey@frontburnerbrands com no later than the Friday prior to the Lead Trainer's scheduled arrival to the Restaurant**

Office/Marketing/Clerical	***Date task to be completed by***
Pre opening conference call with Lead Trainer	
Certificate of occupancy	
Liquor License	
Health Department Certificate	
Fire Certificate	
Any Applicable Local Permits	
All minimum levels of staff hiring have been met, including managers	
All staff paperwork completed (I-9, W4, Non-compete, Application)	
ServeSafe Alcohol for all FOH Management	
Food Handler's Certificate for ALL management	
Store specific employee handbook completed (Store specific policies)	
All menus finalized, proofed and sent to print, including specialty inserts	
All menu covers ordered	
Marketing systems (Salesforce, Vizergy, Pica9 etc)	
Floor charts completed, with sufficient copies made for all staff members	
All systems operating and checked (POS, Reservation Software, Data Central, phone lines, internet, internal network, office/POS/kitchen/hospitality printers)	
All ACH accounts set up through TMPRI and applicable vendors	

Facilities/Perfect Food	***Date task to be completed by***
All core beverage program items in house and stocked/labeled	
Restaurant is cleaned and organized to its' entirety	
All small wares ordered and in house	
All small wares washed and placed in appropriate labeled area	
All required food items in house stocked and placed in appropriate labeled area,	

per New Restaurant Opening Reference Guide as sent by Lead Trainer	
Ordering template set up for produce, foodservice, liquor, beer and wine	
Robot Coupe (Required product R2 Dicer)	
Robot Coupe Stick Blender	
VIP invite list and invitations finalized and ready to be mailed	
InMoment program set up and inserts ordered	
Celebration packages set up and priced	
Construction punch list completed	
All previous next steps items to be completed prior to Lead Trainer/training team arrival	

Intending to be bound, the parties sign below

FRANCHISEE

_____
[Name of Corporate Entity]

By _____
Name _____
Title _____
Date _____

FRANCHISOR

THE MELTING POT RESTAURANTS, INC

By _____
Name _____
Title _____
Date _____

EXHIBIT "B-1"
TO THE DISCLOSURE DOCUMENT

FORM OF

SUCCESSOR FRANCHISE ADDENDUM TO

FRANCHISE AGREEMENT (FOR RENEWALS ONLY)

THE MELTING POT® RESTAURANTS
SUCCESSOR FRANCHISE ADDENDUM TO
THE CURRENT FRANCHISE AGREEMENT

THIS ADDENDUM is effective as of _____, and amends the Franchise Agreement dated _____ (the "**Agreement**"), between **THE MELTING POT RESTAURANTS, INC** (the "**COMPANY**") with its principal office 7886 Woodland Center Boulevard, Tampa, Florida 33614, and _____ (the "**FRANCHISEE**"), with their principal address at _____

1 **Precedence and Defined Terms** This Addendum is an integral part of, and is incorporated into, the Agreement Nevertheless, this Addendum supersedes any inconsistent or conflicting provisions of the Agreement Terms not otherwise defined in this Addendum have the meanings as defined in the Agreement

2 **FRANCHISEE Status** The FRANCHISEE has been operating a THE MELTING POT® Restaurant under a Franchise Agreement with the COMPANY that is expiring on _____ (the "**Prior Agreement**") The FRANCHISEE wants to obtain a successor franchise from the COMPANY Accordingly, the COMPANY and the FRANCHISEE are simultaneously entering into the COMPANY'S current form of Franchise Agreement This Addendum modifies certain aspects of the Agreement to reflect the fact that the FRANCHISEE is obtaining a successor franchise and that it is an experienced operator of 1 or more THE MELTING POT® Restaurants

3 **Successor Franchise Term** The Term is deemed to begin on the day following the expiration of the Prior Agreement and ends on its 5th anniversary (or _____, ____)

4 **Initial Franchise Fee/Successor Franchise Fee** The initial franchise fee is not applicable The successor franchise fee is $_____ (equal to 1/4 of COMPANY'S current initial franchise fee) Payment is due upon signing this Addendum

5 **Reimbursement** The FRANCHISEE must reimburse the COMPANY for its services rendered and expenses incurred in connection with the grant of successor franchise rights Payment is due upon signing this Addendum

6 **Training and Opening Assistance** Since this relationship is a successor franchise, the COMPANY has no obligation to provide FRANCHISE with any initial training or opening assistance under Section 5 of the Agreement However, prior to the grant of the successor franchise to the FRANCHISEE, it (or one of its managers as designated by the COMPANY) must satisfactorily complete any new training and refresher programs that the COMPANY may require

7 **Development and Opening** Since the FRANCHISEE already owns and operates a THE MELTING POT® Restaurant, all of the COMPANY's obligations under Section 5 of the Agreement are excused Likewise, all provisions of Section 4 of the Agreement that contemplate the opening of a new THE MELTING POT® Restaurant are waived, provided, however, that FRANCHISEE must comply with any remodeling and/or expansion and other improvements or modifications that COMPANY requires to bring FRANCHISEE's Restaurant into compliance with COMPANY's current applicable specifications and standards for new THE MELTING POT® Restaurants

8 **Releases** Simultaneously with signing this Addendum, the FRANCHISEE must sign and deliver to the COMPANY the general release in the form attached as Exhibit "A "

9 **Company Obligations** In addition to its obligations under the Agreement, the COMPANY will perform all of the contractual obligations that it states it is bound to perform in its Franchise Disclosure Document, subject to Sections 6 and 7 above

10 **Transfers** In the event of an assignment, the COMPANY requires that its then-current form of Franchise Agreement and ancillary agreements be utilized Accordingly, in the event of any such transfer, the assignee will be required to sign the COMPANY's standard form of Assignment and Assumption Agreement, and execute the then-current Franchise Agreement, which requires assignee to assume all obligations of the FRANCHISEE under the Agreement However, this Addendum will automatically be cancelled and will no longer apply in any manner so that the transferee will be bound by the Agreement alone, without reference to this Addendum The parties recognize that the accommodations are personal to the FRANCHISEE

11 **Remaining Terms Unaffected** The remaining terms of the Agreement are unaffected by this Addendum and remaining binding on the parties

12 **Effective Date** This Addendum is effective as of _____, regardless of the actual date of signature

Intending to be bound, the COMPANY and the FRANCHISEE sign and deliver this Addendum to each other as shown below

THE MELTING POT RESTAURANTS, INC

By _____
Title _____
Date _____

FRANCHISEE

INDIVIDUALS

_____
[Signature]
_____
[Print Name]
Date _____

_____
[Signature]
_____
[Print Name]
Date _____

CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP

_____
[Name]
By _____
Title _____
Date _____

Exhibit "A"
RELEASE

THIS RELEASE is given by _____ and their predecessors, agents affiliates, legal representatives, successors assigns, heirs beneficiaries executors and administrators (collectively, the **FRANCHISEE**") to **THE MELTING POT RESTAURANTS, INC** and all of its predecessors, agents affiliates, employees legal representatives successors assigns, heirs beneficiaries executors and administrators (collectively, the **COMPANY**)

Effective on the date of this Release the FRANCHISEE forever releases and discharges the COMPANY from any and all claims causes of action, suits debts, agreements, promises, demands, liabilities contractual rights and/or obligations, of whatever nature or kind, in law or in equity which the FRANCHISEE now has or ever had against the COMPANY, including without limitation anything arising out of that certain THE MELTING POT® Franchise Agreement dated _____, except the COMPANY s obligations under the Franchise Agreement dated effective _____ the Successor Franchise Addendum dated effective _____ and the franchise relationship between the COMPANY and the FRANCHISEE after _____ This Release is effective for (a) any and all claims and obligations including those of which the FRANCHISEE is not now aware, and (b) all claims the FRANCHISEE has from anything which has happened up to now

The FRANCHISEE is bound by this Release The FRANCHISEE freely and voluntarily gives this Release to the COMPANY for good and valuable consideration and the FRANCHISEE acknowledges its receipt and sufficiency

The FRANCHISEE represents and warrants to the COMPANY that the FRANCHISEE has not assigned or transferred to any other person any claim or right the FRANCHISEE had or now has relating to or against the COMPANY

In this Release, each pronoun includes the singular and plural as the context may require

This Release is governed by Florida law

This Release is effective _____ notwithstanding the actual date of signatures

IN WITNESS WHEREOF, the undersigned execute this Release

By _____
Name _____
Title _____
Date _____

_____
Date _____

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____,
by _____ as _____
of _____, a _____, on behalf of the _____
He/she is personally known to me or has produced _____ as identification

_____
Signature of Notary
Printed Name of Notary _____
Notary Public State of _____
Serial Number of Notary _____

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____, 20__ by _____
who is personally known to me or has produced _____ as identification

_____
Signature of Notary
Printed Name of Notary _____
Notary Public, State of _____
Serial Number of Notary _____

EXHIBIT "C"
TO THE DISCLOSURE DOCUMENT

FORM OF

AREA DEVELOPMENT AGREEMENT

THE MELTING POT RESTAURANTS, INC

AREA DEVELOPMENT AGREEMENT

_____	_____
Name of Developer	Agreement Effective Date
Developer's Address	Summary Description of Development Area
_____	_____
_____	_____
_____	_____

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EXHIBITS

A Development Area

B Development Fee, Development Schedule

THE MELTING POT RESTAURANTS, INC
AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (this "**Agreement**") is effective on _____, 20___ (the "**Agreement Effective Date**") The parties to this Agreement are **THE MELTING POT RESTAURANTS, INC** , a Florida corporation, with its principal office located at 7886 Woodland Center Boulevard, Tampa, Florida 33614 (the "**COMPANY**"), and _____, whose principal address is _____ (the "**DEVELOPER**")

1 INTRODUCTION

1 1 Background

COMPANY has developed certain specialty restaurants, known as THE MELTING POT® restaurants (the "**Restaurant(s)**"), which serve primarily dinner THE MELTING POT® Restaurants serve cheese fondue, beef, chicken, seafood, and vegetable fondue, chocolate fondue, salads, fruits, and fresh breads, imported and domestic beer and wine, and other foods and beverages THE MELTING POT® Restaurants are operated under certain trade names, service marks, logos, trade dress, and other commercial symbols, including without limitation, the "THE MELTING POT®" and "THE MELTING POT® (with design)" trade name and service mark (collectively, the "**Marks**") Some THE MELTING POT® Restaurants also serve and sell imported and domestic liquors and mixed drinks made from such liquors The Restaurants are operated pursuant to business formats, methods, procedures, designs, layouts, signs, artwork, music, equipment, menus, recipes, trade dress, standards and specifications prescribed or approved by COMPANY, all of which may be improved, further developed or otherwise modified from time to time by COMPANY (collectively, the "**System**") COMPANY grants to persons who meet COMPANY'S qualifications and who are willing to undertake the investment and effort to develop a Restaurant, a franchise to develop, own and operate such a Restaurant, offering products and services prescribed or approved by COMPANY and using the Marks and System

1 2 Development Area

COMPANY grants DEVELOPER the right, and DEVELOPER undertakes the obligations, to develop, own and operate a specified number of Restaurants within the geographic area described in Exhibit "A" (the "**Development Area**"), in accordance with the Development Schedule (as defined in Section 3 1 below) and subject to the terms and conditions of this Agreement

1 3 Representations

DEVELOPER represents and warrants to COMPANY that

(a) DEVELOPER has read this Agreement and COMPANY'S Uniform Franchise Disclosure Document,

(b) DEVELOPER understands that COMPANY may modify its current form of Franchise Agreement from time to time, however, any modifications during the Term will not vary the amount of the initial franchise fee (the "**Initial Franchise Fee**") or royalty fees to be paid by DEVELOPER,

(c) DEVELOPER understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain COMPANY'S high standards

of quality and service and the uniformity of those standards at all Restaurants in order to protect and preserve the goodwill of the Marks,

(d) DEVELOPER has conducted an independent investigation of the business venture contemplated by this Agreement and recognizes that, like any other business, the nature of the business conducted by the Restaurants may evolve and change over time,

(e) that an investment in the Restaurants involves business risks and that the success of the venture is largely dependent upon DEVELOPER'S business abilities and efforts,

(f) as an inducement to COMPANY'S entry into this Agreement, DEVELOPER has made no misrepresentations in obtaining the development rights granted in this Agreement, and DEVELOPER understands that COMPANY may enter into, create, own and/or offer other franchised or non-franchised concepts inside or outside the Development Area

1 4 Acknowledgments

COMPANY expressly disclaims the making of, and DEVELOPER acknowledges that it has not received or relied upon, any warranty or guaranty, express or implied, as to the revenues, sales, profits or success of the business venture contemplated by this Agreement or the extent to which COMPANY will continue to develop and expand the network of Restaurants DEVELOPER acknowledges that

(1) any statement regarding the potential or probable revenues, sales or profits of the business venture are made solely in the Uniform Franchise Disclosure Document delivered to DEVELOPER prior to signing this Agreement,

(2) any statement regarding the potential or probable revenues, sales or profits of the business venture or statistical information regarding any existing Restaurant owned by COMPANY or its affiliates or that is not contained in COMPANY'S Uniform Franchise Disclosure Document is unauthorized, unwarranted and unreliable and should be reported to COMPANY immediately, and

(3) DEVELOPER has not received or relied on any representations about COMPANY or its franchising program or policies made by COMPANY, or its officers, directors, employees or agents, that are contrary to the statements made in COMPANY'S Uniform Franchise Disclosure Document or to the terms of this Agreement If there are any exceptions to any of the foregoing, DEVELOPER must (i) immediately notify COMPANY'S chief executive officer, and (ii) note such exceptions by attaching a statement of exceptions to this Agreement prior to signing this Agreement

1 5 Business Organization

If DEVELOPER is at any time a business organization ("**Business Entity**") (like a corporation, limited liability company or partnership), DEVELOPER agrees and represents that

(a) DEVELOPER has the authority to execute, deliver and perform its obligations under this Agreement and is duly organized or formed and validly existing in good standing under the laws of the state of its incorporation or formation,

(b) DEVELOPER'S organizational or governing documents will recite that the issuance and transfer of any ownership interests in it are restricted by the terms of this Agreement,

and all certificates and other documents representing ownership interests in it will bear a legend referring to the restrictions of this Agreement,

(c) the Principal Owner's Statement will completely and accurately describe all of DEVELOPER'S owners and their ownership interests A copy of COMPANY'S current form of Principal Owner's Statement is attached to the Franchise Disclosure Document,

(d) DEVELOPER and its owners agree to revise the Principal Owner's Statement as may be necessary to reflect any ownership changes and to furnish such other information about DEVELOPER'S organization or formation as COMPANY may request (no ownership changes may be made without COMPANY'S approval),

(e) each of DEVELOPER'S owners during the Term will sign and deliver to COMPANY its standard form of Principal Owner's Guaranty undertaking to be bound jointly and severally by all provisions of this Agreement and any other agreements between DEVELOPER and COMPANY A copy of COMPANY'S current form of Principal Owners Guaranty is attached to the Uniform Franchise Disclosure Document,

(f) at COMPANY'S request, DEVELOPER will furnish true and correct copies of all documents and contracts governing the rights, obligations and powers of its owners and agents (like articles of incorporation or organization and partnership, operating or shareholder agreements) DEVELOPER'S organizational structure and governing documents must be acceptable to COMPANY and contain terms and provisions to prevent management deadlocks and resolve disputes among DEVELOPER'S owners with minimum disruption to DEVELOPER'S business operations, and

(g) During the Term, one of DEVELOPER'S owners shall maintain a controlling ownership interest in the Business Entity, with authority to make operational decisions that are binding on DEVELOPER

2 TERM AND SUCCESSION

2 1 Term of Agreement

This Agreement commences on the Agreement Effective Date and expires on the earlier to occur of (i) the date the last Restaurant is scheduled to be open and operating as specified in the development schedule or (ii) the date that the last Restaurant actually opens for business (the "**Term**") This Agreement may be terminated before it expires, in accordance with Section 9 Upon expiration or termination of this Agreement, DEVELOPER will not have any further rights to acquire franchises to operate Restaurants, but DEVELOPER may continue to develop, own and operate all Restaurants then in operation subject to effective franchise agreements (the "**Franchise Agreement(s)**") with COMPANY in accordance with their terms On expiration or termination of this Agreement, COMPANY may operate or grant other persons franchises to operate Restaurants within the Development Area On expiration of this Agreement, COMPANY may grant DEVELOPER successor development rights as described below

2 2 Successor Rights and Conditions

COMPANY will offer DEVELOPER the right to enter into a Successor Area Development Agreement (a "**Successor Agreement**") at the expiration of the Term, if it meets all of the following conditions

(a) COMPANY determines that additional Restaurants should be developed in the Development Area, and DEVELOPER agrees to further develop the Development Area in accordance with the development schedule established in the Successor Agreement,

(b) all of DEVELOPER'S (or any affiliate's) Restaurants meet standard or above ratings on COMPANY'S quality assurance inspection reports, have no "critical focus items" in a non-compliance status, mystery dining ratings are in the top 50% of units in operation, and guest survey ratings are in the top 50% of units in operation (the "**Quality Standards**"),

(c) DEVELOPER (or any affiliate) is not in default of any provision of this Agreement, any Franchise License, or any other agreement that DEVELOPER (or an affiliate) has entered into with COMPANY (or its affiliates),

(d) DEVELOPER signs and delivers to COMPANY the Successor Agreement (which will be COMPANY'S then-current form of Area Development Agreement), which may include different fees and performance criteria and development schedules,

(e) DEVELOPER pays to COMPANY the development fee required by the Successor Agreement, and

(f) DEVELOPER (and DEVELOPER'S owners in the event DEVELOPER is a Business Entity) signs and delivers to COMPANY a general release relating solely to matters involving this Agreement and the relationship under it, in a form satisfactory to COMPANY, of any and all claims against COMPANY and its officers, directors, employees, agents, affiliates, successors and assigns (excluding any claims under applicable franchise disclosure or relationship laws relating solely to the grant of the Successor Agreement)

2 3 Timing and Method

Not less than 3, nor more than 6, months prior to the expiration of this Agreement, DEVELOPER must notify COMPANY that it wishes to enter into a Successor Agreement with COMPANY After receiving that notice, COMPANY will promptly deliver to DEVELOPER the form of Successor Agreement, including the proposed development schedule to be used in the Successor Agreement DEVELOPER and COMPANY must both sign and deliver to each other the Successor Agreement (with a completed Successor Development Schedule) 30 days prior to the expiration of the Term If DEVELOPER does not sign and deliver to COMPANY the Successor Agreement and pay the Development Fee required under the Successor Agreement within 30 days prior to the expiration of this Agreement, DEVELOPER will be deemed to have elected not to enter into a Successor Agreement with COMPANY If DEVELOPER does not meet the requirements described in Section 2 2, then this Agreement will expire when indicated in Section 2 1

3 DEVELOPMENT RIGHTS AND OBLIGATIONS

3 1 Development Rights

DEVELOPER agrees to develop and open, and continue in operation, the cumulative number of Restaurants within the time periods mandated by the schedule (the "**Development Schedule**") attached as Exhibit "B " In connection therewith, if DEVELOPER is in full compliance with all of the provisions of this Agreement and all Franchise Agreements with COMPANY and meets the Quality Standards for each of its or its affiliates' Restaurants, then during the Term, COMPANY will grant to DEVELOPER (and affiliates), in accordance with Section 5 below, franchises for the ownership and operation of "THE

MELTING POT®" Restaurants to be located within the Development Area in accordance with the terms of this Agreement

3 2 Rights COMPANY Reserves

COMPANY (and its affiliates) retains the right, in its sole discretion and without granting any rights to DEVELOPER, to

(a) establish for itself, and grant to others the right to develop, own and operate, THE MELTING POT® Restaurants anywhere outside of the Development Area, on such terms and conditions as COMPANY deems appropriate,

(b) sell within or outside the Development Area the products and services prescribed or approved for THE MELTING POT® Restaurants under the Marks or other trademarks, service marks, and commercial symbols through dissimilar channels of distribution (such as supermarket sales, retail stores, kiosks and/or dessert or coffee shops, and other outlets that are not full service restaurants) and on such terms and conditions as COMPANY deems appropriate,

(c) develop, operate and own for itself, and grant to others the right to develop, operate and own , other businesses and restaurant concepts anywhere (within the Development Area or without) except that such businesses will not be identified by THE MELTING POT® mark,

(d) develop, operate and franchise other business and restaurant concepts that do not use the Marks or outside the Development Area, and

(e) engage in any other activity, action or undertaking that COMPANY is not expressly prohibited from taking under this Agreement

Notwithstanding the foregoing reservations in Section 3 2 above, during the Term, provided DEVELOPER is not in breach of, or in default under, this Agreement or any Franchise Agreement, neither COMPANY nor its affiliates will develop, own or operate, or grant to any other persons the right to develop, own or operate (a) any THE MELTING POT® Restaurant located within the Development Area, (b) other than a THE MELTING POT® Restaurant, any restaurant, bar, wine bar, dessert bar, coffee shop, food kiosk, food court unit or other prepared food outlet located anywhere in the United States that uses any of the Marks or any confusingly similar marks to identify itself in its trade name, signage or marketing materials, or (c) other than a THE MELTING POT® Restaurant located outside the Development Area, any restaurant, bar, wine bar, dessert bar, coffee shop, food kiosk, food court unit or other prepared food outlet located anywhere in the United States that serves fondue products by at-the-table preparation, or that offers fondue products as 15% or more of its food products based on total number of food items on the menu (excluding alcoholic and nonalcoholic beverages) Nothing in this Agreement restricts or limits any of COMPANY's or its affiliates' rights or business activities relating to any business operations to be conducted outside of the United States

For purposes of this Section 3 2 (i) a "restaurant" is a business establishment, or a part of a business establishment, that primarily serves meals for on-premises consumption, and (ii) a "prepared food outlet" is a business establishment, or a part of a business establishment, that primarily sells food products that do not require further preparation before consumption (i e , cooking)

3 3 Development Obligations

During the Term, DEVELOPER will at all times faithfully, honestly and diligently perform its obligations and continuously exert its best efforts to promote and enhance the development of Restaurants within the Development Area Without limiting the foregoing obligation, DEVELOPER must

(a) obtain locations for Restaurants (the "**Sites**") accepted by COMPANY and open the Restaurants within the time periods mandated by the Development Schedule, and

(b) maintain the cumulative number of Restaurants open and operating in the Development Area as shown on the Development Schedule

If a Restaurant is permanently closed after having been opened, DEVELOPER must develop and open a substitute Restaurant within 120 days from the date of its permanent closing, unless it was closed due to casualty, condemnation or other reasons outside DEVELOPER'S control (not including financial dissatisfaction), in which case a substitute must be opened within 180 days from closing

Any extensions of the time periods to open the Restaurants are subject to COMPANY'S extension policy, which may change from time to time and may require DEVELOPER to pay additional fees to COMPANY

3 4 Effect of Failure

DEVELOPER will be in default of its development obligations under this Agreement, if DEVELOPER fails to

(a) timely meet its development obligations as of any of the required deadline dates shown on the Development Schedule, or

(b) meet the Quality Standards for each of the Restaurants at any time

If such a default occurs, it will constitute a material breach of this Agreement and COMPANY may elect to terminate this Agreement

4 DEVELOPMENT FEE

When DEVELOPER signs this Agreement, it must pay to COMPANY a total development fee (the "**Development Fee**") in the amount set forth on Exhibit "B " The Development Fee is due and payable in cash on the Agreement Effective Date It constitutes payment only for the exclusive rights COMPANY grants to DEVELOPER under this Agreement However, DEVELOPER will not be required to pay the Initial Franchise Fee for the first Restaurant to be developed hereunder, and the Initial Franchise Fee for each remaining Restaurant to be developed under the Development Schedule will be reduced by one-half The Development Fee is non-refundable and is fully earned by COMPANY on receipt whether or not DEVELOPER develops all of the Restaurants in the Development Schedule

5 GRANT OF FRANCHISES

Subject to the provisions of this Agreement, COMPANY agrees to grant franchises to DEVELOPER for the operation of Restaurants to be located within the Development Area on the following conditions

5 1 Site Reports

DEVELOPER must submit to COMPANY a complete site report (containing such information and collateral materials as COMPANY requires from time to time) for each Site at which DEVELOPER proposes to establish and operate a Restaurant, before DEVELOPER acquires any interest in it (by lease or purchase) A complete site report may contain demographic, commercial and market feasibility studies, a site plan, a customary title insurance commitment, zoning verifications, Phase I environmental surveys and other information and photographs and such other information as COMPANY determines appropriate periodically Each Site DEVELOPER submits must be based on its belief that it conforms to the site criteria COMPANY establishes from time to time

5 2 Site Evaluation

COMPANY may inspect all proposed Sites and all Sites are subject to its prior written acceptance In evaluating a Site that DEVELOPER proposes, COMPANY will consider such matters as demographic characteristics of the proposed site, traffic patterns, land use and zoning, licensing and regulatory concerns, residential and recreational quality, parking, character of the neighborhood, renovation and construction concerns, competition from other facilities in the area, the proximity to other facilities (including other Restaurants), the nature of other businesses and restaurants in proximity to the Site and other commercial and residential characteristics (including the purchase price, rental obligations and other lease or acquisition terms for the proposed Site), and the size, appearance and other physical characteristics of the Site DEVELOPER must obtain COMPANY'S prior written consent to the Site before DEVELOPER signs any lease for, or a binding purchase agreement for, the proposed Site Nothing prevents COMPANY from operating (directly or through an affiliate), or from granting a franchise for the operation of, a Restaurant at any Site outside the Development Area Notwithstanding any contrary Term or any Franchise Agreement, DEVELOPER will have a similar amount of time as stated in the then-current Franchise Agreement from the date of signing of a lease or closing on the acquisition of a Site to complete the development of the Restaurant on that Site on the following conditions

(a) Such Restaurant is to be newly constructed from the "ground up" and it is not utilizing an existing structure, and

(b) No other time frames for development of Restaurants or the Development Schedule will be affected in any way

5 3 Site Acceptance

COMPANY may withhold its consent to a Site for any reason COMPANY will, by delivery of written notice to DEVELOPER, accept or reject each Site proposed by DEVELOPER for the operation of a Restaurant COMPANY agrees to exert commercially reasonable efforts to notify DEVELOPER within 30 days after COMPANY has received the complete site report and other materials COMPANY has requested If DEVELOPER (or its affiliate) fails to obtain lawful possession of, or a formal commitment for, an accepted Site (through acquisition or leasing) within 60 days after COMPANY'S acceptance, COMPANY may (in its sole discretion) withdraw its acceptance

5 4 Acquisition Terms

COMPANY also has the right to approve the terms of any lease or sublease, or of any acquisition or financing terms for the proposed site DEVELOPER must deliver a copy of such documents to COMPANY for its approval prior to signing them Any proposed lease or sublease, and any purchase or

financing documents, must contain such terms and provisions that COMPANY reasonably requires, as specified in the Franchise Agreement At COMPANY'S request, DEVELOPER agrees that it will collaterally assign the lease (under COMPANY'S standard form) to COMPANY as security for its timely performance of all obligations under this Agreement and secure the lessor's consent to the collateral assignment COMPANY will not negotiate the lease or sublease on behalf of DEVELOPER DEVELOPER is required, at its sole expense, to utilize the services of a real estate agent approved or designated by COMPANY for all lease negotiations

5 5 Effect of Acceptance

COMPANY'S acceptance of the Site (including its location, appearance and size) indicates only that COMPANY believes it falls within the acceptable criteria COMPANY has established at that time DEVELOPER acknowledges and agrees that

(a) COMPANY'S approval of the Site and any information imparted to DEVELOPER regarding the location of the Site does not constitute a representation or warranty of any kind, expressed or implied, as to the suitability of that Site for a Restaurant or for any other purpose,

(b) application of criteria that has been effective with respect to other Sites and premises may not be predictive of the potential for all Sites and premises and that, subsequent to COMPANY'S acceptance of a Site, demographic and/or economic factors included in, or excluding from, COMPANY'S criteria could change, thereby altering the potential of a Site and premises,

(c) the uncertainty and instability of such criteria are beyond COMPANY'S control and COMPANY is not responsible for the failure of a Site and premises accepted by it to meet expectations as to potential revenue or operational criteria, and

(d) DEVELOPER'S acceptance of a franchise for the operation of a Restaurant at the location of a Site DEVELOPER proposes is based upon its own independent investigation of the suitability of that location and that Site even though COMPANY may provide guidance and assistance to DEVELOPER in selecting the Site for its Restaurant

5 6 Financial and Management Resources

In order to preserve and enhance reputation and goodwill of all Restaurants and the goodwill of the Marks, all Restaurants must be properly developed and operated Accordingly, DEVELOPER agrees that COMPANY may refuse to grant it a franchise for a proposed Restaurant unless DEVELOPER demonstrates to COMPANY that it has sufficient financial resources and management capabilities in COMPANY'S judgment, applying standards consistent with criteria COMPANY uses in other comparable market areas, to properly develop and operate the proposed Restaurant at that time DEVELOPER must submit to COMPANY a written plan for its financing of each proposed Restaurant in a form reasonably acceptable to COMPANY Each written plan must include details of the sources and terms of financing and such other information that COMPANY requires from time to time, including regulatory and licensing requirements in DEVELOPER'S state DEVELOPER may not commence development of a proposed Restaurant until COMPANY has approved the written plan COMPANY'S approval will be given or withheld in its sole discretion COMPANY'S approval may depend, in part, on DEVELOPER'S compliance with the minimum or average and per Restaurant equity capital requirements that COMPANY establishes for the ownership of Restaurants from time to time DEVELOPER acknowledges that COMPANY'S approval of a financing plan does not constitute assurance that such financing plan will not be unduly burdensome for DEVELOPER, any affiliate or Restaurant Approval is only an indication that the financing plan meets COMPANY'S minimum standards

5 7 Franchise Agreement

If COMPANY has accepted and DEVELOPER has obtained lawful possession of or a formal commitment for the Site, COMPANY will deliver to DEVELOPER a Franchise Agreement to operate a Restaurant at the proposed Site in a form ready for signing DEVELOPER understands and agrees that COMPANY may modify the Franchise Agreement from time to time, however, any modifications during the Term will not vary the amount of the initial franchise fee or royalty fees to be paid by DEVELOPER DEVELOPER (or an affiliate) must sign and deliver such Franchise Agreement to COMPANY within 30 days after COMPANY'S delivery to DEVELOPER along with payment of the applicable initial franchise fee If DEVELOPER (or its affiliate) does not timely sign and return such Franchise Agreement and tender payment of the initial franchise fee, COMPANY may revoke COMPANY'S offer to grant DEVELOPER a franchise to operate a Restaurant at such proposed Site Contemporaneously with the signing of the Franchise Agreement, each of DEVELOPER'S direct or indirect owners must sign and deliver to COMPANY a Principal Owner's Guaranty in the form attached to the Franchise Agreement

6 MANAGEMENT OF BUSINESS

6 1 Management

DEVELOPER (or, if it is a Business Entity a person having majority management rights and powers (e g , officers, managers, partners, etc) (the "**Manager(s)**") must

(a) exert DEVELOPER'S (or his) full-time efforts to the fulfillment of its obligations,

(b) not engage in any other business or activity, directly or indirectly, that requires management responsibility or time commitments or otherwise may conflict with DEVELOPER'S obligations without COMPANY'S prior written approval,

(c) supervise the development and operation of Restaurants franchised pursuant hereto, and

(d) attend such training programs, meetings and conventions which COMPANY may offer during the Term

6 2 Expenses

DEVELOPER must bear all expenses incurred by it or its Manager(s) in attending such meetings, programs or conventions

6 3 Management Personnel

DEVELOPER must hire and maintain the number and level of management and other skilled personnel required to adequately manage, supervise and provide personal services at all Restaurants operated by DEVELOPER in accordance with the guidelines COMPANY establishes from time to time DEVELOPER must promptly notify COMPANY of the identities of its management personnel, and any changes in such personnel DEVELOPER is responsible for ensuring that such personnel are properly trained and licensed to perform their duties DEVELOPER must replace any management personnel whom COMPANY determines to be unqualified for their positions

6 4 Joint and Several

If 2 or more persons are at any time DEVELOPER under this Agreement, their obligations to COMPANY are joint and several

7 CONFIDENTIAL INFORMATION/COMPETITIVE RESTRICTIONS

7 1 Confidential Information

COMPANY possesses certain confidential information, consisting of the ingredients, recipes, and methods of preparation of food and beverage products sold at MELTING POT® Restaurants and the formats, specifications, standards, methods, procedures, information, and knowledge of and experience in the operating and franchising of MELTING POT® Restaurants (the "**Confidential Information**") The Confidential Information will not include any information which

(1) Is or becomes generally available to the public other than as a result of disclosure in breach of the Agreement,

(2) Was available to DEVELOPER on a non-confidential basis prior to its disclosure, and

(3) Becomes available to DEVELOPER on a non-confidential basis from a person other than someone associated with COMPANY who is not otherwise bound by a Confidentiality Agreement with COMPANY

Nothing in the Agreement will prevent DEVELOPER from testifying truthfully in a court of competent jurisdiction pursuant to a validly issued subpoena, as long as DEVELOPER has immediately notified COMPANY and given it a reasonable opportunity to seek a protective order

COMPANY will disclose certain of the Confidential Information to DEVELOPER in furnishing DEVELOPER training, in the Operations Manual, in computer software licensed to DEVELOPER, and in guidance and written materials furnished to DEVELOPER during the Term

The Operations Manual includes a section disclosing recipes for various ingredients, condiments, and other menu items However, there is no disclosure of the recipes of the proprietary salad dressing, batter mixes, sauce mixes, sauces, and bulk chocolates which are used and sold at and from THE MELTING POT® Restaurants In no event shall COMPANY be required to disclose the recipes for such proprietary salad dressings, batter mixes, sauce mixes, sauces, and bulk chocolates If COMPANY develops new proprietary ingredients, condiments, and menu items as additions to or substitutions for such proprietary salad dressings, batter mixes, sauce mixes, sauces, and bulk chocolates, COMPANY shall not be required to disclose the recipes for such proprietary ingredients, condiments, and menu items

DEVELOPER acknowledges and agrees he will not acquire any interest in the Confidential Information other than the right to use it in the development and operation of the Restaurants during the Term, and that the use or duplication of the Confidential Information in any other business would constitute unfair competition DEVELOPER acknowledges and agrees that the Confidential Information is proprietary to and a trade secret of COMPANY and is disclosed to DEVELOPER solely on the condition that DEVELOPER agrees, and DEVELOPER does hereby agree, that he will (1) not use the Confidential Information in any other business or capacity, (2) maintain the absolute confidentiality of the Confidential Information during and after the Term, (3) not make unauthorized copies of any portion of the Confidential Information disclosed in written form, and (4) adopt and implement all reasonable procedures prescribed

from time to time by COMPANY to prevent unauthorized use or disclosure of the Confidential Information, including, without limitation, restrictions on disclosure thereof to employees of the Restaurant and the use of nondisclosure and noncompetition clauses in employment agreements with such employees

DEVELOPER agrees that COMPANY shall have the perpetual right to use and authorize other MELTING POT® Restaurants to use, and DEVELOPER shall fully and promptly disclose to COMPANY, all ideas, concepts, methods, and techniques relating to the development and/or operation of fondue restaurants conceived or developed by DEVELOPER and/or his employees during the Term

7 2 Competitive Restrictions/In-Term

DEVELOPER acknowledges and agrees that COMPANY would be unable to protect its trade secrets against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among COMPANY and all developers and franchised owners of MELTING POT® Restaurants if any developer or franchised owner of a MELTING POT® Restaurant is permitted to have any interest in or involvement with any restaurant serving fondue other than a THE MELTING POT® Restaurant Therefore, during the Term, neither DEVELOPER (nor any of DEVELOPER'S owners in the event DEVELOPER is a Business Entity), nor any member of his or their immediate families, shall

(1) have any direct or indirect interest, as an owner, investor, partner, director, officer, employee, consultant, representative, or agent, or in any other capacity, in any fondue restaurant or restaurant serving fondue, wherever located, other than a THE MELTING POT® Restaurant (a "**Competitive Restaurant**"), provided, however, that this prohibition shall not preclude any such person from owning less than 5% of the outstanding shares of stock of any publicly held corporation owning or operating any such restaurant so long as such person is not engaged in any fashion in the management or operation thereof, or

(2) hire, solicit to hire, or engage the services of anyone who is employed, or was employed within the 6-month period before such hiring, solicitation or engagement, by COMPANY, its affiliates, its franchisees or any other DEVELOPERS without the previous employer's prior written consent

8 MARKS

8 1 Ownership and Goodwill

DEVELOPER acknowledges that COMPANY is the owner of the Marks, that DEVELOPER has no interest whatsoever in or to the Marks, that DEVELOPER'S right to use the Marks is derived solely from this Agreement and is limited to the conduct of his business pursuant to and in compliance with this Agreement and the mandatory and suggested formats, specifications, standards, methods, and procedures prescribed by COMPANY from time to time during the Term Any other use of the Marks by DEVELOPER shall constitute an infringement of the right of COMPANY in and to the Marks DEVELOPER agrees that all use of the marks by DEVELOPER, and any goodwill established thereby, shall inure to the exclusive benefit of COMPANY, and DEVELOPER acknowledges that this Agreement does not confer any such goodwill or other interest in the Marks upon DEVELOPER All provisions of this Agreement applicable to the Marks shall apply to any additional trade names, trademarks, service marks, logos, trade dress, commercial symbols, or other identifying characteristics of MELTING POT®Restaurants hereafter developed and authorized for use by and licensed to DEVELOPER pursuant to this Agreement

8 2 Limitations on DEVELOPER'S Use of the Marks

DEVELOPER agrees to use the Marks as the sole identification of the Restaurant, provided that DEVELOPER shall identify himself as the independent owner thereof in the manner prescribed by COMPANY DEVELOPER shall not use any Mark as part of any corporate, partnership, or organizational name or with any prefix, suffix, or other modifying words, terms, designs, or symbols, or in any modified form, nor may DEVELOPER use any Mark in connection with the sale of any product or service which is not prescribed or approved by COMPANY or in any other manner not expressly prescribed or approved in writing by COMPANY Except for the world wide web internet pages owned by COMPANY and approved for DEVELOPER to use in the promotion of its operating Restaurants during the term of the Franchise Agreement(s), you may not advertise in, create or own any website for marketing or in any fashion display the Marks, or the products offered in or information about the Restaurants DEVELOPER agrees to display the Marks prominently and in the manner prescribed or approved by COMPANY on signs, menus, and forms Further, DEVELOPER agrees to give such notices of mark registration as COMPANY specifies and to obtain such fictitious or assumed name registrations as may be required under applicable law

8 3 Discontinuance of Use of Marks

If it becomes advisable at any time, in COMPANY'S sole discretion, for COMPANY and/or DEVELOPER to modify or discontinue use of any Mark, and/or use one or more additional substitute trade names, trademarks, service marks, logos, trade dress, or other commercial symbols, DEVELOPER agrees to comply with COMPANY'S directions with respect thereto within a reasonable time after notice thereof by COMPANY DEVELOPER acknowledges that in connection with the use of a new or modified Mark, he may be required, at his own expense, to remove existing signs and the like from the Restaurant, and to purchase and install new signs and the like COMPANY shall have no liability whatsoever to DEVELOPER in connection therewith

8 4 Ownership of Marks

COMPANY is the owner of all right, title and interest in and to the Marks COMPANY has taken and will take all reasonable steps necessary in its good faith business judgment necessary to preserve and protects its rights in the Marks COMPANY will only use, and permit DEVELOPER and other persons to use, the Marks in accordance with the System, its standards and specifications, and on terms consistent with them

8 5 Notification of Infringements

DEVELOPER shall notify COMPANY immediately in writing of any apparent infringement of, or challenge to DEVELOPER'S use of, any Mark, or any claim by any person of any rights in any Mark, or any similar trade name, trademark, service mark, logo, trade dress, or other commercial symbol of which DEVELOPER becomes aware DEVELOPER shall not communicate with any person other than COMPANY and its counsel in connection with any infringement, challenge, or claim COMPANY shall take such action as its deems appropriate in its good faith business judgment and have the right to exclusively control any litigation, U S Patent and Trademark Office proceeding, or other administrative proceeding arising out of any such infringement, challenge, or claim or otherwise relating to any Mark, including any claim of unfair competition relating thereto

DEVELOPER may not, without the written approval of COMPANY, in its sole discretion, commence or prosecute, or seek leave to intervene in, any litigation or other proceeding, including any arbitration proceeding, in which DEVELOPER purports to enforce any right to recover any element of

damage arising from the use or infringement of any Mark or from any unfair competition resulting therefrom DEVELOPER agrees to execute any and all instruments and documents, render such assistance, and do such acts and things as, in the opinion of COMPANY'S counsel, may be necessary or advisable to protect and maintain the interests of COMPANY in any such litigation, U S Patent and Trademark Office proceeding, or other administrative or arbitration proceeding or to otherwise protect and maintain the interests of COMPANY in the Marks

8 6 Indemnification

DEVELOPER shall notify COMPANY immediately in writing of any apparent infringement of, or challenge to DEVELOPER'S use of, any Mark, or any claim by any person of any rights in any Mark, or any similar trade name, trademark, service mark, logo, trade dress, or other commercial symbol of which DEVELOPER becomes aware DEVELOPER shall not communicate with any person other than COMPANY and its counsel in connection with any infringement, challenge, or claim COMPANY shall take such action as its deems appropriate in its good faith business judgment and have the right to exclusively control any litigation, U S Patent and Trademark Office proceeding, or other administrative proceeding arising out of any such infringement, challenge, or claim or otherwise relating to any Mark, including any claim of unfair competition relating thereto The indemnity obligations under this Section 8 6 will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement

9 TERMINATION

9 1 By DEVELOPER

If DEVELOPER is in substantial compliance with all material terms of this Agreement and COMPANY materially breaches this Agreement and fails to cure such breach within 30 days after written notice thereof is delivered to COMPANY, DEVELOPER may terminate this Agreement Such termination shall be effective 10 days after delivery to COMPANY of written notice that such breach has not been cured and DEVELOPER elects to terminate this Agreement A termination (or purported or attempted termination) of this Agreement by DEVELOPER, other than in strict compliance with the foregoing provisions, shall be deemed a termination by DEVELOPER without cause and a material breach of this Agreement by DEVELOPER

9 2 **By COMPANY**

COMPANY shall have the right to terminate this Agreement by delivery of a written notice to DEVELOPER stating that COMPANY elects to terminate this Agreement as a result of any of the breaches set forth below Such termination shall be effective upon delivery of such notice of termination or, if applicable, upon the failure to cure (to COMPANY'S satisfaction) any such breach may be cured in accordance with the provision set forth below, without the necessity of any further notice from COMPANY to DEVELOPER It shall be a material breach of this Agreement if DEVELOPER (and/or any of its owners)

(1) fails to develop the Restaurant according to the Development Schedule,

(2) has made any material misrepresentation or omission in his application for this Agreement, or is convicted or pleads no contest to a felony, or is convicted of or pleads no contest to any crime or offense which may adversely affect the reputation of THE MELTING POT® Restaurants or the goodwill associated with the Marks,

(3) makes any unauthorized use of the Marks or the System or any unauthorized use or disclosure of any of the Confidential Information DEVELOPER will have 20 days after notice to cure the default regarding any unauthorized use of the Marks,

(4) terminates (or purports or attempts to terminate) this Agreement, other than in strict compliance with the provisions of this Agreement, or

(5) fails to comply with any provision of this Agreement or any Franchise Agreement with COMPANY or any mandatory format, specification, standard, method, or procedure prescribed by COMPANY, or to timely pay amounts due to COMPANY, persons other than COMPANY or its affiliates, which may be cured within 15 days after notice

10 EFFECT OF TERMINATION AND EXPIRATION

10 1 Payment Of Amounts Owed To COMPANY

DEVELOPER agrees to pay to COMPANY within 30 days after the effective date of the expiration or termination of this Agreement any amounts owed COMPANY DEVELOPER shall contemporaneously with such payment furnish a complete accounting of all such amounts owed to COMPANY and its affiliates

10 2 The Marks

DEVELOPER agrees that, after the expiration or termination of this Agreement, except for those items expressly designated and allowed under a valid and existing Franchise Agreement with COMPANY, it will

(1) not directly or indirectly at any time or in any manner identify it or any business as a current or former MELTING POT® Restaurant, or as a developer of or as otherwise associated with COMPANY, or use the Marks, any colorable imitation thereof, or other indicia of MELTING POT® Restaurants in any manner or for any purpose, or use for any purpose any trade name, trademark, service mark, logo, trade dress, architectural designs, interior designs, decor, or other commercial symbol that suggests or indicates a connection or association with COMPANY,

(2) promptly destroy or deliver to COMPANY (at COMPANY'S option, exercisable within 10 days after the termination) all signs, sign faces, menus, advertising materials, forms, invoices, and other materials containing the Marks or otherwise identifying or relating to THE MELTING POT® Restaurants and return all Secured Equipment to COMPANY,

(3) promptly take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to his use of the Marks,

(4) promptly notify the telephone company and all listing agencies of the expiration or termination of DEVELOPER'S right to use any telephone number and any regular, classified, or other telephone directory listings associated with the Marks and authorize transfer of the same to or at the direction of COMPANY,

(5) furnish to COMPANY within 30 days after the effective date of the expiration or termination evidence satisfactory to COMPANY of DEVELOPER'S compliance with the foregoing obligations, and

(6) within 30 days after the effective date of the expiration or termination, DEVELOPER will take such measures as necessary to completely de-identify its development business from COMPANY

If requested by COMPANY during the Term, DEVELOPER agrees to execute dated letters of direction to telephone companies and telephone directory listing agencies directing termination and/or transfer of DEVELOPER'S right to use telephone numbers associated with the Marks, which COMPANY may use upon the expiration or termination of this Agreement DEVELOPER acknowledges that as between COMPANY and DEVELOPER, COMPANY has the sole right to and interest in all telephone numbers and directory listings associated with the Marks, and DEVELOPER authorizes COMPANY, and hereby appoints COMPANY and any officer of COMPANY as his attorney in fact, to direct the telephone company and all listing agencies to transfer the same to COMPANY or at its direction should DEVELOPER fail or refuse to do so, and the telephone company and all listing agencies may accept such direction or this Agreement as conclusive evidence of the exclusive right of COMPANY to such telephone numbers and directory listings and its authority to direct their transfer

10 3 Confidential Information

DEVELOPER agrees that, upon the expiration or termination of this Agreement, it will immediately cease to use, in any business or otherwise, the Confidential Information disclosed to DEVELOPER pursuant to this Agreement and return to COMPANY all copies of the Operations Manual and other written forms of confidential or proprietary information for MELTING POT® Restaurants which have been loaned or provided to him by COMPANY, except for such materials loaned or provided to DEVELOPER under valid and existing Franchise Agreements with COMPANY

10 4 Competitive Restrictions/Post-Term

If this Agreement expires or is terminated by COMPANY in accordance with the provisions of this Agreement or by DEVELOPER without cause, DEVELOPER agrees that for a period of 2 years, commencing on the effective date of the expiration or termination, or the effective date of any injunction required to enforce the provisions of this paragraph, whichever is later, neither DEVELOPER, its owners, nor any members of his or their immediate families will

(1) have any direct or indirect interest as an owner, investor, partner, director, officer, employee, consultant, representative, or agent, or in any other capacity, in any Competitive Restaurant, except under Franchise Agreements with COMPANY, located or operating (a) in the Development Area, (b) within the Area of Dominant Influence ("**ADI**") in which the Development Area is located, (c) within a 30 mile radius of the Development Area, (d) within the ADI in which any other MELTING POT® Restaurant, in operation or under development as of the effective date of such expiration or termination, is located, or (e) within a 30 mile radius of any other MELTING POT® Restaurant in operation or under development as of the effective date of such expiration or termination, or

(2) hire, solicit to hire, or engage the services of anyone who is employed, or was employed within the 6-month period before such hiring, solicitation or engagement, by COMPANY, its affiliates, its franchisees or any other DEVELOPERS without the previous employer's prior written consent

These competitive restrictions inure to the benefit of COMPANY, its successors and assigns

10 5 Continuing Obligations

All obligations of COMPANY and DEVELOPER which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied or by their nature expire

11 ASSIGNMENT

11 1 By COMPANY

This Agreement is fully transferable by COMPANY and inures to the benefit of any assignee or other legal successor to its interest, but COMPANY must reasonably believe that any such assignee or successor is capable of fulfilling and willing to fulfill COMPANY'S obligations under this Agreement

11 2 By DEVELOPER

DEVELOPER understands and acknowledges that the rights and duties created by this Agreement are personal to it (or, if it is a Business Entity, its owners) and that COMPANY has granted this Agreement in reliance upon its perceptions of the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of DEVELOPER (or, if it is a Business Entity, its owners) Therefore, neither this Agreement (or any interest therein) nor any part or all of the ownership of DEVELOPER may be transferred by it or its owners without COMPANY'S prior written approval Any such transfer without COMPANY'S prior written approval constitutes a breach of this Agreement and will convey no rights to, or interests in, this Agreement to such assignee As used in this Agreement, the term "**transfer**" includes DEVELOPER'S (or its owners') voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in (a) this Agreement, (b) DEVELOPER, or (c) any of the Franchise Agreements

11 3 Conditions for Approval of Transfer

If DEVELOPER and its owners are in substantial compliance with all material terms of this Agreement, COMPANY shall not unreasonably withhold its approval of an assignment, provided that the proposed assignee is, in the opinion of COMPANY, of good moral character and has sufficient business experience, aptitude, and financial resources to operate the development business and otherwise meets COMPANY'S then applicable standards for new developers and new Franchise Agreements, and further provided that the following conditions are met prior to, or concurrent with, the effective date of the assignment

(1) all obligations of DEVELOPER and its owners incurred in connection with this Agreement have been assumed by the assignee,

(2) the assignee (and, if a Business Entity, its owners) shall at COMPANY'S option, execute and agree to be bound by (i) an assignment and assumption agreement satisfactory to COMPANY whereby the assignee assumes the obligations of DEVELOPER under this Agreement, or (ii) the form of area development agreement and such ancillary agreements as are then customarily used by COMPANY in the granting development rights for THE MELTING POT® Restaurants, which shall provide for the same terms and conditions required hereunder and for a term equal to the remaining Term,

(3) DEVELOPER or the assignee shall have paid to COMPANY COMPANY'S then current standard assignment fee to defray expenses incurred by COMPANY in connection with

the assignment, including, without limitation, legal and accounting fees, credit and other investigation charges, and evaluation of the assignee and the terms of the assignment,

(4) except to the extent limited or prohibited by applicable law, DEVELOPER (and each of its owners if DEVELOPER is a Business Entity) shall have executed a general release, in a form satisfactory to COMPANY, of any and all claims against COMPANY and its affiliates, officers, directors, employees, and agents pertaining in any way to this Agreement (but excluding claims under applicable franchise laws which may not be waived under such laws) and the parties' relationship under it, and COMPANY shall execute a reciprocal release of all claims against DEVELOPER and its affiliates, officers, directors, employees and agents (except that claims for indemnification will be excluded),

(5) COMPANY shall have approved the material terms and conditions of such assignment and shall have determined that the price and terms of payment are not so burdensome as to adversely affect the development and operation of Restaurants by the assignee,

(6) DEVELOPER (and each of its owners if DEVELOPER is a Business Entity) shall have executed a noncompetition covenant in favor of COMPANY and the assignee, agreeing that for a period of not less than 2 years, commencing on the effective date of the assignment or from the effective date of any injunction required to enforce the provisions of the covenant, whichever is later, he will not have any direct or indirect interest as an owner, investor, partner, director, officer, employee, consultant, representative, or agent, or in any other capacity, in any fondue restaurant, or any restaurant serving any kind of fondue, located or operating within (a) the ADI in which the Development Area is located, (b) a 30 mile radius of the Development Area, (c) the ADI in which any MELTING POT® Restaurant in operation or under development as of the effective date of the assignment is located, or (d) a 30 mile radius of any MELTING POT® Restaurant in operation or under development as of the effective date of the assignment, and

(7) DEVELOPER (or its owners) shall have entered into an agreement with COMPANY agreeing that any obligations of such assignee to make installment payments of the purchase price to DEVELOPER (or its owners) shall be subordinated to such assignee's obligations to COMPANY and its affiliates/

COMPANY'S consent to an assignment of any interest subject to the restrictions the foregoing shall not constitute a waiver of any claims it may have against the assignor, nor shall it be deemed a waiver of COMPANY'S right to demand exact compliance with any of the terms or conditions of this Agreement by the assignee (subject to this agreement)

11 4 Death or Permanent Disability

Upon the death or permanent disability of DEVELOPER (or any owner of DEVELOPER if DEVELOPER is a Business Entity), the executor, administrator, conservator, or other personal representative of such person shall transfer his interest within a reasonable time, not to exceed 12 months from the date of death or permanent disability, to a person approved by COMPANY unless a new managing owner approved by COMPANY has been appointed within such period, and subject to the transfer or assignment of such interest within 30 days of the completion of any applicable probate or administration proceedings with respect to the estate of such person Such transfer, including, without limitation, transfers by devise or inheritance, shall be subject to all the terms and conditions for assignments and transfers contained in this Agreement Failure to comply with the requirements of this paragraph shall constitute grounds for termination of this Agreement

11 5 Assignment to a Business Entity

Upon 30 days prior written notice to COMPANY, this Agreement may be assigned, by an agreement in form and substance approved by COMPANY, to a Business Entity that conducts no business other than operating the development business, which is actively managed by DEVELOPER and in which DEVELOPER owns and controls all of the equity and voting power of all issued and outstanding ownership interests Such an assignment shall not relieve DEVELOPER of his obligations hereunder, and DEVELOPER shall remain jointly and severally liable for all obligations hereunder The articles of incorporation, bylaws, and other organizational documents of such Business Entity shall recite that the issuance and assignment of any interest therein is restricted by the terms of this Agreement and all issued and outstanding stock certificates or other evidence of ownership of such Business Entity shall bear a legend reflecting or referring to such restrictions

Any person who becomes a shareholder or owner of DEVELOPER during the Term shall execute an agreement in form furnished or approved by COMPANY undertaking to be bound jointly and severally by all provisions of this Agreement and shall execute a personal guaranty, in the form attached as an exhibit to COMPANY'S Uniform Franchise Disclosure Document or any form then prescribed by COMPANY, of all obligations of DEVELOPER to COMPANY and any affiliated corporation, partnership, or other business entity DEVELOPER shall furnish to COMPANY at any time upon request a certified copy of DEVELOPER'S articles of incorporation or other organizational documents, and a list, in such form as COMPANY may require, of all shareholders or owners (of record and beneficially) reflecting their respective interests in DEVELOPER

11 6 Right of First Refusal

If DEVELOPER (or its owners) shall at any time determine to sell or to transfer for consideration this Agreement (or an interest therein), or any ownership interest in DEVELOPER, other than to any individual or entity already owning an interest therein, DEVELOPER (or its owners) shall obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser and shall submit an exact copy of such offer to COMPANY COMPANY shall have the right, exercisable by written notice delivered to DEVELOPER (or its owners) within 30 days from the date of delivery of an exact copy of such offer to COMPANY, to purchase the development business or such ownership interest in DEVELOPER for the price and on the terms and conditions contained in such offer, provided that COMPANY may substitute cash for any form of payment proposed in such offer and shall have not less than 60 days within which to close any such transaction, or such longer period as may have been provided by the terms and conditions of such offer If COMPANY does not exercise its right of first refusal, DEVELOPER (or its owners) may complete the sale to such purchaser pursuant to and on the terms of such offer, subject to COMPANY'S approval of the purchaser as provided in this Agreement, provided that if the sale to such purchaser is not completed within 120 days after delivery of such offer to COMPANY, or if there is a material change in the terms and conditions of such offer, COMPANY shall again have the right of first refusal provided herein This right of first refusal will not apply to any sales or transfers in which the underlying voting and control of DEVELOPER does not change

12 RELATIONSHIP OF THE PARTIES/INDEMNIFICATION

12 1 Relationship of the Parties

It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that COMPANY and DEVELOPER shall be independent contractors, and that

nothing in this Agreement is intended to make either party a general or special agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose

COMPANY has not authorized or empowered DEVELOPER to use the Marks other than as provided by this Agreement, and DEVELOPER shall not employ any Mark in signing any contract, lease, mortgage, check, purchase agreement, negotiable instrument, or other legal obligation without the prior written approval of COMPANY, or employ any Mark in a manner that is likely to result in liability of COMPANY for any indebtedness or obligation of DEVELOPER

Except as may otherwise be specifically provided in this Agreement, neither COMPANY nor DEVELOPER shall make any express or implied agreements, guarantees, or representations, or incur any debt, in the name of or on behalf of the other, or represent that their relationship is other than franchisor and developer, and neither COMPANY nor DEVELOPER shall be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized hereunder, nor shall COMPANY be obligated for any damages to any person or property directly or indirectly arising out of the operation of the development business, whether or not caused by DEVELOPER'S negligent or willful action or failure to act

COMPANY shall have no liability for any sales, use, excise, gross receipts, property, or other taxes, whether levied upon DEVELOPER or its assets, or COMPANY, in connection with sales made, services performed, or business conducted by DEVELOPER

12 2 Indemnification by DEVELOPER

DEVELOPER agrees to indemnify, defend and hold harmless COMPANY, its affiliates and its respective shareholders, directors, officers, employees, agents, successors and assignees (the "**Indemnified Parties**") against and to reimburse any one or more of the Indemnified Parties for all claims, obligations and damages described in this Section, any and all taxes described in this Agreement and any and all claims and liabilities directly or indirectly arising out of the operation of the development business or DEVELOPER'S breach of this Agreement COMPANY has the right to defend any such claim against it This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement

Under no circumstances will COMPANY or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate their or COMPANY'S losses and expenses, in order to maintain and recover fully a claim against DEVELOPER DEVELOPER agrees that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts COMPANY or another Indemnified Party may recover from DEVELOPER Furthermore, notwithstanding the foregoing, DEVELOPER will not be required to indemnify nor to contribute amounts as stated above for any claim in which COMPANY is adjudicated by final non-appealable judgment to have primarily caused the claim, obligation or damage due to its gross negligence, or willful or reckless misconduct

12 3 Indemnification by COMPANY

COMPANY agrees to indemnify, defend and hold harmless DEVELOPER, its affiliates and its respective shareholders, directors, officers, employees, agents, successors and assignees (the "**Developer Parties**") against, and to reimburse any one or more of DEVELOPER Parties for all claims, obligations and damages described in this paragraph and any and all claims and liabilities directly or indirectly arising out of COMPANY'S operation of its franchising business, but not for claims of vicarious liability that arise out of DEVELOPER'S operation of its development business COMPANY has the right to defend

any such claims for which it has agreed to indemnify DEVELOPER This indemnity will continue in full force and effect subsequent to and notwithstanding expiration or termination of the Agreement Under no circumstances will DEVELOPER or any other Developer Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate its or their losses and expenses, in order to maintain and recover fully a claim against COMPANY COMPANY agrees that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts DEVELOPER or another Developer Party may recover from COMPANY

12 4 Definition of Claims

For purposes of indemnification, "**claims**" includes all obligations, damages (actual, consequential or otherwise) and costs reasonably incurred in the defense of any claim against any of the Indemnified Parties or any of DEVELOPER Parties, including, without limitation, reasonable accountants', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living expenses

13 ENFORCEMENT

13 1 Severability, Substitution of Valid Provisions

Except as expressly provided to the contrary herein, each section, paragraph, term, and provision of this Agreement, and any portion thereof, shall be considered severable and if, for any reason, any such portion of this Agreement is held to be invalid, contrary to, or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal of competent jurisdiction in a proceeding to which COMPANY is a party, that ruling shall not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible, which shall continue to be given full force and effect and bind the parties hereto, although any portion held to be invalid shall be deemed not to be a part of this Agreement from the date the time for appeal expires, if DEVELOPER is a party thereto, otherwise upon DEVELOPER'S receipt of a notice of non-enforcement thereof from COMPANY

If any applicable and binding law or rule of any jurisdiction requires a greater period of notice of the proposed termination of this Agreement than is required hereunder, or the taking of some other action not required hereunder, or if under any applicable and binding law or regulation of any applicable jurisdiction, any provision of this Agreement or any mandatory format, specification, standard, method, or procedure prescribed by COMPANY is invalid or unenforceable, the period of notice and/or other action required by such law or rule shall be substituted for the comparable provisions hereof, and COMPANY shall have the right, in its sole discretion, to modify such invalid or unenforceable provision, format, specification, standard, method, or procedure to the extent required to be valid and enforceable DEVELOPER agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, which may result from striking from any of the provisions hereof, or any mandatory format, specification, standard, method, or procedure prescribed by COMPANY, any portion or portions which a court or other tribunal of competent jurisdiction may hold to be unenforceable in a final decision to which COMPANY is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such an order Any modification to this Agreement contemplated by this paragraph shall be effective only in such jurisdiction or jurisdictions as are specifically included within the authority of the court or other tribunal rendering the decision giving rise to such modification, unless COMPANY elects to give such modification greater applicability, and this Agreement shall be enforced in all other jurisdictions without regard to any such modification

13 2 Waiver of Obligations

COMPANY may by written instrument unilaterally waive or reduce any obligation of or restriction upon DEVELOPER under this Agreement, and DEVELOPER may by written instrument unilaterally waive or reduce any obligation of or restriction upon COMPANY under this Agreement, effective upon delivery of written notice thereof to the other or such other effective date stated in the notice of waiver Whenever this Agreement requires a party's prior approval or consent, the other party shall make a timely written request therefor, and such approval shall be obtained in writing

Neither party makes any warranties or guarantees upon which the other party may rely, and assumes no liability or obligation to the other party, by granting any waiver, approval, or consent, or by reason of any neglect, delay, or denial of any request therefor Any waiver granted by a party shall be without prejudice to any other rights such party may have, will be subject to continuing review by such party, and may be revoked, in such party's sole discretion, at any time and for any reason, effective upon delivery to the other party of 10 days prior written notice

Neither party shall be deemed to have waived or impaired any right, power, or option reserved by this Agreement (including, without limitation, the right to demand exact compliance with every term, condition, and covenant herein, or to declare any breach thereof to be a default and to terminate this Agreement), by virtue of any custom or practice of the parties at variance with the terms hereof, any failure, refusal, or neglect of a party to exercise any right under this Agreement or to insist upon exact compliance with the other party's obligations hereunder, including, without limitation, any mandatory format, specification, standard, method, or procedure, any waiver, forbearance, delay, failure, or omission by a party to exercise any right, power, or option, whether of the same, similar, or different nature, with respect to other MELTING POT® Restaurants, or the acceptance by a party of any payments due from the other party after any breach of this Agreement

Neither COMPANY nor DEVELOPER shall be liable for loss or damage or deemed to be in breach of this Agreement if its failure to perform its obligations results from (1) transportation shortages, material or energy shortages, 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 department or 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, (3) acts of God, (4) acts or omissions of the other party, (5) fires, strikes, embargoes, war or riot, or (6) any other similar event or cause Any delay resulting from any of the said causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable

13 3 Force Majeure

Neither COMPANY nor DEVELOPER shall be liable for loss or damage or deemed to be in breach of this Agreement if its failure to perform its obligations results from (1) transportation shortages, material or energy shortages, 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 department or 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, (3) acts of God, (4) acts or omissions of the other party, (5) fires, strikes, embargoes, war or riot, or (6) any other similar event or cause Any delay resulting from any of the said causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable

13 4 Rights and Remedies are Cumulative

The rights and remedies of both parties hereunder are cumulative and no exercise or enforcement by a party of any right or remedy hereunder shall preclude the exercise or enforcement by such party of any other right or remedy hereunder or which such party is entitled by law to exercise or enforce

13 5 Costs and Attorney Fees

If either party is required to enforce this Agreement in a judicial or arbitration proceeding, the prevailing party shall be entitled to reimbursement of its costs and expenses, including reasonable accounting and legal fees

13 6 Waiver of Punitive Damages

WITHOUT LIMITING A PARTY'S OBLIGATIONS TO INDEMNIFY THE OTHER PARTY PURSUANT TO THIS AGREEMENT, DEVELOPER AND COMPANY EACH WAIVE TO THE FULL EXTENT PERMITTED BY LAW ANY RIGHT TO, OR CLAIM FOR, ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER DEVELOPER AND COMPANY ALSO AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN DEVELOPER AND COMPANY, THE PARTY MAKING A CLAIM WILL BE LIMITED TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS

13 7 Limitation of Claims

ANY AND ALL CLAIMS ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP AMONG DEVELOPER AND COMPANY MUST BE MADE BY WRITTEN NOTICE TO THE OTHER PARTY WITHIN 1 YEAR FROM THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIM (REGARDLESS OF WHEN IT BECOMES KNOWN), EXCEPT FOR CLAIMS ARISING FROM (A) UNDERPAYMENT OF AMOUNTS OWED, (B) CLAIMS FOR INDEMNIFICATION, AND/OR (C) UNAUTHORIZED USE OF THE MARKS HOWEVER, THIS PROVISION DOES NOT LIMIT THE RIGHT TO TERMINATE THIS AGREEMENT IN ANY WAY

13 8 Governing Law/Consent to Jurisdiction

EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U S C SECTIONS 1051, ET SEQ), ANY OTHER APPLICABLE FEDERAL LAW, OR ANY APPLICABLE STATE FRANCHISE LAW, THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF FLORIDA DEVELOPER CONSENTS AND IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION AND VENUE OF ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION LOCATED IN THE COUNTY AND STATE IN WHICH COMPANY'S PRINCIPAL HEADQUARTERS ARE LOCATED, AND WAIVES ANY OBJECTION TO THE JURISDICTION AND VENUE OF SUCH COURTS THE EXCLUSIVE CHOICE OF JURISDICTION DOES NOT PRECLUDE THE BRINGING OF ANY ACTION BY THE PARTIES OR THE ENFORCEMENT BY THE PARTIES IN ANY JUDGMENT OBTAINED IN ANY SUCH JURISDICTION, IN ANY OTHER APPROPRIATE JURISDICTION OR THE RIGHT OF THE PARTIES TO CONFIRM OR ENFORCE ANY ARBITRATION AWARD IN ANY APPROPRIATE JURISDICTION

13 9 Waiver of Jury Trial

COMPANY AND DEVELOPER EACH IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER PARTY

13 10 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 COMPANY and DEVELOPER

13 11 Variance

COMPANY has the right to vary standards or specifications for any developer based up on that particular developer's qualifications, the peculiarities of the particular site or circumstances, the demographics of the trade area, business potential, existing business practices or any other condition which COMPANY deems to be of importance to the successful operation of any particular THE MELTING POT® Restaurant or developer COMPANY will not be required to disclose or grant to DEVELOPER a like or similar variance hereunder

13 12 Exercise of Business Judgment

COMPANY has the right, in its sole judgment, to operate, develop and change the System in any manner that is not specifically prohibited by this Agreement Whenever COMPANY has reserved in this Agreement a right to take or withhold an action, or to grant or decline to grant DEVELOPER a right to take or omit an action, COMPANY may, except as otherwise specifically provided in this Agreement, make its decision or exercise its rights based on the information readily available to COMPANY and its judgment of what is in its and/or its franchise network's best interests at the time its decision is made, regardless of whether COMPANY could have made other reasonable or even arguably preferable alternative decisions or whether COMPANY'S decision or the action it takes promotes COMPANY'S financial or other individual interests

13 13 Construction

The preambles to this Agreement are a part of this Agreement, which constitutes the entire Agreement of the parties, and there are no other oral or written understandings or agreements between COMPANY and DEVELOPER relating to the subject matter of this Agreement as of the date of this Agreement other than as may be specifically referenced herein Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require DEVELOPER to waive reliance on any representation that COMPANY made in the most recent Disclosure Document (including its exhibits and amendments) that COMPANY delivered to DEVELOPER or its representative

Except as otherwise expressly provided herein, nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto

The headings of the several sections and paragraphs hereof 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, and 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, their obligations and liabilities to COMPANY shall be joint and several References to "**DEVELOPER**" and "**assignee**" which are applicable to an individual or individuals shall mean the owner or owners of the equity or operating control of DEVELOPER or the assignee if DEVELOPER or the assignee is a corporation or partnership

This Agreement may be executed in multiple copies, each of which shall be deemed an original

Time is of the essence in this Agreement

13 14 Effectiveness of Agreement

The delivery of an unexecuted copy of this Agreement and any accompanying Uniform Franchise Disclosure Document to DEVELOPER shall not be deemed to be an offer to enter into an area development agreement which DEVELOPER may accept by the execution of such copy No area development agreement shall be deemed to have been granted by COMPANY to DEVELOPER and no agreement shall be deemed to have been reached between COMPANY and DEVELOPER until COMPANY has delivered a fully executed copy of this Agreement to DEVELOPER and the initial development has been received by COMPANY

14 ARBITRATION/DISPUTE RESOLUTION

14 1 Agreement To Arbitrate

Except for claims related to or based on the Marks (which at COMPANY'S sole option may be submitted to any court of competent jurisdiction) and except as otherwise expressly provided for in this Agreement, any litigation, claim, dispute, suit, action, controversy, proceeding or otherwise ("**Dispute**") between or involving DEVELOPER and COMPANY (and/or involving DEVELOPER or COMPANY'S affiliates, shareholders, directors, partners, officers, employees, agents, attorneys, accountants, affiliates, guarantors or otherwise), which are not resolved within 45 days of notice from either DEVELOPER or COMPANY to the other, will be submitted to arbitration The arbitration will be conducted by the American Arbitration Association pursuant to its Commercial Arbitration Rules The parties to any arbitration will execute an appropriate confidentiality agreement, excepting only such disclosures and filings as are required by law or that are strictly necessary to enforcement and confirmation of an arbitration award In any arbitration, the parties must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) or the claim will be barred

14 2 Place And Procedure

The arbitration proceedings will be conducted in the county and state in which COMPANY'S principal headquarters are located, by a single arbitrator Any Dispute and any arbitration will be conducted and resolved on an individual and not a class-wide, multiple plaintiff or similarly-consolidated basis

14 3 Awards And Decisions

The arbitrator may award any relief deemed proper in the circumstances, including, for example, money damages (with interest on unpaid amounts from their due date(s)), specific performance, and injunctive relief The arbitrator may also award and determine the amount of attorneys' fees and related costs The arbitrator will not have the authority to award exemplary or punitive damages The decision

of the arbitrator will be conclusive and binding and judgment on the arbitration award may be entered in any court of competent jurisdiction

14 4 **Injunctive Relief**

At the same time as or after the institution of an arbitration, a party may apply to a court of law for a preliminary or temporary injunction provided the same relief, in permanent form, is requested in the arbitration The court may require a bond, and any claims for wrongful issuance of an injunction are limited to the amount of the bond and must be made in the arbitration The court's decision concerning injunctive relief shall be subject to the final award in arbitration and shall not (except for the amount of the bond) be binding on the arbitrator Upon confirmation of a final award in arbitration, the court's injunction shall be modified, dissolved or carried-over in accordance with the final award

14 5 **Survival**

This Section 14 continues in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement for any reason

14 6 **Notices And Payments**

All written notices permitted or required to be delivered by the provisions of this Agreement or of the Operations Manual shall be deemed so delivered (a) at the time delivered by hand or courier, (b) 1 business day after transmission by facsimile, telecopy or a comparable electronic system (including e-mail), (c) 2 business days after being placed in the hands of a commercial airborne carrier service for next business day delivery, or (d) 3 business days after being placed in the U S mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid

All such notices must be addressed to the parties as follows

If to COMPANY	The Melting Pot Restaurants, Inc 7886 Woodland Center Boulevard Tampa, FL 33614 Attn Franchise Administration
If to DEVELOPER	To the address set forth on the cover page of this Agreement

Either party may change the address for delivery of all notices and reports, and any such notice will be effective within 10 business days of any change in address Any required payment or report not actually received by COMPANY during regular business hours on the due date (or properly placed in the U S mail and postmarked by postal authorities at least 3 business days prior thereto, or for which the receipt from the commercial carrier service is not dated at least 2 business days prior thereto) shall be deemed delinquent

15 ANTI-TERRORISM COMPLIANCE

DEVELOPER agrees to comply with and/or assist COMPANY to the fullest extent possible in its efforts to comply with all Anti-Terrorism Laws In connection with such compliance, DEVELOPER certifies, represents and warrants that none of its property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that DEVELOPER is not otherwise in violation of any of the Anti-Terrorism Laws Any violation of the Anti-Terrorism Laws by DEVELOPER or its employees, or

any blocking of DEVELOPER'S assets under the Anti-Terrorism Laws constitutes grounds for immediate termination of this Agreement and any other agreements DEVELOPER has entered into with COMPANY or any of its affiliates in accordance with the termination provisions of this Agreement

The parties to this Agreement now sign and deliver this Agreement in multiple counterparts effective as of the Agreement Effective Date, regardless of the actual date of signature

COMPANY

THE MELTING POT RESTAURANTS, INC

By _____
Name _____
Title _____
Date _____

DEVELOPER

INDIVIDUALS

_____
Name _____
Date _____

_____
Name _____
Date _____

IF BUSINESS ENTITY

_____

By _____
Name _____
Title _____
Date _____

EXHIBIT A

DEVELOPMENT AREA

The Development Area is the following geographic area

_____

_____

_____

_____

☐ check box if map is attached

DEVELOPER

_____

By _____

Name _____

Title _____

COMPANY

THE MELTING POT RESTAURANTS, INC

By _____

Name _____

Title _____

EXHIBIT B

DEVELOPMENT FEE, DEVELOPMENT SCHEDULE

1 **Total Number of Restaurants** DEVELOPER must develop a total of ___ Restaurants in the Development Area during the Term

2 **Development Fee** The amount of the Development Fee is $_____

3 **Timing Site/Opening** The following table presents the deadline dates for DEVELOPER to open each Restaurant by the end of each development period ("**Development Period**") and the cumulative number of Restaurants by the end of the following Development Periods for purposes of meeting the Development Schedule Each of the _____ Restaurants must be open by the end of the associated Development Period

Development Period	Number of Restaurants Opened During Development Period	Minimum Cumulative Number of Restaurants Open and In Operation
1 (*Insert Date* through *Insert Date*)		
2 (*Insert Date* through *Insert Date*)		
3 (*Insert Date* through *Insert Date*)		
4 (*Insert Date* through *Insert Date*)		
5 (*Insert Date* through *Insert Date*)		

DEVELOPER

_____

By _____

Name _____

Title _____

COMPANY

THE MELTING POT RESTAURANTS, INC

By _____

Name _____

Title _____

EXHIBIT "D"
TO THE DISCLOSURE DOCUMENT

FORM OF

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS

THIS CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS (this ' **Assignment**") is effective as of _____, 20__, between **THE MELTING POT RESTAURANTS, INC** , a Florida corporation with its principal place of business at 7886 Woodland Center Road, Tampa, Florida 33614 (' **we**," "**us**" or "**our**") and _____
_____,
whose current place of business is _____
("**you**" or "**your**") You and we are sometimes referred to collectively as the "parties" or individually as a "party "

BACKGROUND INFORMATION

We have simultaneously entered into the certain Franchise Agreement (the "**Franchise Agreement**") dated as of _____, 20___ with you, pursuant to which you plan to own and operate a franchised THE MELTING POT® Restaurant (the "**Restaurant**") THE MELTING POT® Restaurants use certain proprietary knowledge, procedures, formats, systems, forms, printed materials, applications, methods, specifications, standards and techniques authorized or developed by us (collectively the "**System**") We identify THE MELTING POT® Restaurants and various components of the System by certain trademarks, trade names, service marks, trade dress and other commercial symbols (collectively the "**Marks**") In order to protect our interest in the System and the Marks, we will have the right to control the telephone numbers and listings of the Restaurant if the Franchise Agreement is terminated

OPERATIVE TERMS

You and we agree as follows

1 **Background Information** The background information is true and correct This Assignment will be interpreted by reference to the background information Terms not otherwise defined in this Assignment will have the meanings as defined in the Franchise Agreement

2 **Conditional Assignment** You assign to us, all of your right, title and interest in and to those certain telephone numbers and regular, classified or other telephone directory listings (collectively, the "**Numbers and Listings**") associated with the Marks and used from time to time in connection with the operation of the Restaurant This Assignment is for collateral purposes only We will have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment, unless we notify the telephone company and/or the listing agencies with which you have placed telephone directory listings (collectively, the "**Telephone Company**") to effectuate the assignment of the Numbers and Listings to us Upon termination or expiration of the Franchise Agreement we will have the right and authority to ownership of the Numbers and Listings In such event, you will have no further right, title or interest in the Numbers and Listings and will remain liable to the Telephone Company for all past due fees owing to the Telephone Company on or before the date on which the assignment is effective As between us and you, upon termination or expiration of the Franchise Agreement, we will have the sole right to and interest in the Numbers and Listings

3 **Power of Attorney** You irrevocably appoint us as your true and lawful attorney-in-fact to (a) direct the Telephone Company to effectuate the assignment of the Numbers and Listings to us, and (b) sign on your behalf such documents and take such actions as may be necessary to effectuate the assignment Notwithstanding anything else in the Assignment, however, you will immediately notify and instruct the Telephone Company to effectuate the assignment described in this Assignment to us when, and only when (i) the Franchise Agreement is terminated or expires, and (ii) we instruct you to so notify the Telephone Company If you fail to promptly direct the Telephone Company to effectuate the assignment of the Numbers and Listings to us, we will direct the Telephone Company to do so The Telephone Company may accept our written direction, the Franchise Agreement or this Assignment as conclusive proof of our exclusive rights in and to the Numbers and Listings upon such termination or expiration The assignment will become immediately and automatically effective upon Telephone Company's receipt of such notice from you or us If the Telephone Company requires that you and/or we sign the Telephone Company's assignment forms or other documentation at the time of termination or expiration of the Franchise Agreement, our signature On such forms or documentation on your behalf will effectuate your consent and agreement to the assignment At any

time, you and we will perform such acts and sign and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement The power of attorney conferred upon us pursuant to the provisions set forth in this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without our consent

4 **Indemnification** You will indemnify and hold us and our affiliates, stockholders, directors, officers and representatives (collectively, the "**Indemnified Parties**") harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys' fees, costs and expenses that any of the Indemnified Parties incur as a result of any claim brought against any of the Indemnified Parties or any action which any of the Indemnified Parties are named as a party or which any of the Indemnified Parties may suffer, sustain or incur by reason of, or arising out of, your breach of any of the terms of any agreement or contract or the nonpayment of any debt you have with the Telephone Company

5 **Binding Effect** This Assignment is binding upon and inures to the benefit of the parties and their respective successors-in-interest, heirs, and successors and assigns

6 **Assignment to Control** This Assignment will govern and control over any conflicting provision in any agreement or contract which you may have with the Telephone Company

7 **Attorney's Fees, Etc** In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment or the enforcement thereof, the prevailing party will be entitled to reimbursement of its attorneys' fees, costs and expenses from the non-prevailing party The term "attorneys' fees" means any and all charges levied by an attorney for his or her services including time charges and other reasonable fees including paralegal fees and legal assistant fees and includes fees earned in settlement, at trial, appeal or in bankruptcy proceedings and/or in arbitration proceedings

8 **Severability** If any of the provisions of this Assignment or any section or subsection of this Assignment are held invalid for any reason, the remainder of this Assignment or any such section or subsection will not be affected, and will remain in full force and effect in accordance with its terms

9 **Governing Law and Forum** This Assignment is governed by Florida law The parties will not institute any action against any of the other parties to this Assignment except in the state or federal courts of general jurisdiction in Hillsborough County, Florida, and they irrevocably submit to the jurisdiction of such courts and waive any objection they may have to either the jurisdiction or venue of such court

ASSIGNOR	**ASSIGNEE**
	THE MELTING POT RESTAURANTS, INC
By _____	By _____
Name _____	Name _____
Title _____	Title _____
Date _____	Date _____

STATE OF _____)
) **SS**
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20___, by _____, as _____ of _____, a _____, on behalf of said _____ He/She is personally known to me or has produced _____ as identification

_____
Printed Name _____
NOTARY PUBLIC
(Notarial Seal) Commission No_____
State of _____ at Large
My Commission Expires

STATE OF FLORIDA_____)
) **SS**
COUNTY OF HILLSBOROUGH)

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by _____ as _____ of **THE MELTING POT RESTAURANTS, INC** , a Florida corporation, on behalf of said corporation He/She is personally known to me or has produced _____ as identification

_____
Printed Name _____
NOTARY PUBLIC
(Notarial Seal) Commission No _____
State of _____ at Large
My Commission Expires

THIS CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS is accepted and agreed to by

_____
(TELEPHONE COMPANY)

By _____
Name _____
Its _____
Date _____

EXHIBIT "E"
TO THE DISCLOSURE DOCUMENT

FORM OF

COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE

COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE

THIS COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE (this "**Assignment**") is effective as of the effective date of the Lease (as defined below), between and among **THE MELTING POT RESTAURANTS, INC** , a Florida corporation with its principal place business at 7886 Woodland Center Blvd , Tampa, Florida 33614 ("**we**," "**us**," "**our**" or the '**Franchisor**"), and _____, a _____ (corporation, partnership, limited liability company) whose current principal place of business is _____('**you**," "**your**" or the "**Franchisee**") You and we are sometimes referred to collectively as the "**parties**" or individually as a "**party** "

BACKGROUND INFORMATION

We entered into that certain Franchise Agreement (the "**Franchise Agreement**") effective as of _____, 20__ with you, pursuant to which you plan to own and operate a franchised THE MELTING POT® Restaurant ("**THE MELTING POT® Restaurant**") located at _____ (the "**Restaurant Premises**") In addition, pursuant to that certain Lease Agreement (the ' **Lease**"), you have leased or will lease certain space containing the Restaurant Premises described therein from _____ The Franchise Agreement requires you to deliver this Assignment to us before you open your THE MELTING POT® Restaurant and commence business

OPERATIVE TERMS

We and you agree as follows

1 **Background Information** The background information is true and correct This Assignment will be interpreted by reference to, and construed in accordance with, the background information Terms not otherwise defined in this Assignment will have the meanings as defined in the Lease

2 **Indemnification** You agree to indemnify and hold us and our affiliates, stockholders, directors, officers and representatives (collectively, the "**Indemnified Parties**") harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys' fees, costs and expenses that any of the Indemnified Parties incur as a result of any claim brought against any of the Indemnified Parties or any action which any of the Indemnified Parties are named as a party or which any of the Indemnified Parties may suffer, sustain or incur by reason of, or arising out of, your breach of any of the terms of the Lease, including the failure to pay rent or any other terms and conditions of the Lease

3 **Collateral Assignment** You grant to us a security interest in and to the Lease, all of the furniture, removable trade, fixtures, inventory, licenses and supplies located in the Restaurant Premises and the franchise relating to your THE MELTING POT® Restaurant, and all of your rights, title and interest in and to the Lease as collateral for (a) the payment of any obligation, liability or other amount owed by you or your affiliates to the Lessor arising under the Lease, (b) for any default or breach of any of the terms and provisions of the Lease, and (c) for any default or breach of any of the terms and provisions of the Franchise Agreement (or any related successor, renewal, or conversion franchise agreement) and any Area Development Agreement with us The term "**Collateral**" shall specifically exclude any items which are fixtures and thus property of the landlord under the laws of the state where the Restaurant Premises is located and any personal property or other items owned by Landlord In the event of a breach or default by you under the terms of the Lease, or, in the event we make any payment to the Lessor as a result of your breach of the Lease, then such payment by us, or such breach or default by you, will at our option be deemed to be an immediate default under the Franchise Agreement (and any Area Development Agreement), and we will be to the possession of the Restaurant Premises and to all of your rights, title and interest in and to the Lease and to all other remedies described herein, in the Franchise Agreement (and any Area Development Agreement) or at law or in equity, without prejudice to any of our other rights or remedies under any other agreements or under other applicable laws or equities

This Assignment will constitute a lien on your interest in and to the Lease until satisfaction in full of all amounts owed by you to us In addition, our rights, as provided by this Assignment, to assume all obligations under the Lease are totally optional on our part, to be exercised in our sole discretion You will execute any and all Uniform Commercial Code financing statements and all other documents and instruments deemed necessary by us to perfect or document the interests and assignments granted herein

4 **No Subordination** Other than the lien created by this Assignment, the Franchise Agreement, the Lessor's lien under the Lease, liens securing bank financing for your operations in the Restaurant Premises, and the agreements and other instruments referenced herein, and any mortgage debt of the Lessor (provided Lessor's mortgagee enters into a non-disturbance agreement), you will not permit the Lease to become subordinate to any lien without first obtaining our written consent You will not terminate, modify or amend any of the provisions or terms of the Lease without our prior written consent Any attempt at termination, modification or amendment of any of the terms without such written consent will be null and void

5 **Exercise of Remedies** We will be entitled to exercise any one or more of the following remedies in our sole discretion in the event of any default by you under the terms of the Lease, the Franchise Agreement (including any related successor, renewal or conversion franchise agreement) or any Area Development Agreement

(a) to take possession of the Restaurant Premises, or any part thereof, personally, or by our agents or attorneys,

(b) to, in our discretion, without notice and with or without process of law, enter upon and take and maintain possession of all or any part of the Restaurant Premises, together with all of your furniture, fixtures, inventory, books, records, papers and accounts,

(c) to exclude you, your agents or employees from the Restaurant Premises,

(d) as attorney-in-fact for you, or in our own name, and under the powers herein granted, to hold, operate, manage and control THE MELTING POT® Restaurant and conduct the business, if any, thereof, either personally or through our agents, with full power to use such legally rectifiable measures which may, in our sole discretion, be deemed proper or necessary to cure such default, including actions of forcible entry or detainer and actions in distress of rent, hereby granting full power and authority to us to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter,

(e) to cancel or terminate any unauthorized agreements or subleases you entered into, for any cause or ground which would entitle us to cancel the same,

(f) to disaffirm any unauthorized agreement, sublease or subordinated lien and, with Lessors consent, which shall not be unreasonably withheld, conditioned, or delayed, to make all necessary or proper repairs, decorations, renewals, replacements, alterations, additions, betterments and improvements to the Restaurant Premises that are in our sole discretion judicious,

(g) to insure and reinsure the same for all risks incidental to our possession, operation and management thereof, and/or

(h) notwithstanding any provision of any agreement to the contrary, to declare all of your rights but not obligations under the Franchise Agreement (or any Area Development Agreement) to be immediately terminated as of the date of your default under the Lease

6 **Power of Attorney** You irrevocably appoint us as your true and lawful attorney-in-fact and authorize us, upon any default under the Lease or under the Franchise Agreement, with or without taking possession of the Restaurant Premises, to operate, rent, lease, and manage the Restaurant Premises to or by any person, firm or corporation upon such terms and conditions as we may determine in our discretion, and with the same rights and

powers and immunities, exoneration of liability and rights of recourse and indemnity as we would have upon taking possession of the Restaurant Premises pursuant to the provisions set forth in the Lease and this Assignment The power of attorney conferred upon us pursuant to this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without our written consent

7 **Election of Remedies** The provisions set forth in this Assignment will be deemed a special remedy given to us and will not be deemed to exclude any of the remedies granted in the Franchise Agreement or any other agreement between you and us, but will be deemed an additional remedy and will be cumulative with the remedies therein and elsewhere granted to us, all of which remedies will be enforceable concurrently or successively No exercise by us of any of the rights hereunder will cure, waive or affect any default hereunder or default under the Franchise Agreement No inaction or partial exercise of rights by us will be construed as a waiver of any of our rights and remedies and no waiver by us of any such rights and remedies will be construed as a waiver by us of any future rights and remedies

8 **Copies of Reports** Franchisee hereby agrees that it will provide to Franchisor copies of all reports and information that Franchisee must provide to Landlord under the Lease Franchisee expressly permits the Lessor to deliver to us all reports and information that you must provide it under the Lease Any agreement that is made between Landlord and Franchisee shall require Landlord to provide to Franchisor a copy of any notice that it sends to Franchisee and that Landlord must provide to Franchisor notice of any and all delinquency or breaches by Franchisee under such agreement (including, but not limited to, the Lease) or pending forfeiture of Franchisee's rights under such agreement, including, but not limited to, the Lease

9 **Binding Effect** This Assignment and all provisions herein will be binding upon and inure to the benefit of the parties and their respective successors-in-interest, heirs, and successors and assigns, except as otherwise provided herein All individuals executing on behalf of entities, corporate or otherwise, hereby represent and warrant that such execution has been duly authorized by all necessary authorizations and approvals for such entities

10 **Assignment to Control** This Assignment will govern and control over any conflicting provision in the Lease, provided that this agreement shall in no way limit or abridge the rights of Lessor under the Lease except as otherwise provided herein

11 **Attorney's Fees, Etc** In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment, the prevailing party will be entitled to reimbursement of its attorneys' fees, costs and expenses from the non-prevailing party The term "**attorneys' fees**" means any and all charges levied by an attorney for his or her services including time charges and other reasonable fees including paralegal fees and legal assistant fees and includes fees earned in settlement, at trial, appeal or in bankruptcy proceedings and/or in arbitration proceedings

12 **Severability** If any of the provisions of this Assignment or any section or subsection of this Assignment are held invalid for any reason, the remainder of this Assignment or any such section or subsection will not be affected thereby and will remain in full force and effect in accordance with its terms

13 **Governing Law and Forum** This Assignment and the rights and obligations of the parties hereunder shall in all respects be governed by, construed, and enforced in accordance with the laws of the State of Florida except to the extent of procedural and substantive matters relating only to the creation, perfection, foreclosure, and enforcement of rights and remedies against the Restaurant Premises, which such matters shall be governed by the laws of the State where the Restaurant Premises are located

The parties hereby agree that any action relating to this Assignment (other than those procedural and substantive matters regarding the foreclosure and enforcement of right and remedies against the Restaurant Premises) shall be brought in the State or Federal Courts of general jurisdiction in the county in which Franchisor's principal headquarters are located, and the parties irrevocably submit to the jurisdiction of such courts and waive any objection they may have to either the jurisdiction or venue of such court

14 **Headings** The headings contained in this Assignment are for convenience of reference only and must not in any way modify or limit the meaning or interpretation of this Assignment

15 **Pronouns and Gender** All terms and words used in this Assignment, regardless of the number or gender in which they are used, will be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Assignment or any section, subsection, paragraph or clause may require, as if such words had been fully and properly written in the appropriate number and gender

16 **Assignment to Franchisor** In the event Franchisor elects to assume Franchisee's interest in the Lease, Franchisee shall promptly vacate the premises Franchisee agrees that Landlord is not liable and shall indemnify and hold Landlord harmless in the event that Landlord transfers interest in the Lease to Franchisor

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

WITNESS

By _____
Name _____

THE "FRANCHISOR"
THE MELTING POT RESTAURANTS, INC
7886 Woodland Center Blvd
Tampa, FL 33614
(813) 881-0055

By _____
Name _____
Title _____

THE "FRANCHISEE"

Address _____
_____
Phone _____

By _____
Name _____

By _____
Name _____
Title _____

EXHIBIT "E-1"
TO THE DISCLOSURE DOCUMENT

FORM OF

RIGHTS OF FRANCHISOR RIDER TO LEASE

Required Language for all THE MELTING POT® Franchisee Leases must be included in Rider or Addendum to Lease

RIGHTS OF FRANCHISOR
RIDER TO LEASE BETWEEN

_____ **AND**

_____

THIS RIGHTS OF FRANCHISOR RIDER is effective as of _____ (the "**Effective Date**"), and is being signed simultaneously with the Lease (the "**Lease**") dated _____ between _____ (the "**Franchisee**" or ' **Tenant**") and _____ (the "**Landlord**") for the real property commonly known as _____ _____ (the "**Premises**")

1 **Incorporation and Precedence** This Rider is incorporated into the Lease and supersedes any conflicting provisions in it Capitalized terms not otherwise defined in this Rider have the meanings as defined in the Lease

2 **Background** The Tenant will operate a THE MELTING POT® Restaurant at the Premises under a Franchise Agreement with THE MELTING POT Restaurants, Inc (the "**Franchisor**") By entering into a franchise relationship with the Franchisor, the Tenant has agreed to grant the Franchisor a security interest in the Lease, all of the furniture, removable trade fixtures, kitchen equipment dining tables and booths (including all fondue cooking equipment), lamps and lighting fixtures, inventory, licenses and supplies located in the Premises as collateral for (a) the payment of any obligation, liability or other amount owed by the Tenant or its affiliates to the Landlord arising under the Lease, (b) any default or breach of any of the terms and provisions of the Lease, and (c) for any default or breach of any of the terms and provisions of the Franchise Agreement (or any related successor, renewal or conversion franchise) with the Franchisor The Franchise Agreement also requires that the Lease contain certain provisions that the Tenant is requesting the Landlord to include

3 **Signage** The Tenant has the right to install and maintain for the Term of the Lease, THE MELTING POT® Restaurant System standard signage (the "**Signage**") in the size and specifications set forth in, and in all respects in compliance with, the Franchisor's signage standards, a copy of which is attached to this Rider

4 **Grant of License** The Landlord grants to the Tenant during the term of the Lease a non-exclusive right and easement over that portion of the property as may be required by the Tenant to improve, renovate, repair, replace and maintain the Premises or replace its Signage or its panel on the pylon sign for the property The Tenant has the right to change or alter the Signage at any time during the term of the Lease provided the Signage is in compliance with all applicable governmental codes and regulations The Signage may include (a) signage on the exterior front wall of the Premises, (b) signage on another exterior portion of the Premises, (c) a separate pylon sign on the property, (d) separate signage on the property, (e) a panel on the pylon sign for the property, and (f) other signage which may be required by the Franchisor or agreed upon by the Landlord and the Tenant

5 **Copies of Reports** The Landlord agrees to provide copies of all reports, information and data in Landlord's possession respecting sales made in, upon or from the Premises on a timely basis, upon written request, but no more than quarterly in any calendar year during the Term of the Lease

6 **Waiver of Landlord's Lien** The Landlord waives lien rights for the following items to the Franchisor

(a) **Bottle Light Fixtures** – Either wall mounted, inset or hanging

(b) **Cooking Pots and Liners** – Metal fondue pots and liners, used for cooking or warming products

(c) **White Plateware** - Custom fondue plates, ramekins, bowls, and small wares used for serving sauces

(d) **Fondue Forks** – Fondue forks with plastic colored handle

(e) **Roemmelators** – Devices made to safely transport the cooking pots

(f) **Inset Table Burners** – Electric, thermostatically controlled burners which are inset into dining tables Used for warming or cooking products

(g) **Stand Alone Burners** - Electric, thermostatically controlled for positioning on tables Used for warming, cooking or preparing products at the dining table or in the kitchen

(h) **Granite Tables and Table Bases** - designed with a cut-out in the granite to insert table burners and the under-mount thermostatic control knobs

(i) **Host Stand** – Wooden host and reservation desk

(j) **Signage** – Any type of signage, interior or exterior, bearing in any form THE MELTING POT® logo, name or insignia

(k) **Branded Items, Menus and Point of Sale Materials** – Any item bearing in any form THE MELTING POT® logo, name or insignia, including Dinner, Dessert and Souvenir Menus, wine lists, table tents, check presenters, matches, napkins, glassware, welcome mats, mints, sugar packets, etc

(l) **Hardware, Software and Customer Database** – Any software or hardware not available to the general public, especially including those items which are used by or have been created to be used by or communicate within THE MELTING POT® Franchise System Any form of database, including the reservation book(s), which contain customer names and/or other miscellaneous customer information

(m) **Operations Manuals, Recipes, Documents and Files** – Any manual, document or otherwise related form which is used by THE MELTING POT® Franchise system, including all THE MELTING POT® Standards Forms, files (including electronic files), Brand Standards Manual, Social Media Policy Manual, Quality Certification Inspections, InMoment Survey Reports, All Training Manuals, Kitchen Reference Manual, Operations Manual, and other operational manuals, internal releases and newsletters

(n) **Trade Dress** – any item of clothing, including aprons, bearing in any form THE MELTING POT® logo, name or insignia

(o) **Products** – Any product that is supplied to the franchisee and not otherwise available to the general public, especially those items used to prepare sauces, bouillon, mixes, specialty drinks, marinated meats, milk, dark and white chocolate, Swiss, and cheddar cheese blends This also includes the containers and labels for THE MELTING POT® To-Go items such as dressing bottles, boxes or other containers for chocolates, chocolate wafers, Garlic & Wine Seasoning and other To Go products which may be added at later date

7 **Notice of Default** The Landlord will give written notice to the Franchisor (concurrently with the giving of such notice to the Tenant) of any defaults (a "**Default**") by the Tenant under the Lease by certified mail, return receipt requested, or by nationally recognized overnight courier service, at the following address or to such other address as the Franchisor may provide to Landlord from time to time

The Melting Pot Restaurants, Inc
7886 Woodland Center Boulevard
Tampa, Florida 33614
Attention Legal Franchise Administration

Upon receipt of a Notice of Default, the Tenant agrees to authorize the Landlord to communicate with the Franchisor and the Landlord agrees to communicate with a representative of the Franchisor concerning, but not limited to, the terms and conditions of the Default

8 **Franchisor's Assumption of Lease** The Landlord consents to the Franchisor's assumption of all of the Tenant's rights and obligations under the Lease upon the occurrence of either of the following events under the terms and conditions set forth

(a) **Default of Franchisee under the Lease** If the Tenant fails to cure a Default within the period specified within the Lease, then Landlord will, within 1 business day following the expiration of such cure period, give the Franchisor written notice of such failure to cure a Default, and offer the Franchisor the option to assume Tenant's interest in the Lease (the "**Offer**") so long as the Franchisor cures any default capable of being cured by Franchisor Nevertheless, the Franchisor has no obligation to cure any monetary default (i) if the Franchisor was not given notice by the Landlord within 20 days following the date when such payment was due, or (ii) any amount in excess of 2 months base rental The Landlord will attach a complete copy of the Lease and any amendments thereto to the Offer If the Franchisor accepts the Offer, the Franchisor must send written notice of its acceptance to the Landlord and the Tenant (the "**Acceptance**") within 15 business days after receipt of the Offer from the Landlord Failure of the Franchisor to send the Acceptance constitutes a waiver of the Franchisor's right to assume the Lease In the event that the Franchisor accepts the Offer, then the Franchisor, in order for the Offer and the Acceptance to remain in full force and effect, must cure the defaults that are capable of being cured by the Franchisor within 5 business days of the Acceptance if such default is monetary, or within 30 days of the Acceptance if such default is non-monetary If the Franchisor is not capable of curing such non-monetary default during the 30 days, an extension of an additional 30 days will be granted provided the Franchisor is diligently pursuing such cure Failure of the Franchisor to effect such cure within such time periods constitutes a rejection of the Offer

(b) **Upon Termination of the Franchise Agreement** If during the term of the Lease or any extensions thereof, the Franchisor notifies the Landlord, in writing, that the Tenant's Franchise Agreement (or related successor, renewal or conversion franchise) with the Franchisor has been terminated, then the Landlord will promptly give the Franchisor written notice specifying the defaults, if any, of the Tenant under the Lease, and will offer the Franchisor the option to assume all of the Tenant's interest in the Lease

9 **Assignment of Lease to the Franchisor** In the event the Franchisor elects to assume the Tenant's interest in the Lease, the Landlord will promptly deliver possession of the Premises to the Franchisor provided that the Franchisor has executed and delivered an assignment and assumption agreement to Landlord, in a form mutually agreeable to the Landlord and the Franchisor, and the Franchisor has agreed to cure all of the Tenant's defaults capable of being cured by the Franchisor The Tenant agrees that the Landlord is not liable and indemnifies and holds the Landlord harmless in the event that the Landlord transfers interest in the Lease to the Franchisor in accordance with this Rider After the

Franchisor assumes the Tenant's interest under the Lease, the Franchisor may, at any time, assign such interest or sublet the premises to one of its franchisees upon written notice to the Landlord, provided that such franchisee meets the then existing standards of Franchisor for franchisees Upon such transfer, the Franchisor will have no further liability or obligation to the Landlord under the Lease accruing after such transfer

10 **Amendment** The Landlord and the Tenant will not cancel, terminate, modify or amend the Lease including, without limitation, Franchisor's rights under this Rider, without the Franchisor's prior written consent, except that, subject to the Franchisor's cure rights, this paragraph will not prevent the Landlord from exercising any right to cancel or terminate the Lease due to Tenant's default

11 **Benefits and Successors** This Rider and all provisions herein will be binding upon and inure to the benefit of the parties and their respective successors and assigns The benefits of this Rider also inure to the Franchisor and to its successor and assigns

12 **Remaining Provisions Unaffected** Those parts of the Lease that are not expressly modified by this Rider remain in full force and effect

Intending to be bound, the Landlord and the Tenant sign and deliver this Rider effective on the Effective Date, regardless of the actual date of signature

THE "Landlord"

_____

Address _____

_____

Phone _____

By _____
Name _____
Title _____

THE "TENANT"

_____

Address _____

_____

Phone _____

By _____
Name _____
Title _____

THE MELTING POT ® RESTAURANT SYSTEM

SIGNAGE STANDARDS

SIGNAGE STANDARDS

The Melting Pot®

FONDUE RESTAURANT

Version May 2016

Approved Logos

The below logos are the four choices for constructing signage

The Melting Pot logo is a registered trademark and cannot be reconstructed in any form This includes the tagline pot and fondue restaurant Some items will be approved prior to installation of the sign based on the construction of the sign such as raceway box etc

The Melting Pot®
FONDUE RESTAURANT

Graphic Logo #1

The Melting Pot®
FONDUE RESTAURANT

Graphic Logo #2

The Melting Pot®
FONDUE RESTAURANT

Graphic Logo #3

The Melting Pot®
FONDUE RESTAURANT

Graphic Logo #4

The ® symbol is required on all signage.

APPROVED LOGOS

Color

Below are the four choices for constructing signage

Pantone® PMS 202C

Black

Pantone® PMS 407C

White

Font

The font of The Melting Pot logo is not a font It is stylized in vector If you did not receive or are not able to convert to vector please email Scott Evans at sevans@meltingpot com

(Logo is native in Adobe Illustrator Vector-EPS)

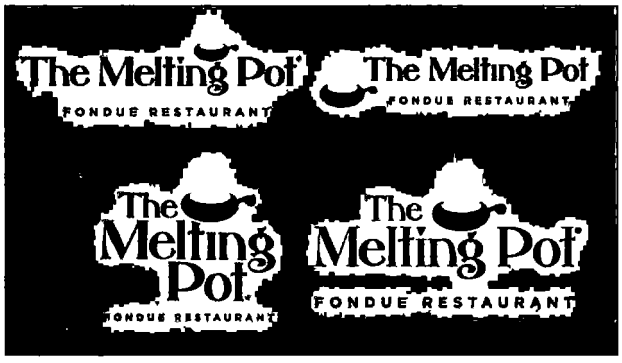
Lighting Options - Night

All lighting is subject to preliminary review and approval prior to manufacturing

A-1) White Letters 202 Pot 407 Smoke
Channel Lit - White Face 202 Pot 407 Smoke

B-1) Black Letters 202 Pot 407 Smoke
Channel Lit - White Face 202 Pot 407 Smoke

C-1) All Black Face
Backlit - White



D) Black Letters 202 Pot 407 Smoke
Backlit - White

E) All White Face
Channel Lit - White

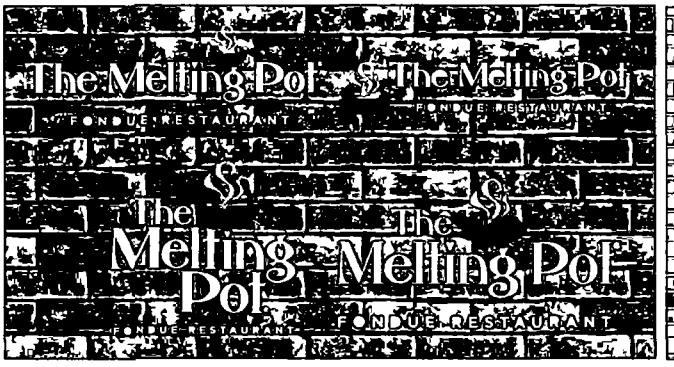
A-2) White Letters 202 Pot 407 Smoke
Channel Lit - White Face 202 Pot 407 Smoke

B-2) Black Letters 202 Pot 407 Smoke
Channel Lit - White Face 202 Pot 407 Smoke

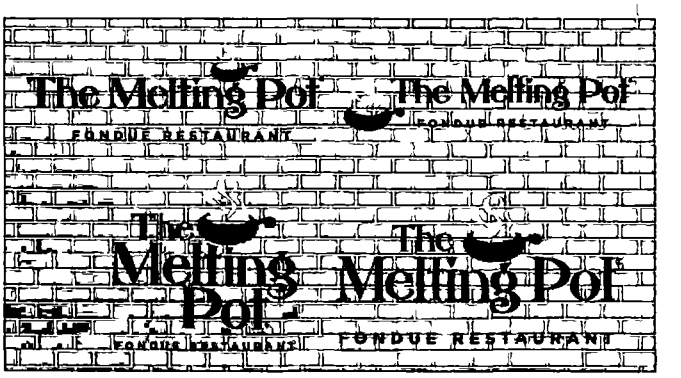
C-2) All Black Face
Backlit - White

Sample Layouts - Day

Below are sample layouts on various backgrounds

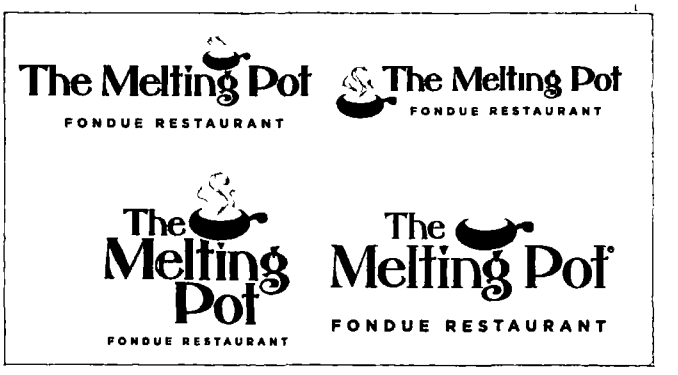


A-1) White Letters 202 Pot 407 Smoke
Channel Lit - White Face 202 Pot, 407 Smoke

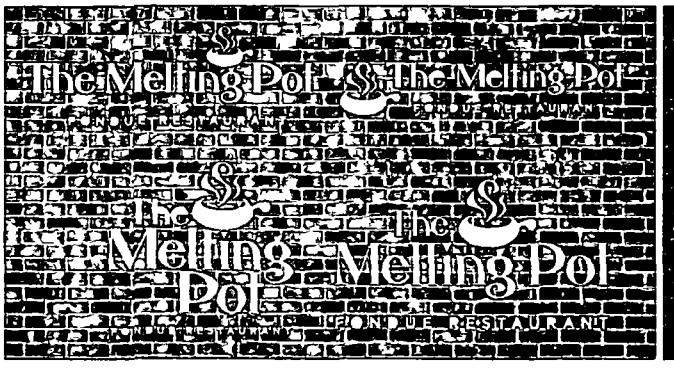


B-1) Black Letters 202 Pot 407 Smoke
Channel Lit - White Face 202 Pot 407 Smoke

C-1) All Black Face
Backlit - White



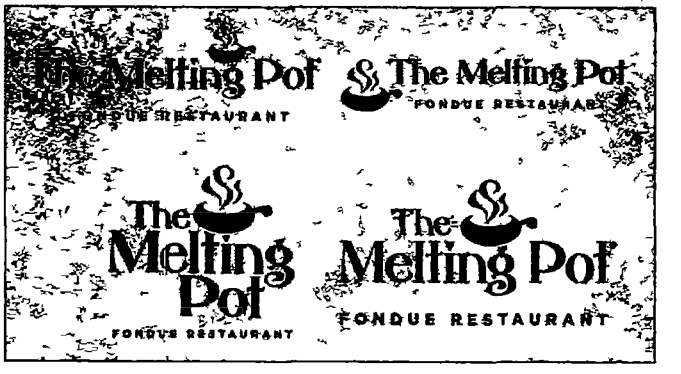
D) Black Letters 202 Pot 407 Smoke
Backlit - White



E) All White Face
Channel Lit - White

A-2) White Letters 202 Pot 407 Smoke
Channel Lit - White Face 202 Pot 407 Smoke

B-2) Black Letters 202 Pot 407 Smoke
Channel Lit - White Face 202 Pot 407 Smoke



C-2) All Black Face
Backlit - White

Hours of Operation

Below is the recommended layout for your hours of operation signage The signage should be in white to give it the most contrast in the window giving it more readability

The font in the below artwork is Verlag Bold but Century Gothic Bold, Gotham or another sans serif font is acceptable

The Melting Pot®

FONDUE RESTAURANT

HOURS OF OPERATION

Monday-Thursday	5 p.m. - 10:30 p.m.
Friday	5 p.m. - 11:30 p.m.
Saturday	4 p.m. - 11:30 p.m.
Sunday	4 p.m. - 10:30 p.m.

meltingpot.com

Pre-Approval Process

Please send proofs to The Melting Pot Restaurant Support Center
before anything is submitted to the owner/location

Items need to include

Elevation drawing showing dimensions color matching lighting and construction of sign

Submit to sevans@meltingpot com (pdf preferred)

Once you are given pre-approval you may submit to the location for approval
If any changes are made after initial pre-approval you will
need to repeat the pre-approval process

Final approval for construction/installation of the sign is the responsibility of the owner of the location The Melting Pot Restaurant Inc / Restaurant Support Center will not be held responsible for final approval

Contact Information

Scott Evans
Director of Construction and Design
The Melting Pot Restaurants Inc | Restaurant Support Center
7886 Woodland Center Blvd | Tampa, FL 33614
p 813-425-6239 | c 813-404-8896
sevans@meltingpot com
meltingpot com

EXHIBIT "F"
TO THE DISCLOSURE DOCUMENT

MANUALS TABLES OF CONTENTS

OPERATIONS MANUAL CONTENTS

Section	Beginning Page	Total # of Pages
The Melting Pot® Restaurants, Inc. Operations Manual	**5**	**1**
Management s Philosophy	6	1
Section 1 Administrative Practices	**7**	**1**
General Information	7	1
The History of The Melting Pot Restaurants Inc	7	2
The Melting Pot® Culture	9	1
Mission	9	1
Vision	9	1
Principles	9	1
What It Takes To Be a Most Valuable Player" at The Melting Pot®	10	5
General Administrative Standards	15	1
Procedure Operating Hours	15	1
Deviations from Standards Hours of Operations	16	1
Minimum Arrival Hours for Lunch Service	17	1
Minimum Arrival Hours for Dinner Service	17	1
Cleanliness	19	1
Evaluations	19	1
Communication	203	1
Accountability	20	3
Section 2 Personnel	**20**	**1**
Soliciting Quality Applicants	23	1
Sources for Applicants	23	1
PreScreen	24	1
Face-to-Face Interviews	24	1
Data Evaluation and Integration	24	1
Make an Offer / Turn Down	24	7
Team Member Benefits	31	1
Team Member Rules and Regulations	32	6
General Manager	38	2
Manager/Assistant Manager (Front of the House)	40	1
Heart of the House Manager	41	1
Hospitality Specialist	420	2
Server	44	1
Service Assistant	44	1
Heart of the House	45	1
Bartender	46	1
Training	47	4
Section 3 Food and Beverage	**51**	**1**
Purchasing & Distribution	51	3
Core Beer Program	54	1
Receiving	54	1
Storage	554	2

Section	Beginning Page	Total # of Pages
HOH Inventory	57	1
Bar Inventory	57	1
Food Production	58	1
A Successful Line Check	59	3
Beverage Control and Preparation	62	1
Bar Food	63	2
Section 4 Manager Procedures	**65**	**1**
Examples	66	1
BLAST Method of Guest Recovery	72	1
The Restaurant Support Center and Guest Recovery	72	1
Section 5 Restaurant Support	**75**	**1**
Compliance	75	1
Procedure	75	3
Internal Communication	78	3
Meetings / Reunions	81	3
Franchise Support	84	1
Growth	84	1
Administration	85	5
Franchise Operational Maintenance	90	1
Franchise Financial Maintenance	91	1
Franchise Gift Card Policies	92	3
Section 6 Income and Expense Control Procedures	**95**	**1**
Procedures	95	1
Deadlines	96	1
Total		**96**

MARKETING MANUAL TABLE OF CONTENTS

Description	Begins on Page No	Total No of Pages
WELCOME	1	1
RSC MARKETING DEPARTMENT		
Introduction	1	1
Staff and Job Descriptions	1	3
Marketing Partners	4	1
Getting Started With Us	5	2
Getting Started With Workamajig	6	5
BRAND ARCHITECTURE		
Brand Positioning Statement	2	1
Restaurant Profile / SWOT Analysis	2	1
Target Audience - Demographic and Psychographic Profiles	3	1
Brand Persona - Meet Sheila and Dan	4	3
Campaign Platform	7	1
Creative Work	8	1
Photography	9	4
Logo Standards	13	7
Signage Standards (Separate PDF)	PDF	7
MARKETING CAMPAIGNS		
Introduction	1	1
Fondue Effect Launch Creative	Tab 1	11
Everyday Creative	Tab 2	19
OFF-THE-SHELF		
Off-the-Shelf Promotions Overview	1	1
OTS Objectives	1	2
Available Programs	3	10
LOCAL MARKETING		
Introduction	1	1
Preparing for Your Plan	2	1
Objectives, Strategies, Tactics	3	1
Budgeting, Execution and Analysis	4	3
GENERAL BEST PRACTICES/STANDARDS/POVs		
Introduction	2	1
Trademarks – Proper Usage		
Introduction	3	1
DOs and DON'Ts	4	3
Standard Protocol	6	1
Partner logo guidelines	7	3
Trademark and Copyright Authorization Form and Sample	10	1
Sweepstakes and Contest Policy	11	4
Facebook Promotions Guidelines	15	2
Commercial Filming and Photography		
Introduction	18	1
Policy	19	4

Description	Begins on Page No	Total No of Pages
TACTICS		
Introduction – Understanding the Media Landscape	2	2
Digital/Online	4	3
Direct Mail	7	4
Club Fondue Email	11	7
Out-Of-Home (OOH)	17	3
Print	20	3
Radio	23	3
Television	26	3
Group-Buying Sites (Groupon, Living Social, Facebook Offers)	29	6
Local Web Pages	35	3
In-Restaurant	38	4
Events/Promotions (with Filter)	42	2
Community Outreach (with Checklist)	44	4
Sample Media Plans	48	3
PUBLIC RELATIONS		
Introduction	2	1
PR Brand Standards	3	3
PR Tactics	6	13
Media Training The Art of the Interview	19	6
PR Tools	25	2
SOCIAL MEDIA		
Introduction	2	1
Getting Started Checklist	3	2
Introduction to Social Media	5	13
The Melting Pot Restaurants, Inc Social Media Policy	18	19
Facebook	37	32
Twitter	69	14
A Guide to Hosting a Yelp Event	82	4
Listening and Monitoring	86	1
Guest Interaction and Recovery Process	87	9
Tracking, Measuring and Determining Worth	95	2
Social Media Support/Help (sites, FAQ, etc)	97	5
YOUR MARKETING PLAN		
Introduction	2	1
Market Profile	2	2
Competitive Survey	4	1
Local SWOT	5	5
Business Cycle	6	2
Review of Prior Year Programs (1st Half)	8	1
Review of Prior Year Programs (2nd Half)	9	1
Marketing Budget	10	1
Program Analysis	11	1
CRISIS COMMUNICATIONS		
Emergency Contact List	2	1
Introduction	3	1
Preparation	4	8

Description	Begins on Page No	Total No of Pages
Top Tips When Navigating Through Crisis	11	2
What To Do and Not To Do	12	3
In-Depth Look	14	19
Food and Product Emergencies	14	4
Food Borne Illness Protocol	17	3
Contagious Disease	19	3
Bomb Threats/Terrorism	21	1
Hurricanes/Tornados	22	5
Protests	27	1
Robbery	28	2
Kidnapping	29	1
Critical Injury	29	2
Death in Workplace	30	2
Preparedness and Response Checklist	31	1
Crisis Resources and Contact List	32	4
Food-Borne Illness Form (Separate Document)		2
Food Safety Audit Log (Separate Document)		1
RESOURCES		
Introduction	2	1
Club Fondue User Guide	Tab 1	17
Radio Ordering Guide	Tab 2	2
Television Ordering Guide	Tab 3	15
Photo Booth Ordering Guide	Tab 4	2
MISCELLANEOUS		
Marketing Terms and Definitions	1	14
TOTAL		**406**

EXHIBIT "G-1"
TO THE DISCLOSURE DOCUMENT

FORM OF

PERSONAL GUARANTY OF OWNER/SHAREHOLDER

PERSONAL GUARANTY OF OWNER/SHAREHOLDER

This Guaranty must be signed by the principal owners (referred to as "**you**" for purposes of this Guaranty only) of _____(the "**Franchise Owner**") under **THE MELTING POT® Restaurant Franchise Agreement** (the "**Agreement**") dated _____, 20___

1 **Scope of Guaranty** In consideration of and as an inducement to, the signing and delivery of the Agreement by **The Melting Pot Restaurants, Inc** ("**us**," or "**our**" or "**we**" or "**Franchisor**"), each of you signing this Guaranty personally and unconditionally (a) guarantees to us and our successors and assigns that the Franchise Owner will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement, and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement

2 **Waivers** Each of you waives (a) acceptance and notice of acceptance by us of your obligations under this Guaranty, (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by you, (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by you, (d) any right you may have to require that an action be brought against the Franchise Owner or any other person as a condition of your liability, (e) all rights to payments and claims for reimbursement or subrogation which you may have against the Franchise Owner arising as a result of your execution of and performance under this Guaranty, and (f) all other notices and legal or equitable defenses to which you may be entitled in your capacity as guarantors

3 **Consents and Agreements** Each of you consents and agrees that (a) your direct and immediate liability under this Guaranty are joint and several, (b) you must render any payment or performance required under the Agreement upon demand if the Franchise Owner fails or refuses punctually to do so, (c) your liability will not be contingent or conditioned upon our pursuit of any remedies against the Franchise Owner or any other person, (d) your liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which we may periodically grant to Franchise Owner or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims and no such indulgence shall in any way modify or amend this Guaranty, and (e) this Guaranty will continue and is irrevocable during the term of the Agreement and, if required by the Agreement, after its termination or expiration

4 **Enforcement Costs** If we are required to enforce this Guaranty in any judicial or arbitration proceeding or any appeals, you must reimburse us for our enforcement costs Enforcement costs include reasonable accountants', attorneys', attorney's assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty

5 **Effectiveness** Your obligations under this Guaranty are effective on the Agreement Date, regardless of the actual date of signature Terms not otherwise defined in this Guaranty have the meanings as defined in the Agreement This Guaranty is governed by Florida law and may be enforced in the courts of the county and state where Franchisor's principal headquarters are located Each Guarantor irrevocably submits to the jurisdiction and venue of such courts

Each of the principal owners now signs and delivers this Guaranty as of the date of the Agreement

PERCENTAGE OF OWNERSHIP INTEREST IN FRANCHISE OWNER	**GUARANTORS**
_____	_____
_____	_____
_____	_____

DATE_____

EXHIBIT "G-2"
TO THE DISCLOSURE DOCUMENT

FORM OF

PRINCIPAL OWNER'S STATEMENT

PRINCIPAL OWNER'S STATEMENT

This form must be completed and signed by the Franchisee and/or Developer, _____ _____ (the "**Business Entity**"), and each of its principal owners under the _____ Agreement dated _____, 20___ (the "**Agreement**") with **THE MELTING POT RESTAURANTS, INC** (the "**Franchisor**"), if the Business Entity has multiple owners or if the Business Entity or the franchised business is owned by a business organization (like a corporation, partnership or limited liability company) Franchisor is relying on the truth and accuracy of this form in awarding the Agreement to the Business Entity

1 **Form of Owner** The Business Entity is a (check one)

(a) General Partnership ☐
(b) Corporation ☐
(c) Limited Partnership ☐
(d) Limited Liability Company ☐
(e) Other ☐
Specify _____

2 **Business Entity** It was incorporated or formed on _____, ___, under the laws of the State of _____ It has not conducted business under any name other than its corporate, limited liability company or partnership name and the following names (if any) _____ _____ The following is a list of all persons who have management rights and powers (e g , officers, managers, partners, etc) and their positions (attach additional sheets if needed)

Name of Person	Position(s) Held

3 **Owners** The following list includes the full name and mailing address of each person who is a direct or indirect owner and fully describes the nature of each owner's interest in the Business Entity Attach additional sheets if necessary

Owner's Name and Address	Description of Interest*	% of Ownership

*Indicate whether ownership interest is direct or indirect For indirect ownership, include the name of each entity or trust through which ownership interests are held

4 **Governing Documents** Attached is an organizational chart showing the ownership structure of the Business Entity, including all direct and indirect parents, affiliates and subsidiaries The undersigned agree to provide copies of the documents and contracts governing the ownership, management and other significant aspects of the Business Entity (e g , articles of incorporation or organization, partnership or shareholder agreements, etc) upon request from Franchisor

This Principal Owner's Statement is current and complete as of _____

OWNER

INDIVIDUALS

Sign _____
Print _____

Sign _____
Print _____

Sign _____
Print _____

Sign _____
Print _____

CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP

_____
[Name of Entity]

By _____
Print Name _____
Title _____

EXHIBIT "H-1"
TO THE DISCLOSURE DOCUMENT

FORM OF

NONCOMPETE AGREEMENT

NONCOMPETE AGREEMENT

This Noncompete Agreement (the "**Agreement**") is entered into by and between *[ENTER NAME OF FRANCHISEE]* ("**Employer**") and _____ (the "**Employee**")

Employer is a franchisee operating a THE MELTING POT® Restaurant (the "**Restaurant**") under a Franchise Agreement (the "**Franchise Agreement**") with The Melting Pot Restaurants, Inc (the "**Franchisor**")

Employee and the Employer have entered into a separate Confidentiality, Non-solicitation and Assignment of Inventions Agreement, with an Effective Date of _____, 20___ (the "**Confidentiality Agreement**") This Agreement is effective on the Effective Date of the Confidentiality Agreement

In consideration of the employment or continued employment of Employee by Employer and other good and valuable consideration the Employer and Employee (collectively the "**Parties**") agree that

1 **Incorporation by Reference** Paragraph 1 of the Confidentiality Agreement is incorporated herein by reference, in its entirety Further, Employee acknowledges and agrees that due to the nature of Employee's job duties with the Employer, Employee has (a) learned or is likely to learn Confidential Information, and (b) attended or will attend extraordinary and specialized training programs offered by the Employer or the Franchisor that are proprietary to the operation of THE MELTING POT® Restaurants and not for the operation of restaurants generally

2 **Definitions** For purposes of this Agreement

(a) "**Competitive Business**" **means any business or facility owning, operating or managing, or granting franchises or licenses to others to own, operate or manage, any fondue restaurant or restaurant serving fondue, other than a THE MELTING POT® Restaurant (a "**Competitive Restaurant**"),

(b) "**Territory**" means within 30 miles, or within the Area of Dominant Influence ("**ADI**") (as defined by Arbitron) of (i) the Restaurant, or (ii) any restaurant owned or operated by Employer or Franchisor, or any of their subsidiaries, affiliates or franchisees (x) as of the Effective Date or (y) while Employee is employed by Employer, or (z) as of the date of the end of Employee's employment

3 **Noncompetition** Employee agrees that employee shall not, during Employee's employment with Employer and for a period of twenty-four (24) months following the termination of said employment, directly or indirectly, as an owner (disclosed, beneficial or otherwise), partner, shareholder, franchisor, franchisee, affiliate, proprietor, agent, director, officer, employee, independent contractor, consultant, or in any other capacity, on Employee's own behalf or on behalf of any other person or entity other than the Employer

(a) Have any financial or other interest, direct or indirect (e g , through a spouse, child, business partner or business entity) in any Competitive Business within the Territory, or in any entity which has granted or is granting franchises or licenses to others to operate a Competitive Business within the Territory,

(b) Engage in a Competitive Business within the Territory,

(c) Perform any services for any individual or entity engaging in a Competitive Business within the Territory, and/or

(d) Solicit, divert or take away any business, or any current or prospective customer, referral source, client, vendor, supplier, franchisee or contractor, of the Employer or any of its subsidiaries, affiliates or franchisees, or interfere with the relationship between the Employer or any of its subsidiaries, affiliates or franchisees and any such person or entity, or cause any such person or entity to stop doing business with or to reduce the extent of its business with the Employer or any of its subsidiaries, affiliates or franchisees

(e) Employee will not, directly or indirectly, recruit, train, supervise, encourage or assist others to engage in any of the activities proscribed in this Paragraph 3

(f) For purposes of this Paragraph 3, a "current" customer, referral source, client, vendor, supplier, franchisee or contractor means one which has provided goods or services to, or acquired goods or services from, the Employer or any of its subsidiaries, affiliates or franchisees, within the two years preceding either the termination of Employee's employment with Employer or Employee engaging in any conduct prohibited by this Agreement For purposes of this Paragraph 3, a "prospective" customer, referral source, client, vendor, supplier, franchisee or contractor means any specific person or entity the Employer or any or its subsidiaries, affiliates or franchisees has contacted, or attempted to contact, for the purpose of engaging in any transfer of goods or services within the two years preceding either the termination of Employee's employment with Employer, or Employee engaging in any conduct prohibited by this Agreement, and also includes any specific person or entity as to which, during said time period, the Employer or any of its subsidiaries, affiliates or franchisees has engaged in any evaluation, planning or other activities relating to the possibility of establishing a business relationship

(g) The time periods of the restrictions in this Paragraph 3 will be automatically extended by any length of time during which Employee is in breach of any provision of this Agreement

4 **Protection of Business Interests** Employee agrees that the restrictions in Paragraph 3 of this Agreement are reasonable and necessary for the protection of the legitimate business interests of both Employer and Franchisor, and that the restrictions will not unduly interfere with Employee's opportunity for gainful employment

5 **Survival** The covenants in this Agreement are independent covenants, separate and apart from any other agreements, covenants or obligations between the Parties The breach of any agreements, covenants or obligations not contained in this Agreement shall not be a defense to enforcement of this Agreement The provisions of this Agreement survive any termination of the employment relationship between Employee and Employer Further, all of the restrictive covenants contained in this Agreement remain effective regardless of whether Employee's employment is terminated voluntarily or involuntarily, or with or without cause

6 **Remedies** Employee agrees that in the event of an actual or threatened breach of the provisions of this Agreement, Employer or Franchisor or both Employer and Franchisor shall be entitled to

(a) An ex parte, preliminary, and/or permanent injunction restraining Employee from using or disclosing, in whole or in part, the Confidential Information, from rendering any services to any person, firm, corporation, association or other entity to whom said Confidential Information, in whole or in part, has been disclosed or is threatened to be disclosed, and/or restraining Employee from violating the provisions of this Agreement, without the requirement for the posting of a bond (except where the posting of a bond a non-waivable requirement of applicable law),

(b) Damages, and

(c) Any other legal or equitable remedies available to it

In addition to the remedies described above, during any period of time in which Employee is in breach of this Agreement, the Employer will not be required to pay any compensation to Employee except the minimum amount required to be paid under the Fair Labor Standards Act and any other applicable statute or regulation

The remedies available under this Agreement are in addition to, and not in lieu of, any remedies that may be available under the Confidentiality Agreement

7 **Expenses** In the event that Employer or Franchisor initiates legal proceedings to enforce the terms of this Agreement, the prevailing party shall be entitled to recover all expenses (including discovery and other court costs and attorneys' fees) incurred in connection with those proceedings and any appeal from those proceedings

8 **Waiver of Terms** No waiver or modification of any provision of this Agreement will be valid unless in writing and signed by an authorized representative of Employer

9 **Choice of Law** This Agreement is governed by the laws of the state in which the Employer's Restaurant is located

10 **Waiver of Jury Trial** Employee waives any right he or she may have to a trial by jury of any dispute arising under this Agreement

11 **Assignment** This Agreement survives any change in the Employer's or Franchisor's ownership, any merger or consolidation and any sale of substantially all of the Employer's or Franchisor's assets Employee consents to enforcement of this Agreement by any of the Employer's or Franchisor's successors, transferees or assignees Employee may not assign any of Employee's rights or delegate any of Employee's responsibilities hereunder

12 **Savings Clause** If any of the provisions of this Agreement are determined to be in violation of any law, rule or regulation, or are otherwise ruled to be unenforceable, such determination shall not affect any other clauses of this Agreement, but such other provisions shall remain in full force and effect If any provision of this Agreement is found to be unenforceable because overly broad, the Parties agree that said provision shall be enforced to the fullest extent permitted by law

13 **Sufficiency of Consideration** Employee understands that there is overlap between the consideration given to Employee for this Agreement and the consideration given to Employee for the Confidentiality Agreement, and confirms and agrees that the consideration provided by the Employer, the receipt of which Employee hereby acknowledges, is adequate and sufficient consideration to bind Employee to both agreements

14 **At Will Employment** This Agreement shall not create any right to continued employment with the Employer or any of its subsidiaries, affiliates or franchisees, nor as limiting the right of the Employer, its subsidiaries, affiliates and/or franchisees to terminate Employee's employment Employee's employment is at will, and may be terminated with or without cause and with or without prior notice Furthermore, Employee understands and agrees that Franchisor is not his or her employer for any purposes whatsoever, and that Employer is solely responsible for the terms, conditions and compensation of his or her employment

15 **Complete Agreement** This Agreement and the Confidentiality Agreement contain the complete agreement between the Employer and Employee concerning the matters covered herein and supersede any prior agreement, representation or understanding, oral or written, between them concerning those matters

16 **Third Party Beneficiary** Employee and Employer intend that Franchisor shall be a third party beneficiary of this Agreement, shall have all of the same rights of enforcement under this Agreement as Employer, and shall be entitled to all of the remedies provided by this Agreement to the same extent and under the same circumstances as Employer Employee irrevocably consents to (a) enforcement of this Agreement by Franchisor, and (b) the jurisdiction and venue of the federal and state courts located in Hillsborough County, Florida if the Franchisor enforces this Agreement

Intending to be bound, Employer and Employee sign below

[ENTER NAME OF FRANCHISEE]

THE "EMPLOYEE"

Signature _____
Name _____
Title _____
Date _____

Signature _____
Full Name _____
Title _____
Date _____

EXHIBIT "H-2"
TO THE DISCLOSURE DOCUMENT

FORM OF

CONFIDENTIALITY, NON-SOLICITATION AND

ASSIGNMENT OF INVENTIONS AGREEMENT

CONFIDENTIALITY, NON-SOLICITATION AND ASSIGNMENT OF INVENTIONS AGREEMENT

This Confidentiality, Non-solicitation and Assignment of Inventions Agreement (the "**Agreement**") is entered into by and between *[ENTER NAME OF FRANCHISEE]* ("**Employer**") and _____ __ _____ ("**Employee**"), and is effective as of _____ ___, 20___ (the "**Effective Date**")

Employer is a franchisee operating a THE MELTING POT® Restaurant (the "**Restaurant**") under a Franchise Agreement (the "**Franchise Agreement**") with The Melting Pot Restaurants, Inc (the "**Franchisor**")

In consideration of the employment or continued employment of Employee by Employer and other good and valuable consideration, the receipt and sufficiency of which Employee hereby acknowledges, Employer and Employee (collectively the "**Parties**") agree that

1 **Confidential Information and other Business Interests**

(a) Franchisor has developed and is continuing to develop confidential and proprietary business information, including, but not limited to recipes, product specifications, other standards and characteristics of products and services provided, product analysis and research, other specifications, formats, methods, procedures and plans relating to products and services, operating techniques, the Restaurant's computer systems, intranet, databases and other information, selection, testing, training, skills and abilities of employees and other personnel, manner of operations, acquisition strategies, contracts, sales, costs, pricing, profit margins and other financial information, customer preferences, market research, analyses and data, self-analyses and analyses of competitors, business and marketing plans and strategies, technology, know-how, specialized training, testing methods, restaurant and business operating techniques, criteria and methods for obtaining licensing and meeting regulatory requirements, design and construction of restaurants, knowledge of and experience in the operating and franchising of restaurants in the Restaurant's particular market segment, other confidential information about the owners, employees, vendors, customers and others with whom the Franchisor and Employer has business relationships, Inventions as defined by Paragraph 6 of this Agreement, trade practices, trade secrets, and any other information that is marked confidential or identified as confidential by separate memorandum, email or other communication (all of the above referred to collectively as the "**Confidential Information**") The Franchisor has granted the Employer access to the Confidential Information and the Employer is obligated to ensure that its employees with access to it also maintain its confidentiality

(b) The Confidential Information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons and entities that can obtain economic value from its disclosure or use,

(c) Some or all of the Confidential Information constitutes "**trade secrets**" as defined in FLA STAT § 688 002(4) and similar statutes of other states, and is valuable confidential business information,

(d) The Employer has developed substantial relationships with specific prospective and existing customers, vendors, contractors, employees, subsidiaries, affiliates and business partners based on the goodwill associated with the Franchisor and its trademarks,

(e) The Employee's job duties include developing and maintaining substantial relationships with specific prospective and existing customers, vendors, contractors, employees, subsidiaries, affiliates and/or business partners,

(f) The Franchisor has developed substantial goodwill associated with the operation of restaurants (like the Restaurant) operating under its trademarks,

(g) The Franchisor or Employer has provided, or will provide, the Employee with extraordinary and specialized training, which training is unique or highly uncommon,

(h) The Franchisor has invested considerable time, funds and resources in creating, developing and maintaining the Confidential Information, its relationships and its good will, and in training, and

(i) Each of the foregoing is a legitimate business interest of both Employer and Franchisor

(j) Subparagraph 1(g) is intended only to identify one of the Franchisor's or Employer's legitimate protectable business interests, and is not intended to, and does not, create any obligation on the part of the Franchisor or Employer to provide training to Employee or any right of the Employee to receive such training

2 **Restrictive Covenants** Employee further agrees that

(a) Employee will not, during or after Employee's employment with Employer, use or disclose the Confidential Information or any part thereof, except for the benefit of the Franchisor or Employer and in connection with the performance of services rendered to the Franchisor or Employer, or make any unauthorized copies (including but not limited to electronic copies) of any Confidential Information,

(b) Employee will comply with all procedures prescribed by the Employer to prevent unauthorized use or disclosure of Confidential Information,

(c) Employee will not, during Employee's employment with Employer and for a period of twenty-four (24) months following the termination of said employment, recruit or solicit for employment by anyone other than the Employer, or hire, employ or engage the services of, any current employee or independent contractor of the Franchisor or Employer or any of its subsidiaries, affiliates or franchisees, or solicit any such employee or independent contractor to leave employment with or to sever his, her or its relationship with the Employer or any of its subsidiaries, affiliates or franchisees, and

(d) Employee will not, directly or indirectly, recruit, train, supervise, encourage or assist others to engage in any of the activities proscribed in this Paragraph 2

(e) During the course of Employee's employment with Employer and for a period of twenty-four (24) months thereafter, Employee shall inform any actual or prospective employer of the existence of this Agreement and the fact that it contains the restrictive covenants set forth above and below, and shall take all reasonable steps necessary to furnish any such actual or prospective employer with a copy of this Agreement

(f) For purposes of this Paragraph 2, a "**current**" employee or independent contractor is an employee or independent contractor who or which has provided goods or services to the

Employer or Franchisor or any of its subsidiaries, affiliates or franchisees, within the two years preceding either the termination of Employee's employment with Employer or Employee engaging in any conduct prohibited by this Agreement For purposes of this Paragraph 2, a "**prospective**" employee or independent contractor includes any person or entity the Employer or any of its subsidiaries, affiliates or franchisees has contacted, or attempted to contact, for the purpose of engaging his, her or its services, within the two years preceding either the termination of Employee's employment with Employer, or Employee engaging in any conduct prohibited by this Agreement, and also includes any person or entity as to which, during said time period, the Employer or any of its subsidiaries, affiliates or franchisees has engaged in any evaluation, planning or other activities relating to the possibility of establishing a business relationship

(g) The time periods of the restrictions in this Paragraph 2 will be automatically extended by any length of time during which Employee is in breach of any provision of this Agreement

3 **Protection of Business Interests** Employee agrees that the restrictions in Paragraph 2 of this Agreement are reasonable and necessary for the protection of the legitimate business interests of both Employer and Franchisor, and that the restrictions will not unduly interfere with Employee's opportunity for gainful employment

4 **Documents and Other Property** All written documents, electronically stored documents, lists, computer programs, computer software, computer hardware, other media for storing electronic information, keys, equipment, Confidential Information, other documents relating to the business of the Employer or Franchisor, and all other things, tangible and intangible, prepared or obtained by Employee or that come into Employee's possession during employment with Employer, which relate to the business of the Employer or Franchisor, shall be the sole and exclusive property of the Employer or Franchisor and Employee shall, at the end of Employee's employment with Employer, or at any time upon request of the Employer or Franchisor, promptly deliver all such materials to the Employer or Franchisor In addition, upon termination of Employee's employment, regardless of whether the termination is voluntary or involuntary or with or without cause, Employee shall promptly return to the Employer or Franchisor any and all materials, equipment and property furnished to Employee, including all copies of such materials

5 **Works Made for Hire** Any work that Employee creates or helps create at the request of the Employer, including software, user manuals, training materials, sales materials, recipes and other written and visual works, are works for hire in which Employer and/or its Franchisor owns the copyright Employee may not reproduce or publish these works, except on behalf of the Employer in the pursuit of Employee's employment duties

6 **Inventions** Every improvement, product, recipe, process, apparatus, method, design or work made for hire (collectively the "**Inventions**") that Employee may at any time make, devise, or conceive, individually or jointly with others, during the period of Employee's employment with Employer, whether during business hours or otherwise, that relate in any manner to the business of the Employer, or that may be useful to the Employer in connection with the Employer's business, shall (solely as between the Employer and the Employee) be the exclusive property of the Employer Employee will make full and prompt disclosure to the Employer of every such Invention Employer shall have the sole and exclusive right to patent or copyright all Inventions, and Employee shall take whatever lawful steps the Employer may request to assist it in obtaining patents and/or copyrights covering the Inventions, without charge to the Employer or any of its subsidiaries, affiliates or franchisees Nothing in Paragraphs 5 and 6 limits or effects the Employer's obligations to the Franchisor under the Franchise

Agreement relating to such Inventions, which will constitute Improvements to be the property of the Franchisor If there are any Inventions that Employee owned or developed before becoming employed by the Employer and to which Employee claims ownership, Employee has listed them here _____

_____

7 **Prior Employers and Agreements** Employee represents and warrants that Employee is not in possession or control of any trade secrets or confidential and proprietary information belonging to any of Employee's previous employers or business associates, and that neither employment by Employer nor the terms of this Agreement will cause Employee to breach any agreement with, or obligation owed to, a third party Employee agrees that Employee will not disclose to the Employer, or use in the course of employment with Employer, any trade secrets or confidential and proprietary information belonging to any of Employee's previous employers and business associates Employee has provided the Employer with copies of all agreements under which Employee has agreed to any restrictions on employment, on use or disclosure of confidential information or trade secrets, or on solicitation Employee shall hold harmless and indemnify the Employer and Franchisor from and against any claim, demand, or loss asserted by any third party resulting from any breach by Employee of any agreement or obligation owed by Employee to any such third party, including any attorneys' fees and costs incurred by the Employer in connection with any such claim

8 **Survival** The covenants in this Agreement are independent covenants, separate and apart from any other agreements, covenants or obligations between the Parties The breach of any agreements, covenants or obligations not contained in this Agreement shall not be a defense to enforcement of this Agreement The provisions of this Agreement survive any termination of the employment relationship between Employee and Employer Further, all of the restrictive covenants contained in this Agreement remain effective regardless of whether Employee's employment is terminated voluntarily or involuntarily, or with or without cause

9 **Other Breach** If the Employee becomes aware, during Employee's employment with Employer, of facts or circumstances which suggest that another existing or former employee or independent contractor of the Employer, or other person or entity, has used or disclosed or is using or disclosing Confidential Information, or has violated or is violating the terms of any agreement with the Employer, Employee shall immediately notify the Chief Executive Officer or the Employer and the Franchisor's Vice President of People (or their successors) in writing of such facts and circumstances

10 **Remedies** Employee agrees that in the event of an actual or threatened breach of the provisions of this Agreement, Employer or Franchisor or both Employer and Franchisor shall be entitled to

(a) An ex parte, preliminary, and/or permanent injunction restraining Employee from using or disclosing, in whole or in part, the Confidential Information, from rendering any services to any person, firm, corporation, association or other entity to whom said Confidential Information, in whole or in part, has been disclosed or is threatened to be disclosed, and/or restraining Employee from violating the provisions of this Agreement, without the requirement for the posting of a bond (except where the posting of a bond is a non-waivable requirement of applicable law),

(b) Damages, and

(c) Any other legal or equitable remedies available to it

In addition to the remedies described above, during any period of time in which Employee is in breach of this Agreement, Employer will not be required to pay any compensation to Employee except the minimum amount required to be paid under the Fair Labor Standards Act and any other applicable statute or regulation

Further, if Employee violates subparagraph 2(c) of this Agreement, or recruits, trains, supervises, encourages or assists another person or entity in engaging in activities proscribed by subparagraph 2(c) of this Agreement, then, in addition to the remedies described above, Employee must immediately pay to the Employer an amount equal to ½ of the total annualized cash compensation the Employer was paying to Employee during the most recent year of Employee's employment, as liquidated damages The liquidated damage amount is intended to compensate the Employer for recruiting, training and replacement costs Employee agrees that it would be difficult to determine and prove the amount of actual damages resulting from a violation of subparagraph 2(c), and that the liquidated damages amount is reasonable

11 **Expenses** In the event that Employer or Franchisor initiates legal proceedings to enforce the terms of this Agreement, the prevailing party shall be entitled to recover all expenses (including discovery and other court costs and attorneys' fees) incurred in connection with those proceedings and any appeal from those proceedings

12 **Waiver of Terms** No waiver or modification of any provision of this Agreement will be valid unless in writing and signed by an authorized representative of Employer

13 **Choice of Law** This Agreement is governed by the laws of the state in which the Employer's Restaurant is located

14 **Waiver of Jury Trial** Employee waives any right he or she may have to a trial by jury of any dispute arising under this Agreement

15 **Assignment** This Agreement survives any change in the Employer's or Franchisor's ownership, any merger or consolidation and any sale of substantially of the Employer's or Franchisor's assets Employee consents to enforcement of this Agreement by any of the Employer's or Franchisor's successors, transferees or assignees Employee may not assign any of Employee's rights or delegate any of Employee's responsibilities hereunder

16 **Savings Clause** If any of the provisions of this Agreement are determined to be in violation of any law, rule or regulation, or are otherwise ruled to be unenforceable, such determination shall not affect any other clauses of this Agreement, but such other provisions shall remain in full force and effect If any provision of this Agreement is found to be unenforceable because overly broad, the Parties agree that said provision shall be enforced to the fullest extent permitted by law

17 **At Will Employment** This Agreement shall not create any right to continued employment with the Employer or any of its subsidiaries, affiliates or franchisees, nor as limiting the right of the Employer, its subsidiaries, affiliates and/or franchisees to terminate Employee's employment Employee's employment is at will, and may be terminated with or without cause and with or without prior notice Furthermore, Employee understands and agrees that Franchisor is not his or her employer for any purposes whatsoever, and that Employer is solely responsible for the terms, conditions and compensation of his or her employment

18 **Complete Agreement** This Agreement (and, if applicable, the separate Noncompetition Agreement between Employee and the Employer) contains the complete agreement between the

Employer and Employee concerning the matters covered herein and supersedes any prior agreement, representation or understanding, oral or written, between them concerning those matters

19 **Third Party Beneficiary** Employee and Employer intend that Franchisor shall be a third party beneficiary of this Agreement, shall have all of the same rights of enforcement under this Agreement as Employer, and shall be entitled to all of the remedies provided by this Agreement to the same extent and under the same circumstances as Employer Employee irrevocably consents to (a) enforcement of this Agreement by Franchisor, and (b) the jurisdiction and venue of the federal and state courts located in Hillsborough County, Florida if the Franchisor enforces this Agreement

Intending to be bound, Employer and Employee sign below

[ENTER NAME OF FRANCHISEE]	**THE "EMPLOYEE"**
Signature _____	Signature _____
Name _____	Full Name _____
Title _____	Title _____
Date _____	Date _____

EXHIBIT "I"
TO THE DISCLOSURE DOCUMENT

FORM OF SAMPLE ARTICLES OF INCORPORATION OF

FONDUE DINING MARKETING COOPERATIVE, INC

ARTICLES OF INCORPORATION
OF
[Name of Area] FONDUE DINING MARKETING COOPERATIVE, INC

The undersigned, acting as the incorporator(s), adopts these Articles of Incorporation and forms a not for profit corporation (the "**Corporation**") under the [State of Incorporation] Not for Profit Corporation Act (the "**Act**"), as follows

I
Name

The name of the Corporation is [Name of Area] Fondue Dining Marketing Cooperative, Inc

II
Term of Existence

The Corporation's existence commences on the date of the filing of these Articles of Incorporation with the Secretary of State of the State of _____ The Corporation will have perpetual existence thereafter

III
Purposes

The purposes for which the Corporation is formed are to (a) establish, maintain, administer and operate the promotional and marketing cooperative fund of THE MELTING POT® Restaurants within the geographic area assigned by The Melting Pot Restaurants, Inc or its successor (the "**Franchisor**") (the "**Fund**"), (b) utilize contributions made to the Fund (the "**Contributions**") for its members, and (c) accomplish all purposes associated with furthering the objectives of the Corporation and enhancing and collecting contributions

IV
Membership

There are only 2 classes of members of the Corporation, voting members and non-voting members

(a) **Voting Members** The voting members will consist of all of the owners of franchised THE MELTING POT® Restaurants located in the cooperative area (the "**Cooperative Area**"), as the Cooperative Area may be modified from time to time in accordance with the Bylaws, who have entered into franchise agreements with the Franchisor and continue to be a party to them A member will hold one membership for every operating THE MELTING POT® Restaurant in good standing within the Cooperative Area and will have the voting rights, as well as the obligation for assessments and contributions, for each associated membership Otherwise, the qualifications, rights and activities of voting members will be as provided in the Bylaws

(b) **Non-Voting Members** The Franchisor will always constitute a member of the Corporation, but will not have voting rights by virtue of this status However, to the extent the Franchisor owns THE MELTING POT® Restaurants within the Cooperative Area, it will constitute a voting member to the same extent as any other members that are franchisees Thus, if the Franchisor owns 2 THE MELTING POT® Restaurants within the Cooperative Area, then it will have 2 voting memberships, in addition to its non-voting membership As a non-voting member, the Franchisor will not be required to make any Contributions to the Corporation This section can only be changed with the written consent of the Franchisor

V
Limitation on Activities

No part of the net earnings of the Corporation will inure to the benefit of, or be distributable to, any member, Director or officer of the Corporation or any other private individual (except that reasonable compensation may be paid for services rendered to or for the Corporation affecting one or more of its purposes), except (a) that the member at the time of dissolution or final liquidation will be entitled to share in the distribution of any of the remaining corporate assets, and (b) to the extent that the member (or its affiliates) own or operated restaurants as part of THE MELTING POT® franchise system Nothing in these Articles restricts the Corporation from reimbursing the member for funds furnished or loaned or for services performed

VI
Dissolution

Upon dissolution of this Corporation, or the final liquidation of its assets, whether voluntary or involuntary or by operation of law, except as and to the extent otherwise provided or required by law, the net assets remaining may be distributed only in accordance with the rules governing the Fund, provided, however, that nothing contained in this Article will be construed to prevent a distribution from the net assets of the Corporation to another distributee, otherwise properly made in accordance with the provisions of these Articles and the purposes herein stated, solely by reason of the fact that one or more of the members, officers or directors of the Corporation may be connected or associated with the distributee as a shareholder, member, trustee, director, officer or in any other capacity

VII
Principal Office

The principal office and mailing address of the Corporation is _____
_____
_____
_____

IX
Directors

The Corporation will have ___ directors initially Each voting member will also be a director, or if the member is not an individual, then such member's principal owner, president or chief executive officer will be a director The names and addresses of the initial directors of the Corporation, who will serve until their successor(s) are duly elected and qualified, are

Name	Address
_____	_____ _____ _____
_____	_____ _____ _____
_____	_____ _____ _____

X
Initial Registered Office and Agent

The street address of the initial registered office of the Corporation is c/o _____ _____ and the name of its initial registered agent at such address is _____
_____
_____
_____
_____

XI
Incorporator

The name and address of the incorporator signing these Articles of Incorporation are

Name	Address
_____	_____
	_____
	_____

XII
Bylaws

The power to adopt, alter, amend or repeal Bylaws will be vested in the Corporation's Board of Directors However, the Bylaws and any amendments, modifications or restatement of them will not be valid unless previously approved by the Franchisor

XIII
Indemnification

The Corporation will indemnify any member, director or officer or any former member, director or officer, to the fullest extent permitted by law

XIV
Amendment

These Articles of Incorporation may be amended in the manner provided by law, except that no amendment may be made to these Articles of Incorporation (a) that will eliminate the right of the Franchisor to be a non-voting member, (b) require the Franchisor to pay contributions by virtue of such non-voting membership, (c) limit the Franchisor's rights otherwise than in accordance with Article IV, or (d) without the Franchisor's written consent

IN WITNESS WHEREOF, the undersigned incorporator has executed these Articles of Incorporation on _____, 20___

_____
_____, Incorporator

EXHIBIT "J"
TO THE DISCLOSURE DOCUMENT

FORM OF SAMPLE BYLAWS OF

FONDUE DINING MARKETING COOPERATIVE, INC

BYLAWS

OF

***[NAME OF AREA]* FONDUE DINING MARKETING COOPERATIVE, INC**

Adopted as of _____, 20__

BYLAWS OF
[NAME OF AREA] FONDUE DINING MARKETING CORPORATION, INC

ARTICLE 1
Offices

Section 1 1 Registered and Principal Office The initial registered office of *[Name of Area]* **Fondue Dining Marketing Corporation, Inc** (the "**Corporation**") will be located at _____ _____ The initial principal office of the Corporation will be located at _____

Section 1 2 Other Offices The Corporation may have offices at such other place or places within or without the State of _____ as the Board of Directors may from time to time establish

Section 1 3 Registered Agent for Service of Process The Corporation's Board of Directors will have the right to designate a registered agent for service of process, who may be an individual or a corporation The registered agent so designated will serve until a successor is elected by the Board of Directors

ARTICLE 2
Powers and Purposes

Section 2 1 Powers The Corporation will have all of the powers accorded not for profit corporations under the _____ Not For Profit Corporation Act (the "**Act**") The Corporation will utilize such powers to engage in any lawful activity which is consistent with its purposes as set forth in the Articles of Incorporation

Section 2 2 Purposes The purposes for which the Corporation is formed are to (a) establish, maintain, administer and operate the promotional and marketing cooperative fund of The Melting Pot® Restaurants within the geographic area assigned by The Melting Pot Restaurants, Inc or its successor (the "**Franchisor**") (the "**Fund**"), (b) utilize contributions made to the Fund (the "**Contributions**") for its members, and (c) accomplish all purposes associated with furthering the objectives of the Corporation and enhancing and collecting contributions

Section 2 3 Not for Profit Status The Corporation is not organized, nor will it be operated, for profit No part of the net earnings of the Corporation will inure to the benefit of, or be distributable to, any member, Director or officer of the Corporation or any other private individual (except that reasonable compensation may be paid for services rendered to or for the Corporation affecting one or more of its purposes), except that the existing member at the time of dissolution or final liquidation will be entitled to share in the distribution of any remaining corporate assets

Section 2 4 Use of Trademarks The Corporation recognizes that its activities will necessarily involve the trademarks, service marks, logos, designs (the "**Marks**") of the Franchisor Recognizing the Franchisor's interest in its Marks and all advertising and promotional materials and the fact that all franchisee advertising and marketing materials must be approved by the Franchisor prior to use, the Corporation agrees that it will only create, produce or place any graphic material, verbal messages, advertising or promotional materials that have been preapproved by the Franchisor and otherwise comply with the franchise agreements for The Melting Pot® Restaurants system in effect from time to time, or that would be inconsistent with, disparaging of or detrimental to the goodwill associated with The Melting Pot® Restaurants trade name, the Marks and the image of the chain

ARTICLE 3
Members

Section 3 1 Members There are only 2 classes of members of the Corporation, voting members and non-voting members

A **Voting Members** The voting members will consist of all of the owners of franchised The Melting Pot® Restaurants located in the area (the "**Cooperative Area**"), as the Cooperative Area may be modified from time to time in accordance with these Bylaws, who have entered into franchise agreements with the Franchisor and continue to be a party to them A member will hold one membership for every The Melting Pot® Restaurant in good standing within the Cooperative Area and will have the voting rights, as well as the obligation for assessments and contributions, for each associated membership Otherwise, the qualifications, rights and activities of voting members will be as provided in these Bylaws

B **Non-Voting Members** The Franchisor will always constitute a member of the Corporation, but will not have voting rights by virtue of this status, except that in this status it will have the right to vote as a member to resolve a tie However, to the extent the Franchisor owns The Melting Pot® Restaurants within the Cooperative Area, it will constitute a voting member to the same extent as any other members that are franchisees Thus, if the Franchisor owns 2 The Melting Pot® Restaurants within the Cooperative Area, then it will have 2 voting memberships, in addition to its non-voting membership As a non-voting member, the Franchisor will not be required to make any Contributions to the Corporation This section can only be changed with the written consent of the Franchisor

Any franchisee who ceases to be bound under a franchise agreement with the Franchisor either due to its expiration or termination, will automatically cease to be a member of the Corporation, but will remain liable to the Corporation for any unpaid contributions or other amounts payable to the Corporation at the time membership ceases Likewise, to the extent the Franchisor has operated The Melting Pot® Restaurants and has been a voting member, if it ceases to operate any such Restaurant, then its voting membership with respect to such Restaurant will automatically cease Any directors serving on behalf of such former franchisee or former voting member will also be automatically and immediately removed from office

Section 3 2 Enrollment Notwithstanding any of the foregoing, no Member will be enrolled as a Member of the Corporation and will not have any rights as a Member unless and until it has signed a participation agreement with the Corporation

Section 3 3 Entity Membership, For all membership purposes, any business entity (corporation, partnership, limited liability company, etc) and its owners are deemed a single Member

Section 3 4 Members in Good Standing A Member will be in good standing as long as it is not delinquent for a period in excess of 30 days in the payment of any contribution or other monetary obligation to the Corporation Loss of membership and good standing (delinquency in paying contributions), will not relieve the Member of the obligation to make contributions to the fund when due

Section 3 5 Delinquent Members

A Any Member who is delinquent in paying contributions will be considered a Delinquent Member

B The voting rights and other membership privileges of a Delinquent Member will be suspended as long as the Member remains a Delinquent Member In order to retain good standing status, a Delinquent Member must pay all amounts due the Corporation

Section 3 6 Voting Each Member of the Corporation has one vote on any matter on which Members are granted a voting privilege under the Articles of Incorporation, these Bylaws or any applicable State Statute There is no cumulative voting for Directors or on any other matter

Section 3 7 Annual Meeting of the Members The annual meeting of the Members for the transaction of such other business as may properly come before the meeting will be held at such time and place as the Board of Directors may determine, provided that the Board of Directors may by resolution and for convenience designate any meeting of the Members, or any action taken by the Members without a meeting pursuant to and as permitted by the Act, as the annual meeting of the Members in lieu of the annual meeting as provided for by these Bylaws

At each annual meeting of the Members, in addition to any other business to be considered, must fix the number of and elect the Directors who will serve until their successors are elected and qualified, provided, however, that the Members, during an annual meeting or during a special meeting called for such purpose, may increase or reduce the number of Directors, as well as add or remove, with or without cause, Directors

The notice of the annual meeting of Members, except as otherwise required by law, the Articles of Incorporation or these Bylaws, need not state the matters to be considered at such meeting

Section 3 8 Special Meetings Special meetings of the Member, for any purpose or purposes, unless otherwise prescribed by the laws of the State of _____, or by the Articles of Incorporation, may be called on the written request of (i) the Franchisor, or (ii) a majority of the Board of Directors, or (iii) Members constituting ¼ of the Members in good standing A special meeting of the Members may also be called by 1/10 of the Members of record of the Corporation entitled to vote, provided that the holders of not less than 10% of all the votes entitled to be cast on any issue proposed to be considered at the proposed special meeting sign, date, and deliver to the Board of Directors one or more written demands for the meeting describing the purpose or purposes for which it is to be held Requests for a special meeting must state the purpose or purposes of the proposed meeting The notice of any special meeting of the Members, except one specified as the annual meeting, must state the purpose or purposes for which the meeting is called The special meeting will be devoted exclusively to the purposes described in the notice and no other business or issues will be conducted or addressed

Section 3 9 Place of Meeting All meetings of the Members will be at such places as will be determined from time to time by the Board of Directors of the Corporation

Section 3 10 Notice of Meetings Written notice of each meeting of the Members stating the place, day and hour thereof, must be delivered to each Member of record entitled to vote at such meeting and to the Franchisor, personally or by telephone, telegram, cablegram, first class mail, confirmed facsimile transmission or any other means of personal delivery providing evidence of actual delivery, and if mailed, the notice shall be deemed to be given when deposited in the United States mail addressed to the Members at the Members' address, as they appear in the records of the Corporation, with postage thereon prepaid Notice must be given by or under the direction of the Franchisor, the Secretary, or the officer or persons calling the meeting not more than 60 nor less than 10 days before the date of the meeting, provided that oral notice to the Member may be given in lieu of written notice so long as the party giving the notice to the Member files with the Corporation a written statement of the date, time, place and manner of the oral notice No notice need be given of the time and place of reconvening of any adjourned meeting, if the time and place to which the meeting is adjourned are announced at the adjourned meeting

Section 3 11 Waiver of Notice A written waiver of notice signed by any Member, whether before or after any meeting, shall be equivalent to the giving of timely notice to said Member Attendance of a Member at a meeting shall constitute a waiver of notice of such meeting and waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened,

except when a Member attends a meeting for the express purpose, as stated at the beginning of the meeting, of objecting to the transaction of business because the meeting is not lawfully called or convened Neither the business to be transacted at, nor the purpose of, any meeting of the Member need be specified in any written waiver of notice

Section 3 12 Closure of Books and Fixing of Record Date For the purpose of determining Members entitled to notice of, or to vote at, any meeting of the Members or any adjournment thereof, the Board of Directors may provide that the books will be closed for a period of not less than 3 and not more than 30 days immediately preceding such meeting If the books are not closed and no record date is fixed by the Board of Directors, the date on which notice of the meeting is mailed will be the record date for the determination of Members entitled to notice and to vote

Section 3 13 Quorum Except as otherwise required by the Act, the Articles of Incorporation or these Bylaws, the presence, in person or by duly appointed proxy, of Members holding a majority of the votes will constitute a quorum at all meetings of the Members In case a quorum is not present at any meeting, a majority of the Members present in person or by duly appointed proxy, will have power to adjourn the meeting from time to time, without notice other than announcement at the meeting of the time and place to which the meeting is adjourned, until a quorum is present At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally noticed, but only those Members entitled to vote at the meeting as originally noticed will be entitled to vote at any adjournment or adjournments thereof

Section 3 14 Voting Every Member will be entitled at each Members' meeting and upon each matter presented at such meeting, in person or by duly appointed proxy, to one vote The list of Members must be produced at any Member=s meeting upon the request of any Member Upon the demand of any Member, the vote upon any question before the meeting must be by written ballot Except as otherwise provided by these Bylaws, by the Act, or by the Articles of Incorporation, all matters will be decided by a majority of the votes cast on such matters Delinquent Members and the Franchisor will not be entitled to vote at membership meetings Any dispute regarding the good standing of a Member and its right to vote at a membership meeting will be determined conclusively by the Chairman of the meeting, which will be final and binding

Section 3 15 Proxies Every Member entitled to vote at any meeting of Members may, by an appointment form (or "proxy") executed in writing by himself or his attorney in fact, authorize another person or persons to act for him by proxy, and to vote at any such meeting or adjournment thereof An executed telegram or cablegram appearing to have been transmitted by such person, or a photographic, photostatic, or equivalent reproduction of an appointment form, is a sufficient appointment form In the event that any instrument will designate two or more persons to act as proxy, a majority of such persons present at the meeting, or, if only one be present, that one will have all the powers conferred by the instrument upon all the persons so designated unless the instrument will otherwise provide, but if the proxy holders present at the meeting are equally divided as to the right and manner of voting in any particular case, the voting will be prorated Said instrument appointing a proxy must be filed with the Secretary of the Corporation before or at the meeting at which the proxy is to exercise his authorization No proxy will be valid after the expiration of 11 months from the date thereof unless otherwise provided in the proxy, provided that revocation of an instrument appointing a proxy may be accomplished at any time by any one of the following methods

A personal attendance by the Member at a meeting for which said Member previously executed an instrument appointing a proxy,

B filing with the Secretary of the Corporation an instrument specifically revoking the prior appointment, or

C filing with the Secretary of the Corporation a duly executed instrument appointing a proxy different from a proxy appointed in a previously executed and otherwise effective instrument

Section 3 16 Action Without Meeting Any action of the Members of the Corporation may be taken without a meeting, without prior notice and without a vote, if one or more consents in writing, setting forth the action so taken, are signed by the Members having not less than 2/3 of the votes that would be necessary to authorize or take such action at a meeting at which all Members entitled to vote thereon were present and voted Such consents must be delivered to the Corporation in the manner required by the Act Neither the Articles of Incorporation nor these Bylaws will be construed, interpreted or deemed to have, in any way, limited or prevented the utilization of the ability to take written action in lieu of formal meetings as may be permitted by the Act

Section 3 17 Organization Meetings of the Members must be presided over by the President, or if he is not present, by the Vice President, if a Vice President has been elected, or if neither the President nor the Vice President is present, then by a chairman to be chosen by a majority of the Members entitled to vote who are present in person at the meeting The Secretary of the Corporation, or in his absence, the Assistant Secretary, will act as secretary of every meeting, but if neither is present, the Members entitled to vote who are present in person may choose any person present to act as secretary of the meeting Copies of minutes of all meetings and of all written actions in lieu of meetings must be provided to the Franchisor

At all meetings of the Members the order of business will be as follows

(1) Calling meeting to order
(2) Proof of notice of meeting and determination of quorum
(3) Reading and disposing of minutes of previous meeting
(4) Announcement of purposes for the meeting
(5) Reports of officers
(6) Reports of committees
(7) Unfinished business
(8) New business, including election of Directors if an annual meeting
(9) Adjournment

Section 3 18 Member Meetings by Telephone Any Member may participate in a Members' meeting, or may conduct a Members' meeting through the use of, any means of communication enabling all persons participating in the meeting to hear each other at the same time during the meeting Participation by such means will constitute presence in person at a meeting

ARTICLE 4
Directors

Section 4 1 Number Each voting member will either be a director or, if such member is not an individual, will have a representative as a director The representative director will be the voting member's owner, president of chief executive officer

Section 4 2 Qualification Each director must be either a Member, or an owner, officer or director of a Member that is a business organization However, any director serving on the Board of Directors will be automatically suspended at any time during which it or the business organization Member for which it is associated is not in good standing In addition, directors will be automatically removed as directors if, at any time, the Member with which they are associated is expelled from membership or is no longer a franchisee of the Franchisor either because the franchise agreement has expired or it has been terminated or transferred Nevertheless, the Franchisor will have the right to appoint a representative to serve on the Board of Directors who may not be removed by vote or consent of the Members or the other directors However, the Franchisor's representative on the Board of Directors will not be able to vote on matters to be considered by the Board of Directors but will only have the right to attend and participate in meetings, but without voting rights

Section 4 3 Terms Directors will hold office until their respective successors are duly elected and qualified or until there is a decrease in the number of Directors

Section 4 4 Resignation Any director may resign at any time Such resignation will be made in writing and will take effect upon its delivery to the President or the Board of Directors or its Chairman

Section 4 5 Powers The business of the Corporation will be managed by its Board of Directors, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not prohibited by the Act, by the Articles of Incorporation or by these Bylaws

Section 4 6 Meetings The Board of Directors of the Corporation may hold meetings, whether annual or special, either within or without the State of _____

The annual meeting of the Board of Directors for the purpose of electing officers and transacting such other business as may be brought before the meeting will be held at such time and place as the Board of Directors may determined The Board of Directors may by resolution provide for the time and place of other regular meetings, and no notice of such regular meetings need be given

All other meetings of the Board may be called on the written request of (i) the Franchisor, or (ii) any Director or (iii) 25% or more of Members in good standing, at such time and place as may be stated in such request

Section 4 7 Notice of Special Meetings Written notice of the place, day and hour of any special meeting of the Board of Directors must be given by or under direction of the Secretary, to each director at least 2 days before the meeting, provided, however, that oral notice may be given to directors in lieu of written notice so long as the party giving the notice to the directors files with the Corporation a written statement of the date, time, place and manner of the oral notices Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors, need be stated in the notice or waiver of notice of such meeting

Section 4 8 Action Without a Meeting Any action required to be taken, or which may be taken, at a meeting of the Board of Directors or a Committee thereof, may be taken without a meeting, if a consent in writing, setting forth the action so to be taken, is signed by all of the directors entitled to vote, or all of the members of the Committee who are entitled to vote, as the case may be Such consent will have the same effect as a unanimous vote

Section 4 9 Quorum and Voting At all meetings of the Board, a majority of the directors then in office will constitute a quorum for the transaction of business The act of a majority of directors present at a meeting where a quorum is present will be the act of the Board of Directors, except as may be otherwise specifically provided by law, the Articles of Incorporation or these Bylaws If at any meeting of the Board of Directors there is less than a quorum present, a majority of those present may adjourn the meeting, without further notice, from time to time and place to place until a quorum will have been obtained

Section 4 10 Organization The President of the Corporation will act as Chairman and the Secretary will act as Secretary at all meetings of the Board

Section 4 11 Committees

A **Executive Committee**

1 *Creation* The Board of Directors may, by resolution adopted by a majority of the full Board, designate two or more of their number to constitute an Executive Committee

2 *Action and Powers* In addition to the disabilities under the Act, and the other provisions of these Bylaws and the Articles of Incorporation regarding extraordinary voting requirements of the Board of Directors, the Executive Committee will not have the power to

(a) amend the Articles of Incorporation,

(b) adopt a plan of merger, consolidation, recapitalization or other form of reorganization,

(c) sell, lease, exchange or otherwise dispose of all or substantially all of the property and assets of the Corporation, or

(d) adopt a plan of voluntary dissolution of the Corporation

3 *Report of Executive Committee* The Executive Committee will cause a report of its actions to be distributed to the remaining members of the Board of Directors within 7 days of taking such actions and will cause such report to be filed with the minutes of the proceedings of the Board of Directors

B Other Committees The Board may from time to time appoint such other committees and delegate such duties and powers thereto as it may deem advisable, provided that no delegation of power to such other committees may include any of the powers excluded under this Article Each committee must have 2 or more members who serve at the pleasure of the board of directors

C Committees Generally Each committee must elect its own chairman (unless a chairman has been designated by the Board of Directors) and may hold regular meetings without notice Special committee meetings may be called by the chairman of the committee or by the Board and notice of any special meeting must be given in the manner provided hereinabove for notice of special meetings of the Board of Directors Quorum and voting requirements and the term, removal, and resignation bylaws applicable to the Board of Directors will apply to Committees Each committee must keep regular minutes of its proceedings and report the same to the Board of Directors

Section 4 12 Compensation Directors must not receive any stated salary or compensation for their services as directors or as members of committees The Board may authorize reimbursement of expenses advanced by any director or committee member Nothing herein contained will be construed to preclude any director from serving the Corporation in any capacity as an officer, agent, or otherwise, but no compensation will be paid for such services

Section 4 13 Attendance by Telephone Any member or members of the Board of Directors or an Executive Committee or other committee will be deemed present and voting at a meeting of such Board or Committee if said member or members participate in the meeting by means of a conference telephone or other communications equipment enabling all persons participating in the meeting to hear each other at the same time Participation by such means will constitute presence in person at a meeting

ARTICLE 5
Officers

Section 5 1 Officers The officers of this Corporation will consist of a President, a Secretary and a Treasurer, and may consist of such other officers, including but not limited to 1 or more Vice Presidents, Assistant Secretaries and Assistant Treasurers with such titles, powers and duties as may be prescribed from time to time by the Board of Directors They will be elected by the Board of Directors at its annual meeting

Section 5 2 Term of Office, Vacancies Each officer must hold office for one year and until such officer's successor is duly elected and qualified A vacancy in any office arising from any cause may be filled for the unexpired portion of the term by the Board of Directors

Section 5 3 Removal of Officers Any officer may be removed at any time with or without cause by action of the Board of Directors by the affirmative vote of a majority of the directors then in office Election or appointment of an officer will not of itself create contract rights This provision will not prevent the making of a contract of employment for a definite term with any officer and will have no effect upon any cause of action which any officer may have as a result of removal in breach of a contract of employment

Section 5 4 Resignations An officer may resign at any time by delivering notice to the Corporation A resignation is effective when the notice is delivered unless the notice specifies a later effective date If a resignation is made effective at a later date and the Corporation accepts the future effective date, the Board of Directors may fill the pending vacancy before the effective date if the Board of Directors provides that the successor does not take office until the effective date of the pending vacancy

Section 5 5 Compensation No compensation will be paid to any officer of the Corporation, except the Board of Directors may determine reimbursement for expenses actually advanced

Section 5 6 Refund of Payment In the event that the Internal Revenue Service disallows, in whole or in part, the deduction by the Corporation as an ordinary and necessary business expense of any payment made to an officer of the Corporation, whether as salary, commission, bonus or other form of compensation or as interest, rent or reimbursement of expenses incurred by such officer, such officer must reimburse the Corporation to the full extent of such disallowance The Board of Directors of the Corporation will have the duty to require each such officer to make such reimbursement, and it will be the legal duty of each such officer thus to reimburse the Corporation

Section 5 7 Powers and Duties

A **In General** The officers of the Corporation will have such powers and duties as generally pertain to their respective offices, including the powers and duties provided by these Bylaws, as well as such powers and duties as from time to time may be conferred by the Board of Directors

B **President** The President will

(1) preside at all meetings of the Board of Directors in the absence of the Chairman of the Board, if any,

(2) present at each annual meeting of the directors a report of the condition of the business of the Corporation,

(3) cause to be called regular and special meetings of the directors in accordance with these Bylaws,

(4) sign and make contracts and agreements in the name of the Corporation,

(5) see that the books, reports, statements and certificates required by statute are properly kept and filed according to law,

(6) sign notes, drafts or bills of exchange, warrants or other orders for the payment of money duly drawn on behalf of the Corporation,

(7) to supervise all employees of the Corporation including the power to hire and fire such employees as he or she deems advisable, and

(8) have general charge of and control over the affairs of the Corporation and perform all the duties incident to such position and office, including the purchase by the Corporation of tangible or intangible assets, the enforcement of these Bylaws and all other things which the President is required to do by law

C **Vice President** The Vice President, if any, will

(1) in the absence or disability of the President, perform the duties and exercise the powers of the President, and

(2) perform such other duties and have such other powers as the Board of directors may from time to time prescribe

D **Secretary** The Secretary will

(1) prepare the minutes of the meetings of the Board of Directors and keep the minutes in appropriate permanent books of record,

(2) give and serve all notices of the Corporation,

(3) be the custodian of the records and of the seal, and affix the latter when required, and authenticate records of the Corporation when required,

(4) keep the transfer books in the manner prescribed by law, and

(5) attend to all correspondence and perform all the duties incident to the office of the Secretary

E **Treasurer** The Treasurer will

(1) keep accounts of and have the care and custody of and be responsible for all the funds and securities of the Corporation,

(2) deposit all such funds in the name of the Corporation in such bank or banks, trust company or trust companies, or safe deposit vaults as the Board of Directors may designate,

(3) exhibit, at times required by law or these Bylaws, the corporate financial books and accounts to any director upon application at the office of the Corporation during business hours,

(4) render a statement of the condition of the finances of the Corporation (at each regular meeting of the Board of Directors, and at such other times as it will be required of the Treasurer) and a full financial report at the annual meeting of the directors,

(5) keep at the office of the Corporation current books of account of all of its business transactions and such other books of account that the Board of Directors may require, and

(6) do and perform all other duties pertaining to the office of the Treasurer

F **Assistant Secretary and Assistant Treasurer** The Assistant Secretary or Assistant Secretaries and the Assistant Treasurer or Assistant Treasurers will, in the absence or disability of the Secretary, or Treasurer, respectively, perform the duties of such officer and generally assist, in the case of an Assistant Secretary, the Secretary, or an Assistant Treasurer, the Treasurer

Section 5 8 Delegation of Duties In the case of the absence or disability of any officer of the Corporation or for any other reason deemed sufficient by a majority of the Board, the Board of Directors may delegate such officer's respective powers or duties to any other officer or to any director or agent of the Corporation for a specified period or until said delegation is revoked by the Board of Directors, provided that such delegation is otherwise permitted by law and by the Articles of Incorporation and these Bylaws

ARTICLE 6
Contributions

Section 6 1 Contributions Members will contribute to the Corporation such amounts determined from time to time by the Board of Directors consistent with the franchise agreements The amount of the contributions will generally be uniform among Members except in situations in which Members are located in remote areas and, in the reasonable business judgment of the Board, will not benefit from the Corporation's marketing, promotional and advertising activities as other Members, subject to the Franchisor's written approval The Board of Directors will only make such determination if it reasonably believes that the level of benefits will be significantly less favorable to such remote Members as compared to the other Members Otherwise, contributions for Members will be uniform

Section 6 2 Payment of Contributions The Board of Directors will set the dates and method of payment for contributions consistent with the franchise agreements However, new Members will not have to pay their contributions until after their The Melting Pot® Restaurants have opened for business

Section 6 3 Default in Payments The Board of Directors will set up policies and procedures for dealing with situations in which Members have not timely paid contributions The Board of Directors may set interest rates and fees to offset administrative expenses, collection costs, etc for delinquent payments The Board of Directors may also set policies for expelling Delinquent Members after a period of time Nevertheless, in any event, no Member may be expelled except upon a vote or consent of the Board of Directors, otherwise in accordance with these Bylaws

Section 6 4 Limits on Contributions Contributions will never be less than the amount required by the franchise agreements Unless changed by an amendment to these Bylaws, the contribution rate may never exceed 1 5% of the monthly Gross Revenues of the Member's Restaurant owned and operated by the Member for which such membership relates Gross Revenues will have the meaning stated in the franchise agreements Nevertheless, the Board of Directors may temporarily waive the obligation of any Member to make contributions to the Corporation to the extent and upon the conditions it adopts from time to time as long as those conditions are generally available and applicable to all Members and will discriminate in favor of or against any Member or group of Members However, notwithstanding the foregoing, the Board of Directors may establish a separate contribution rate or level for Members whose The Melting Pot® Restaurants are located in a remote area so that, in their business judgment, such The Melting Pot® Restaurants would not receive the same amount of benefit from the promotional, advertising or marketing activities sponsored by the Corporation Such variations may be on a case-by-case basis or annually, and only if the Franchisor has approved them The Corporation will give full and complete access to all its books and records at all times to its Members, Directors and Officers, and to the Franchisor

ARTICLE 7
Notices

Section 7 1 Recording Whenever these Bylaws require notice to be given to Members, directors, or committee members, proof of such notice whether given by mail, e-mail, telecopy, telephone, telegraph, cablegram or by personal contact will be recorded and filed by the Secretary in the minute book and incorporated into the minutes for the meeting to which such notice pertains

Section 7 2 Waiver Whenever any notice of a meeting is required to be given under the provisions of the Act, of the Articles of Incorporation, or of these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, either before, at or after the meeting, will be deemed equivalent to such required notice Attendance of a person entitled to notice at a meeting will also constitute a waiver of notice of such meeting, provided, however, that such attendance will not constitute such a waiver if said person attends said meeting solely for the purpose of, and limits his participation at the meeting to, objecting to the transaction of any business because the meeting is not lawfully called or convened and states such objection at the beginning of the meeting

ARTICLE 8
Designated Financial Agents, Signatures and Seal

Section 8 1 Designated Financial Agents All funds of the Corporation will be deposited in the name of the Corporation in such bank, banks or other financial institutions as the Board of Directors may from time to time designate and will be drawn out on checks, drafts or other order signed on behalf of the Corporation by such person or persons as the Board of Directors may from time to time designate

Section 8 2 Other Agreements Except as otherwise specifically provided by these Bylaws, all contracts, agreements, deeds, bonds, mortgages and other obligations and instruments must be signed on behalf of the Corporation by the President or by such other officer, officers, agent or agents as the Board of Directors may from time to time by resolution provide

ARTICLE 9
Amendments of Bylaws

The Bylaws may be altered, amended or repealed only at any meeting of Members at which 2/3 of the Members in good standing are present in person or by proxy and by vote of 2/3 of the Members present and eligible to vote thereon, provided that the notice of the meeting contains a written proposal to amend these Bylaws along with the text of the amendments Nevertheless, the amendment of any Bylaw or replacement of these Bylaws will not be effective unless (a) it has been approved by the Franchisor, or (b) it has been approved by a voting requirement that is in excess of the voting requirement that it is replacing (e g , a voting requirement specifying approval by 2/3 can only be changed by a vote of at least that number)

ARTICLE 10
Indemnification

Section 10 1 Indemnification in Proceedings Other Than Actions by, or in the Right of, the Corporation The Corporation will indemnify any person who was or is a party to any proceedings (other than an action by, or in the right of, the Corporation), by reason of the fact that he is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, committee member, officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise against liability incurred in connection with such proceeding, including any appeal thereof, if the indemnitee acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful

Section 10 2 Indemnification of Persons Parties to a Proceeding by or in the Right of the Corporation The Corporation will indemnify any person who was or is a party to any proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee, or agent of the Corporation or is or was serving at the request of the Corporation as the director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses and amounts paid in settlement not exceeding, in the judgment of the Board of Directors, the estimated expense of litigating the proceeding to conclusion, actually and reasonably incurred in connection with the defense or settlement of such proceeding, including any appeal thereof Such indemnification may be authorized if such person acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation Provided, however, that no indemnification may be made hereunder in respect of any claim, issue, or matter as to which such person has been adjudged to be liable, unless, and only to the extent that, the court in which such proceeding was brought, or any other court of competent jurisdiction, determines upon application that, despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court deems proper

Section 10 3 Mandatory Indemnification To the extent that a director, officer, employee, or agent of the Corporation has been successful on the merits or otherwise in defense of any proceeding referred to in Sections 10 01 and 10 02 above, or in defense of any claim, issue or matter therein, he must be indemnified against expenses actually and reasonably incurred by him in connection therewith

Section 10 4 Authorization of Indemnification is Required Any indemnification under Sections 10 01 and 10 02, unless pursuant to a determination by a court, may be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee, or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 10 01 or 10 02 Such determination must be made pursuant to any procedures outlined by the Act, if any

Section 10 5 Additional Conditions to Indemnification The Board, by a majority vote of a quorum consisting of Directors who were not parties to the action, suit or proceeding to which the indemnification relates, may impose such additional conditions upon any form of indemnification as the Board may deem appropriate, including, but not limited to, the right to assume the defense in appropriate circumstances, the right to select the attorney representing the indemnified person and the right to settle

Section 10 6 Payment of Expenses Expenses (including attorneys' fees) incurred in defending a civil or criminal action, suit or proceeding must be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon a preliminary determination following the procedures set forth in Section 10 04 that such indemnified person meets the applicable standard of conduct referred to therein and subject to any conditions imposed by the Board pursuant to this Article and the prior receipt by the Corporation of an undertaking satisfactory in form and substance to the Corporation that such person will promptly repay such amount unless it is ultimately determined that the person is entitled to be indemnified by the Corporation as authorized in this Article 10

Section 10 7 Indemnification Disallowed in Certain Circumstances The indemnification provided pursuant to this article may not be made to or on behalf of any director, officer, employee, or agent if a judgment or other final adjudication establishes that his actions, or omissions to act, were material to the cause of action so adjudicated and constitute

A a violation of the criminal law, unless the director, officer, employee or agent had reasonable cause to believe his conduct was lawful or had no reasonable cause to believe his conduct was unlawful,

B a transaction from which the director, officer, employee or agent derived an improper personal benefit,

C in the case of a director, a circumstance under which the Director would be liable to the Corporation under the Act, or

D willful misconduct or a conscious disregard for the best interests of the Corporation in a proceeding by or in the right of the Corporation to procure a judgment in its favor

Section 10 8 Nonexclusivity The Corporation has the power to make any other or further indemnification of any of its Directors, officers, members of any committee, or any other person that the Corporation has the power by law to indemnify, including without limitation, employees or agents of the Corporation, under any bylaw, agreement, vote of disinterested Directors, or otherwise, both as to action in any official capacity and as to action in another capacity while holding such office, except an indemnification against gross negligence or willful misconduct The indemnification as provided in this Article will continue as to any person who has ceased to be a Director, officer, employee, or agent and will inure to the benefit of such person's heirs and personal representatives

ARTICLE 11
General Provisions

Section 11 1 Fiscal Year The fiscal year of the Corporation will begin on January 1 and end on December 31 of each year

Section 11 2 Gender and Number Whenever the context requires, the gender of all words used herein includes the masculine, feminine and neuter, and the number of all words includes the singular and plural thereof

Section 11 3 Articles and Other Headings The Articles and other headings contained in these Bylaws are for reference purposes only and will not affect the meaning or interpretation of these Bylaws

Section 11 4 Minutes, Books and Records of Account The Corporation will keep correct and complete books and records of account and will keep minutes of the proceedings of its Board of directors, and committees of directors, and other records as required by the Act

Section 11 5 Statutory Cites Any reference in these Bylaws to the Act will include all revisions and amendments to the Act

EXHIBIT "K"
TO THE DISCLOSURE DOCUMENT

FORM OF SAMPLE OF FONDUE DINING MARKETING COOPERATIVE

MEMBERSHIP AGREEMENT

THE *[NAME OF AREA] FONDUE DINING* COOPERATIVE MEMBERSHIP AGREEMENT

THIS *[NAME OF AREA] FONDUE DINING* COOPERATIVE MEMBERSHIP AGREEMENT is effective as of _____, 20__, by and between ***[Name of Area]* FONDUE DINING MARKETING COOPERATIVE, INC** (the "**Corporation**") and _____ _____, a franchisee (the "**Member**") operating a THE MELTING POT® Restaurant located at _____ _____ (the "**Member Restaurant**") The Corporation and the Member are sometimes referred to collectively as the "**parties**" or singularly as a "**party**")

BACKGROUND INFORMATION

THE MELTING POT® RESTAURANTS, INC (or its successor) (the "**Franchisor**") franchises restaurant businesses known as THE MELTING POT® which offer and serve cheese, beef, chicken, seafood and chocolate fondues, salads, cheese, fruit, fresh breads, imported and domestic beers and wines in a dinner format ("**THE MELTING POT® Restaurants**") The Member operates a THE MELTING POT® Restaurant within the cooperative area (the "**Cooperative Area**") The Corporation was organized by the Franchisor and its franchisees operating in the Cooperative Area to pool advertising and marketing funds and resources in order for the members to benefit in their advertising, marketing and promotion expenditures The Member is the owner of a THE MELTING POT® Restaurant who has entered into a franchise agreement with the Franchisor who wishes to participate in the Corporation and obtain the benefits of membership, while committing to make the contributions required by the Corporation from time to time in accordance with its governing documents, except that the Bylaws and any modifications are subject to the Franchisor's approval

OPERATIVE TERMS

Intending to be bound, the parties agree as follows

1 **Bylaws** The Corporation has adopted Bylaws and may amend, modify or replace them from time to time The parties agree to abide by those Bylaws Unless the text or context of this Agreement requires otherwise, terms used in this Agreement will have the meanings as defined in the Bylaws

2 **Membership** By signing this Agreement

(a) The Corporation accepts and enrolls the Member as a member in good standing with full rights and benefits of membership,

(b) The Member agrees to become a member of the Corporation and agrees to be bound by and adhere to the Bylaws as now in effect or as subsequently modified, amended or replaced, in accordance with the Corporation's governing documents, and to observe any administrative rules, regulations and policy statements adopted by the Corporation in accordance with the Bylaws

3 **Scope** This Agreement relates solely to the Member's THE MELTING POT® Restaurant and the Member understands that he may have multiple memberships if he has multiple THE MELTING POT® Restaurants If this Agreement is signed prior to the opening of the Member's THE MELTING POT® Restaurant , it will not become effective unless and until the Member's THE MELTING POT® Restaurant opens for business in accordance with its franchise agreement

4 **Contributions**

(a) **Obligation to Pay** Members will contribute to the Corporation such amounts as required by their franchise agreements in the time, manner and method specified The Board of

Directors will determine from time to time the amount of any additional contributions to be paid to the Corporation by its Members consistent with the franchise agreements The amount of the contributions will generally be uniform among Members except in situations in which Members are located in remote areas and, in the reasonable business judgment of the Board, will not benefit from the Corporation's marketing, promotional and advertising activities as other Members The Board of Directors will only make such determination if it reasonably believes that the level of benefits will be significantly less favorable to such remote Members as compared to the other Members Otherwise, contributions for Members will be uniform The Board of Directors will set the dates and method of payment for contributions consistent with the franchise agreements However, new Members will not have to pay their contributions until after their THE MELTING POT® Restaurants have opened for business

(b) **Reports** The Member agrees that the Corporation may review reports and other information available to the Franchisor in an effort to verify that the proper amount of contributions have been paid by the Member Each contribution payment must be accompanied by a report on a form promulgated by the Corporation showing the amount of contributions the Member paid with respect to the Member's THE MELTING POT® Restaurant , to the extent that such payments vary based on gross sales, gross revenues or through some other means The Member authorizes and instructs the Franchisor to furnish to the Corporation, upon its request, copies of the Member's reports and records for the purpose of verifying amounts due

(c) **Promotional Allowances** The Member assigns to the Corporation all promotional and/or marketing allowances or similar compensation given or paid to the Member as a result of the purchase of products or services by or for the Member's THE MELTING POT® Restaurant under a program or arrangement that either the Corporation or the Franchisor has negotiated on behalf of THE MELTING POT® Restaurants in the Cooperative Area for the development of advertising, marketing and promotional materials that have been established with the understanding or expectation that such amounts would be contributed to the Corporation The Member authorizes the Corporation to sign in the Member's name any consent/release forms that may be necessary to authorize a supplier to pay all such advertising, promotional or marketing funds or allowances directly to the Corporation Vendor rebates and similar payments to the Franchisor are separate and will not be paid to the Corporation

5 **Benefits** The Corporation agrees that it will operate on a non-profit basis in accordance with its governing documents and that all contributions will be spent solely for the purposes permitted in the Bylaws

6 **Effective Date and Term** This Agreement becomes effective on the date signed by the Member and will continue until the earlier of

(a) The Corporation's operations are terminated by action of its members or the Corporation is dissolved without being reinstated within 2 years, or

(b) Until Member ceases to be a member in good standing either because it is no longer a franchisee of the Franchisor or it has been expelled If the Member ceases to be a THE MELTING POT franchisee, its voting and other membership rights in the Corporation automatically terminate on the day that its franchise agreements terminates or expires However, if the Member owes contributions at the time of such termination or expiration, then it will still be obligated and responsible for all contributions that accrued prior to the date of such termination or expiration

7 **Franchise Transfers** The parties recognize that the timing of payment of contributions may not always coincide with the closing of the transfers of THE MELTING POT® Restaurants Accordingly, the parties agree as follows

(a) **Timing** The Member will remain responsible to the Corporation for all contributions due through the date of the closing of any transfer of THE MELTING POT® Restaurant to anyone else Such transfer will be deemed to occur if it constitutes a transfer or assignment under the Member's franchise agreement

(b) **Credit Balances** If the Member sells or closes the Member's THE MELTING POT® Restaurant at a time when it has a credit balance with the Corporation, the credit balance will not be refunded but will be either (i) retained for the benefit of other members of the Corporation if the transaction involves a closing of the Member's THE MELTING POT® Restaurant or the termination or expiration of the Member's franchise agreement, or (ii) credited to THE MELTING POT® Restaurant s purchaser if a sale, transfer or assignment is involved, or (iii) credited to the Member's other THE MELTING POT® Restaurants (and memberships if the transaction involves the closing of one THE MELTING POT® Restaurant but the Member owns multiple THE MELTING POT® Restaurants and remains a Member with respect to one or more other THE MELTING POT® Restaurants)

8 Delinquencies The Member agrees that the Corporation will adopt rules and regulations regarding the treatment of delinquencies The Member agrees to abide by them, including the payment of interest and late payment fees for delinquent contributions The Member understands that it may lose voting rights and other privileges as a result of being delinquent in making contributions and that its membership may be cancelled by the Corporation for failing to do so

9 Entity Participation If the Member is a corporation, partnership or other business organization, it will appoint one person to represent its interest at Corporation meetings in whatever capacity it participates However, such representatives must either be a (i) shareholder, partner, director or officer of the business organization that is the Member, or (ii) an employee of the Member who has a rank and position no less than Restaurant Manager The Corporation will be entitled to rely on such representative's decisions, votes and consents at any such meeting without further inquiry One representative can represent multiple members and multiple THE MELTING POT® Restaurants

10 Varying Participation Contributions will never be less than the amount required by the franchise agreements Unless changed by an amendment to the Bylaws, the contribution rate may never exceed ___% of the monthly Gross Revenues of the Member's Restaurant owned and operated by the Member for which such membership relates Gross Revenues will have the meaning stated in the franchise agreements Nevertheless, the Board of Directors may temporarily waive the obligation of any Member to make contributions to the Corporation to the extent and upon the conditions it adopts from time to time as long as those conditions are generally available and applicable to all Members and will discriminate in favor of or against any Member or group of Members However, notwithstanding the foregoing, the Board of Directors may establish a separate contribution rate or level for Members whose THE MELTING POT® Restaurants are located in a remote area so that, in their business judgment, such THE MELTING POT® Restaurants would not receive the same amount of benefit from the promotional, advertising or marketing activities sponsored by the Corporation Such variations may be on a case-by-case basis or annually, and only if the Franchisor has approved them

11 Program Participation The Member will not be required, as a condition of membership in the Corporation, or otherwise, to participate in any advertising, promotional or marketing activity specified by the Corporation which would require the Member to advertise or to charge a specified retail price, or a minimum retail price for any product or service furnished by THE MELTING POT® Restaurants However, if the Member does not participate in such activities, its obligation to pay contributions pursuant to this Agreement will not be affected in any way The Member also agrees that if its voting rights are suspended because it is delinquent in paying contributions, it does not excuse it from being obligated to pay any other contributions that become due and payable

12 National Programs The Members and the Corporation agree and understand that they will participate in marketing programs and spend Corporation fund as directed by the Franchisor in up to 4 programs per year

13 Miscellaneous

(a) **Severability** If any of the provisions of this Agreement are held invalid for any reason, the remainder will not be affected and will remain in full force and effect in accordance with its terms

(b) **Litigation Expenses** In any action or dispute, at law or in equity, that may arise under or otherwise relate to the terms of this Agreement, the prevailing party will be entitled to full reimbursement of its litigation expenses from the other party Litigation expenses include attorneys' fees, defense costs, witness fees and other related expenses including paralegal fees, travel and lodging expenses and court costs Reimbursement is due within 30 days of written notice after prevailing

(c) **Waivers** No waiver of any provision of this Agreement will be valid unless in writing and signed by the person against whom it is sought to be enforced The failure by either party to insist upon strict performance of any provision will not be construed as a waiver or relinquishment of the right to insist upon strict performance of the same provision at any other time, or any other provision of this Agreement

(d) **Governing Law/Jurisdiction** This Agreement is governed by _____ law The courts of _____ have exclusive jurisdiction in any controversy relating to or arising out of this Agreement All parties waive any objections to venue in _____

(e) **Liabilities and Beneficiaries** Neither party will be liable to any other person who is not a party to this Agreement by virtue of their relationship to each other No other person has any rights because of this Agreement, except for the parties However, notwithstanding the foregoing, although the Franchisor is not a party to this Agreement, and is not bound by it, it is a third-party beneficiary and has the right to enforce it

Intending to be bound, the parties sign below

***[Name of Area]* FONDUE DINING MARKETING COOPERATIVE, INC**

By _____
Name _____
Title _____
Date _____

_____
[Name of Member]

By _____
Name _____
Title _____
Date _____

EXHIBIT "L-1"
TO THE DISCLOSURE DOCUMENT

FORM OF FRANCHISEE OPERATING AGREEMENT

~~OPERATING AGREEMENT FOR~~
~~*[NEW FRANCHISEE]*, LLC~~

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OPERATING AGREEMENT

OF

[NEW FRANCHISEE], LLC

THIS OPERATING AGREEMENT (this "Operating Agreement") is made and entered into as of the __ day of _____, 20__ by and among (i) *[New Franchisee]*, LLC (the "Company"), a Florida limited liability company, (ii) The Melting Pot Restaurants, Inc. ("TMPRI" and "Majority Member") and (iii) *[Operating Franchisee]* ("Minority Member"). The Majority Member and the Minority Members are individually a "Member" and collectively the "Members".

The Members' initial Capital Contribution and Membership Interest are as stated in Schedule A to this Operating Agreement. Certain terms used in this Operating Agreement are defined in Article 11.

THE PARTIES AGREE AS FOLLOWS.

Article 1
FORMATION OF COMPANY

1.1. Recognition of Organization of Company. The Company was organized as a Florida limited liability company upon the filing of the Articles of Organization by the Florida Secretary of State, effective as of the date of the Articles of Organization.

1.2. Effective Date. The Effective Date of this Operating Agreement is as stated in the first paragraph of this Operating Agreement.

1.3. Name. The name of the Company is [*New Franchisee*], LLC, d/b/a The Melting Pot® Restaurant.

1.4. Place of Business. The Company shall locate its business at *[insert restaurant address]* or at such other place or places as the Manager may from time to time deem advisable.

1.5. Registered Offices and Registered Agents. The Company's initial registered office in the State of Florida shall be 7886 Woodland Center Blvd., Tampa, Florida, 33614, and the name of its initial registered agent at such address shall be Robert P. Johnston. The registered office or registered agent, or both, in the State of Florida may be changed from time to time by filing the address of the new registered office or the name of the new registered agent, as the case may be, with the Florida Secretary of State under the Florida Act.

Article 2
PURPOSES OF COMPANY

The purpose of the Company is to operate a The Melting Pot® Restaurant ("Restaurant") franchised from TMPRI and to accomplish any lawful business and activities that the Manager determines shall be pursued by the Company. The Company shall have all the powers necessary or convenient to carry out the purposes for which it is formed, including the powers granted by the Florida Act.

~~Article 3~~
~~RIGHTS AND DUTIES OF MANAGER~~

3 1 ~~Manager TMPRI shall be the Manager of the Company~~

3 2 ~~Management The business and affairs of the Company shall be managed by its Manager Except for circumstances in which the approval of the Members is expressly required by this Operating Agreement or by non-waivable provisions of applicable law, the Manager shall make all decisions and shall have all authority to make decisions and act on behalf of the Company consistent with the Company's business purposes~~

~~3 3 Certain Authority of Manager~~

~~(a) Subject to, but without limiting the generality of, Section 3 2, the Manager shall have authority, on behalf of the Company~~

~~(1) to execute and deliver on behalf of the Company all instruments and documents, including checks, drafts, notes and other negotiable instruments, mortgages or deeds of trust, security agreements, financing statements, documents providing for the acquisition, mortgage, or disposition of the Company's property, assignments, bills of sale, leases, partnership agreements, operating agreements of other limited liability companies, and any other instruments or documents necessary, in the opinion of the Manager to the business and affairs of the Company,~~

~~(2) to acquire property from any Person as the Manager may determine The fact that a Manager is directly or indirectly affiliated or connected with any Person shall not prohibit the Manager from dealing with that Person,~~

~~(3) to borrow money from banks, other lending institutions, the Manager, or Affiliates of the Manager on such terms as the Manager deems appropriate, and, in connection therewith, to hypothecate, encumber, and grant security interests in the assets of the Company to secure repayment of the borrowed sums,~~

~~(4) to transfer all or substantially all of the assets of the Company with or without an undertaking by the transferee to assume any liability of the Company, whether as part of a single transaction or otherwise, so long as such transfer is not in violation of, or a cause of a default under, any material agreement to which the Company may be bound,~~

~~(5) to enter into any and all other agreements on behalf of the Company, with any other Person for any purpose, in such forms as the Manager may approve,~~

~~(6) to employ accountants, legal counsel, and others to perform services for the Company, and employees and other agents to act for the Company, to delegate to such Persons such authority as the Manager may itself have to act on behalf of the Company, and to compensate such Persons from Company funds, and~~

~~(7) to perform all other acts as the Manager may deem to be necessary or appropriate in the conduct of the Company's business and affairs~~

~~(b) Unless authorized to do so by this Operating Agreement or by the Members, no attorney-in-fact, employee, or other agent of the Company, other than the Manager, shall have any power or authority to bind the Company in any way, to pledge its credit, or to render it liable pecuniarily for any purpose Without limiting the generality of the foregoing, no debt shall be contracted or liability incurred by or on behalf of the~~

~~Company except as determined by the Manager, or, to the extent permitted under the Florida Act, by agents or employees of the Company expressly authorized by the Manager to contract such debt or incur such liability~~

3 4 ~~Restrictions on Authority of Manager~~ ~~The Manager shall not have the authority to do any of the following acts without the unanimous approval of all of the Members~~

~~(a) perform any act in contravention of this Operating Agreement, or~~

~~(b) cause the Company to admit any additional Members other than under Article 9 of this Operating Agreement~~

~~3 5 Deleted~~

3 6 ~~Bank Accounts~~ ~~The Company may from time to time open bank accounts, with such signatories thereon as the Manager may determine~~

~~3 7 Indemnity of Manager and Agents~~

~~(a) Without limiting any other obligation of the Company to the Manager, the Company shall indemnify the Manager with respect to, and make advances for, the payments made, personal liabilities incurred and expenses incurred by the Manager in the ordinary and proper conduct of the Company's business and affairs (including the winding up thereof) or the preservation of the Company's business or property, to the maximum extent indemnification and advances are permitted under the Florida Act~~

~~(b) The Company may indemnify its employees and other agents who are not the Manager to the fullest extent permitted by law or to any lesser extent, as determined by the Manager~~

3 8 ~~Compensation of Manager~~ ~~As long as the Manager is not involved in the day-to-day operation of the Company, the Manager does not intend to receive compensation for the services it renders to the Company If the Manager is required to become involved in the Company's day-to-day operations, the Manager shall be entitled to reasonable compensation for its services in an amount determined by the majority Vote of the Members~~

3 9 ~~Right to Rely on Certificates of Manager~~ ~~Any Person dealing with the Company may rely, without duty of further inquiry, upon a certificate signed by the Manager as to~~

~~(a) the identity of the Manager or of any Member,~~

~~(b) the existence or nonexistence of any fact or facts which constitute a condition precedent to acts by the Manager or which are in any other manner germane to the business or affairs of the Company,~~

~~(c) the identity and authority of Persons who are authorized to act for, or to execute or deliver any instrument or document on behalf of, the Company, and the scope of such authority, or~~

~~(d) any other matter whatsoever involving the Company, the Manager or any Member~~

~~3 10 Manager's Liability~~

~~(a) The Manager shall not be liable under any judgment, decree or order of a court, or in any other manner, for any debt, obligation, or liability of the Company~~

~~(b) The Manager shall not be liable to the Company or to any Member for any loss or damage sustained by the Company or by any Member, unless the loss or damage is the result of fraud, deceit,~~

~~gross negligence, willful misconduct, breach of this Operating Agreement, or a wrongful taking by the Manager. It is expressly recognized that the Manager does not guarantee, in any way, the return of any Member's Capital Contribution, a profit for any Member from the operations of the Company or any distribution from the Company.~~

~~(c) The provisions of this Section 3.10 cannot be amended without the written consent of the Manager.~~

~~3.11 Manager Has No Exclusive Duty to Company. The Manager shall not be required to manage the Company as its sole and exclusive function. The Manager may have other business interests and may engage in other activities in addition to those relating to the Company. Neither the Company nor any Member shall have any right, by virtue of this Operating Agreement, to share or participate in such other interests or activities of the Manager or to the income or proceeds derived therefrom.~~

~~3.12 Company Documents.~~

~~(a) The Recordkeeper shall maintain and preserve all accounts, books and other Company documents which are reasonably necessary as a record of its business and affairs, in which shall be entered fully and accurately all transactions and other matters relating to the Company's business in such detail and completeness as is customary and usual for businesses of the type engaged in by the Company.~~

~~(b) Without limiting the generality of Section 3.12(a), the Recordkeeper shall maintain and preserve the following:~~

~~(1) a current list of the full name and last-known business, residence, or mailing address of each Member, both past and present;~~

~~(2) a copy of the Articles of Organization and all amendments thereto, together with executed copies of any powers of attorney under which any amendment has been executed;~~

~~(3) a copy of this Operating Agreement, including Schedule A, as in effect from time to time;~~

~~(4) copies of all writings, if any, other than this Operating Agreement, which obligate a Member to contribute cash, property or services to the Company, and copies of all writings compromising the obligation of any member to contribute cash, property or services to the Company;~~

~~(5) copies of the Company's federal, state and local income tax returns and reports, if any, for the three most recent years, and~~

~~(6) copies of all financial statements of the Company for the three most recent years.~~

~~(c) Upon request, each Member shall have the right to inspect and copy such Company documents, at the requesting Member's expense.~~

~~3.13 Tax Matters. The Manager shall be designated a tax matters Manager for purposes of federal and state income tax matters. The Manager shall cause the preparation and timely filing of all tax returns required to be filed by the Company under the Internal Revenue Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business.~~

~~3.14 Economic Priority. Except as may be provided in this Operating Agreement, no Member shall have priority over any other Member, whether as to Net Profits, Net Losses, distributions, or other economic~~

~~matters, provided, however, that this Section shall not apply to loans or Additional Capital Contributions which a Member has made to the Company.~~

~~Article 4~~
~~MEETINGS AND ACTIONS OF MEMBERS~~

~~4.1 Regular Meeting. Members need not have annual or other regular meetings.~~

~~4.2 Special Meetings. Special meetings of the Members, for any purpose or purposes, may be called by any Member.~~

~~4.3 Place of Meetings. The Members may designate the Company's principal place of business as the place for any meeting of the Members. If no designation is made, the place of meeting shall be the principal place of business of the Company.~~

~~4.4 Notice of Meetings. Except as provided in Section 4.5, written notice stating the place, day, and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than ten nor more than thirty days before the date of the meeting, as provided in Section 12.1.~~

~~4.5 Meetings of All Members. If all of the Members shall meet at any time and place and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting lawful action may be taken.~~

~~4.6 Record Date. For the purpose of determining who are Members entitled to notice of or to Vote with respect to any matter that is presented to the Members for decision, or who are Members entitled to receive payment of any distribution, the date on which notice of the meeting is first given to any Member, or the date on which the resolution declaring such distribution is adopted, as the case may be, shall be the record date for such determination. For the purpose of determining who are Members entitled to take any other action or for any other purpose, the Manager may fix a date as the record date for the determination.~~

~~4.7 Waiver of Notice. When any notice is required to be given to any Member, a waiver thereof in writing signed by the Person entitled to such notice, whether before, at or after the time stated therein, shall be equivalent to the giving of such notice.~~

~~4.8 Proxies. At all meetings of Members, a Member may vote in person or by proxy executed in writing by the Member or by a duly authorized attorney-in-fact. Such proxy shall be filed with the Recordkeeper before or at the time of the meeting.~~

~~4.9 Manner of Acting at Meeting. A majority Vote of all the Members shall be the act of the Members at a meeting, unless a different requirement is expressed by any other provision of this Operating Agreement.~~

~~4.10 Action by Members Without a Meeting. Members may take action without a meeting if all of the Members consent to such action in writing.~~

~~4.11 The Role of the Minority Member and the Majority Member.~~

~~(a) *The Minority Member*. The Restaurant shall at all times be under the direct, day-to-day, full-time supervision of the Minority Member. The Minority Member shall at all times faithfully, honestly, and diligently perform his obligations and continuously exert all reasonable commercial efforts to promote and enhance the business of the Restaurant. The Minority Member shall not engage in any other business or other activity, directly or indirectly, which substantially conflicts with the Minority Member's obligations hereunder, with the exception of the development, ownership, and operation of such additional The Melting Pot® Restaurants as the Majority Member may permit, in its sole discretion, the Minority Member to develop, own~~

~~and operate. The Majority Member may require the Minority Member to devote a minimum number of hours each week, including a minimum number of hours during the Restaurant's regular business hours, to the on-premises supervision of the Restaurant and its operations, as determined by the Majority Member in its sole discretion.~~

~~*(b) The Majority Member.* The Majority Member shall be the Manager of the Company and shall have the rights and duties of Manager set forth in Article 3. The Majority Member may have other business interests and may engage in other activities in addition to those relating to the Company. Neither the Company nor the Minority Member shall have any right, by virtue of this Operating Agreement, to share or participate in such other interests or activities of the Majority Member or to the income or proceeds derived therefrom.~~

~~4.12 Member's Liability. No Member shall be liable under any judgment, decree, or order of a court, or in any other manner, for any debt, obligation, or liability of the Company.~~

~~Article 5~~
~~CONTRIBUTIONS TO THE COMPANY AND CAPITAL ACCOUNTS~~

~~5.1 Members' Initial Capital Contributions. Each Member shall contribute to the Capital of the Company such cash or property in the amounts set forth in Schedule A as the Member's initial Capital Contribution.~~

~~5.2 Additional Capital Contributions.~~

~~(a) After the Company has exhausted all commercially reasonable means of obtaining nonrecourse financing as determined by the Manager, the Manager may require the Members of the Company to contribute additional funds to the Company in proportion to each Member's percentage ownership interest (an "Additional Capital Contribution"). A capital call for an Additional Capital Contribution shall be made in writing to all Members and shall state the date on which the Additional Capital Contribution shall be contributed.~~

~~(b) To the extent that any Member (a "Non-Contributing Member") does not contribute his or her proportionate share of an Additional Capital Contribution at or within the time provided for the receipt by the Manager of such Additional Capital Contribution, the Members of the Company, other than the Non-Contributing Member(s), in accordance with their respective percentage Membership Interests, may advance funds to the Company to cover those amounts which the Non-Contributing Member fails to contribute, in which case the Membership Interest of each contributing Member shall be increased, and the Membership Interest of each non-contributing Member shall be decreased, in the proportion of the Additional Capital Contribution contributed by the contributing Members.~~

~~5.3 Capital Accounts.~~

~~(a) A separate Capital Account shall be maintained for each Member. Each Member's Capital Account shall be increased by (1) the amount of money contributed by the Member to the Company, (2) the fair market value of property contributed by the Member to the Company (net of liabilities secured by such contributed property that the Company is considered to assume or take subject to under Section 752 of the Code), (3) each allocation to the Member of Net Profits, (4) each item in the nature of income or gain which is specially allocated to the Member, and (5) each allocation to the Member of income described in Section 705(a)(1)(B) of the Code. Each Member's Capital Account shall be decreased by (A) the fair market value of property distributed to the Member by the Company (net of liabilities secured by such distributed property that the Member is considered to assume or take subject to under Section 752 of the Code), (B) each allocation to the Member of expenditures described in Section 705(a)(2)(B) of the Code, (C) each item in the~~

~~nature of deduction or loss that is specially allocated to the Member, and (D) allocations to the Capital Account of the Member of Net Losses~~

~~(b) In the event of a permitted transfer of a Membership Interest or an Economic Interest in the Company, the Capital Account of the transferor shall become the Capital Account of the transferee to the extent it relates to the transferred Membership Interest or Economic Interest in accordance with Section 1 704-1(b)(2)(iv) of the Treasury Regulations~~

5 4 ~~No Obligation to Restore Negative or Deficit Balances~~ ~~Except as otherwise provided in the Florida Act, no Member shall have any liability to restore all or any portion of a negative or deficit balance in the Member s Capital Account and the negative or deficit balance of the Member's Capital Account shall not be considered a debt owed by the Member to the Company or to any other Person for any purpose whatsoever This provision shall apply, without limitation, to a liquidation within the meaning of Section 1 704-1(b)(2)(ii)(g) of the Treasury Regulations~~

5 5 ~~No Interest on Capital Contributions~~ ~~No Member shall be entitled to interest on the Member's Capital Contribution~~

5 6 ~~Loan by Majority Member to Company~~ ~~As evidenced by the Secured Promissory Note attached to this Operating Agreement as Exhibit 1 and incorporated herein by reference, the Majority Member has made a loan to the Company in the amount of $_____ (the "Loan") The Company shall repay the Majority Owner the principal amount of $_____, together with interest payable on the principal at the rate of 5 5 percent per annum, in equal monthly installments and a maturity date of 36 months The Loan is secured by all of the assets of the Company The Company provides its unqualified consent to the filing of a UCC 1 in favor of the Majority Member evidencing its security interest~~

~~5 7 Salary of Minority Member~~ ~~From the Effective Date of this Operating Agreement until the Purchase Date of the Majority Member's Capital Contribution (as defined below), the Minority Member shall receive a salary payable every two weeks, subject to all applicable deductions, in the amount of $_____~~

~~5 8 Minority Member's Purchase of Majority Member's Capital Contribution~~

~~(a) *The Purchase Date* The Minority Member shall purchase the Majority Member's Capital Contribution (a) ninety (90) days from the Maturity Date of the Secured Promissory Note (as defined therein) or (b) ninety (90) days from such time as the Company has repaid the Loan to the Majority Member in full, whichever is earlier (the ' Purchase Date")~~

~~(b) *Definitions* The time period from the Effective Date until the Maturity Date shall be defined as the ' New Ownership Period " The time period equal to the number of days of the New Ownership Period that immediately predates the Effective Date shall be defined as the "Prior Ownership Period " ' Gross Revenues" is defined in the Company's franchise agreement with TMPRI The "Royalty Fee" is 4 5 percent~~

~~(c) *The Purchase Price* The purchase price for the Majority Member's Capital Contribution shall be equal to the amount of money the Majority Member has contributed to the Company minus the Credit (as defined below), if any, (the "Purchase Price") If the Company is in substantial compliance with its franchise agreement with TMPRI, and (ii) if the Restaurant's Gross Revenues during the New Ownership Period exceed the Restaurant's Gross Revenues during the Prior Ownership Period, then the Minority Member shall receive a credit (not to exceed the amount of the Majority Member's Capital Contribution) lowering the Purchase Price (the "Credit") The formula for the Credit is as follows~~

~~(Gross Revenues for the New Ownership Period – Gross Revenues for the Prior Ownership Period) x (Royalty Fee/2)~~

~~(d) *Example of Purchase Price Calculation* – For example, if the Majority Member's Capital Contribution is $60,000, the Gross Revenues for the New Ownership Period are $4,000,000 and the Gross Revenues for the Prior Ownership Period are $3,000,000, then the Credit is $22,500 and the reduced Purchase Price is $37,500. We calculated the reduced Purchase Price as follows: $4,000,000 minus $3,000,000 equals $1,000,000 in increased Gross Revenues during the New Ownership Period. We then multiplied $1,000,000 by ½ of the 4.5% Royalty Fee (or 0.025), resulting in a Credit of $22,500. The Majority Member's Capital Contribution of $60,000 minus the $22,500 Credit results in a Purchase Price of $37,500.~~

~~(e) *Closing of the Purchase* – The Purchase Price shall be payable by wire transfer, bank or certified check, or by such other means and terms as the Majority Member shall decide in its sole discretion. Upon the Minority Member's purchase of the Majority Member's Capital Contribution, the Majority Member shall resign as the Manager and a Member of the Company.~~

~~Article 6~~
~~ALLOCATIONS, INCOME TAX, DISTRIBUTIONS, ELECTIONS, AND REPORTS~~

~~6.1 Allocations of Net Profits and Net Losses.~~

~~(a) The Net Profits or Net Losses of the Company for each fiscal year shall be allocated to the Members initially in the respective proportions stated on Schedule A and then under Section 6.1(b).~~

~~(b) The Net Profits and Net Losses shall be allocated among the Members according to their respective proportionate Membership Interests.~~

~~6.2 No Distributions to Minority Member Until Loan is Repaid in Full. No distribution shall be made to a Minority Member pursuant Section 6.3 of this Operating Agreement until such time as the Company has repaid the Loan to the Majority Member in full. Until the Loan to the Majority Member has been repaid in full, any available excess cash will be used first to pay down the Loan.~~

~~6.3 Distributions.~~

~~(a) Subject to Section 6.2 and 10.4(b), all distributions shall be made to the Members pro rata in proportion to their respective Membership Interests as of the record date of such distribution.~~

~~(b) All distributions shall be made at such times as may be determined by the Manager. All amounts withheld under the Code or any provisions of state or local tax law with respect to any payment or distribution to a Member from the Company shall be treated nevertheless as amounts that have been distributed to the Members under this Section 6.3.~~

~~(c) The Company may offset damages for breach of this Operating Agreement by a Member against the amount otherwise distributable to the Member.~~

~~(d) A Member shall not receive a distribution from the Company to the extent that, after giving effect to the distribution, all liabilities of the Company would exceed the fair value of the Company's assets.~~

~~(c) Regardless of the nature of any Member's Capital Contribution, a Member has only the right to demand and receive cash with respect to any distribution to which the Member is entitled. A Member may not be compelled to accept a distribution of any asset in kind from the Company to the extent that the percentage of the asset distributed to the Member exceeds a percentage of that asset which is equal to the percentage in which the Member shares in distributions from the Company.~~

~~6.4 Accounting Principles and Elections. The profits and losses of the Company for "book purposes" shall be determined in accordance with generally accepted accounting principles applied on a consistent basis using the accrual method of accounting. All elections, including the election of tax accounting methods (which may vary from book accounting methods), permitted to be made by the Company under federal or state laws shall be made by the Manager.~~

~~6.5 Accounting Period. Unless and until otherwise determined by the Manager, the Company's accounting period shall be the calendar year.~~

~~6.6 Returns. Unless the task is delegated to another Person by the Manager, the Recordkeeper shall cause the preparation and timely filing of all tax returns required to be filed by the Company under the Code and all other tax returns deemed necessary in each jurisdiction in which the Company does business. Copies of such returns, or pertinent information therefrom, shall be furnished to the Members within a reasonable time after the end of the Company's fiscal year.~~

~~**ARTICLE 7**~~
~~**DELETED**~~

~~**Article 8**~~
~~**RESTRICTIONS ON TRANSFERABILITY; RIGHT TO PURCHASE**~~

~~8.1 General. No Minority Member shall Transfer the whole or any portion of his Membership Interest except in accordance with this Operating Agreement or with the prior written consent of the Majority Member. The Company shall not reflect on its books any attempted Transfer by a Minority Member of his Membership Interest except in compliance with all of the applicable conditions of this Operating Agreement. Any attempted Transfer in violation of the terms of this Operating Agreement shall be null and void.~~

~~8.2 Deleted.~~

~~8.3 Majority Member's Right to Purchase Minority Member Interest. If, at any time the Loan referenced in Section 5.6, as evidenced by the Secured Promissory Note attached at Exhibit 1, has not been repaid, the Majority Member may purchase all or part of the Minority Member's Membership Interest at the price specified in Section 8.5.~~

~~8.4 Deleted.~~

~~8.5 Purchase Price, Set-Offs.~~

~~(a) *Purchase Price*. If the Majority Member purchases a Membership Interest pursuant to the terms of Section 8.3, the purchase price of the Membership Interest (the "Purchase Price") shall be equal to the Capital Contribution by the Minority Member.~~

~~(b) *Manner and Timing*. In the event of any purchase pursuant to Section 8.3, the Purchase Price shall be paid in cash at the closing.~~

~~(c) *Setoffs Against Payment* Payments for a Membership Interest purchased under this Operating Agreement may be withheld from the selling Member (and paid to the appropriate Person(s)) under any of the following circumstances~~

~~(i) Liens Against Membership Interest If any charges, liens or encumbrances exist with respect to the Membership Interest to be purchased, the first payment(s) to be made to the selling Member under this Operating Agreement shall be paid and applied toward payment of those charges, liens and encumbrances The purchaser of the Membership Interest may, at its sole option, make payment in full of such charges, liens and encumbrances, and make payments with respect to them in accordance with the promissory note or other instruments or agreements giving rise to such charges, liens or encumbrances Any such payments made to partially or fully discharge such charges, liens or encumbrances shall serve to reduce the payments to be made to the selling Member~~

~~(ii) Amounts Payable to Purchaser Purchaser may, at its sole option, set off and reduce the payment(s) of the purchase price by the amount of any indebtedness payable by the selling Member to the purchaser of the Membership Interest~~

~~8 6 Closing of the Purchase~~

~~(a) The closing date for the purchase of a Membership Interest by the purchaser pursuant to Section 8 3 of this Operating Agreement shall be no later than sixty (60) days subsequent to delivery of written notice to the Minority Member, unless otherwise agreed upon between the selling Member and the purchaser~~

~~(b) The closing will be held on the closing date at a time to be determined by the Manager of the Company, at the offices of the Company, or at any other time and place to which the parties mutually agree in writing~~

~~(c) At the closing, the purchaser will pay cash to the Minority Member Payment by cashier's check certified check, wire transfer or other payment of immediately available funds shall constitute the payment of cash for purposes of this Operating Agreement~~

~~Article 9~~
~~ADDITIONAL MEMBERS~~

~~9 1 Admission of Additional Members Any Person may, upon the unanimous Vote of all the Members be admitted as a Member in the Company by the issuance by the Company of Membership Interests for such consideration as is approved the unanimous Vote of all the Members~~

~~9 2 Documentation of Admission As a condition to the admission of a Person as a Member, the Manager may require the Person, and any Member or other transferring Party from which the Person is acquiring any Economic Interest, to execute, acknowledge, and deliver to the Company and the remaining Members such instruments of transfer, assignment and assumption and such other certificates, representations, and documents, and to perform such other acts as the Manager may reasonably deem necessary or desirable to~~

~~(a) constitute the Transferee as a Member~~

~~(b) confirm that the Transferee, desiring to be admitted as a Member, has agreed to be subject to and bound by all of the terms and conditions of the Articles of Organization and this Operating Agreement that are applicable to Members,~~

~~(c) preserve the Company after the completion of such sale or transfer under the laws of each jurisdiction in which the Company is organized or qualified or does business,~~

~~(d) maintain the status of the Company as a partnership for federal tax purposes, and~~

~~(e) assure compliance with applicable state and federal laws, including securities laws~~

~~9 3 Effective Date of Admission Unless otherwise agreed by the unanimous Vote of all of the Members, the admission of a Person as a Member shall be deemed effective as against the Company and the Members as of the last day of the calendar month in which the last of the following events occurs~~

~~(a) the Vote required therefor under Section 9 1 is obtained, or~~

~~(b) the Person being admitted as a Member and the Member or Transferring Party, if any, transferring a Membership Interest or Economic Interest to that Person comply with Section 9 2 with respect to all requirements that have been fixed by the Manager under that section~~

~~**Article 10**~~
~~**DISSOLUTION AND TERMINATION**~~

~~10 1 Deleted~~

~~10 2 Dissolution~~

~~(a) The Company shall be dissolved upon the unanimous written agreement of all Members that it shall be dissolved~~

~~(b) As soon as possible following the occurrence of the event specified at Section 10 2(a) effecting the dissolution of the Company an appropriate representative of the Company shall comply with all of the requirements of the Florida Act related to notification or filing required for an impending dissolution of the Company~~

~~(c) If a Member who is an individual dies or a court of competent jurisdiction adjudges the Member to be incompetent to manage the Member's person or property, the Member's executor, administrator, guardian, conservator, or other legal representative ("successor") may exercise all of the Member's rights for the purpose of settling the estate or administering property of the Member, provided, however, that, except to the extent required by applicable law the successor shall not be considered a Member and shall have no right to vote or to give or withhold consent, agreement, or approval with respect to any matter on which a Member might vote or give or withhold consent, agreement or approval~~

~~10 3 Effect of Dissolution Upon dissolution, the Company shall cease to carry on its business, except insofar as may be necessary for the winding up of its business, but its separate existence shall continue until a certificate of dissolution has been issued by the Secretary of State or until such separate existence is otherwise terminated as provided in the Florida Act or in connection with judicial dissolution or liquidation of the Company~~

~~10 4 Winding Up, Liquidation, and Distribution of Assets~~

~~(a) Upon dissolution of the Company, an accounting shall be made of the accounts of the Company and of the Company's assets, liabilities, and operations, from the date of the last previous accounting until the date of dissolution The Manager may cause such accounting to be made by independent accountants Upon dissolution of the Company the Manager shall immediately proceed to wind up the business and affairs of the Company~~

~~(b) In winding up the business and affairs of the Company, the Manager shall~~

~~(1) sell or otherwise liquidate all of the Company's assets as promptly as practicable,~~

~~(2) allocate the profits or losses resulting from such sales to the Members' Capital Accounts in accordance with the provisions of this Operating Agreement,~~

~~(3) discharge all liabilities of the Company (including liabilities to Members who are also creditors, to the extent permitted by law) other than liabilities to Members for distributions, and establish such reserves as the Manager deems reasonable to provide for contingent liabilities of the Company (for purposes of determining the Capital Accounts of the Members, the amounts of such reserves shall be deemed to be an expense of the Company), and~~

~~(4) distribute the remaining assets in accordance with the following:~~

~~(i) If any assets of the Company are to be distributed in kind, the net fair market value of such assets as of the date of dissolution shall be determined by independent appraisal or by the majority Vote of all of the Members. Such assets shall be deemed to have been sold as of the date of dissolution for their fair market value, and the Capital Accounts of the Members shall be adjusted to reflect such deemed sale.~~

~~(ii) The positive balance (if any) of each Member's Capital Account (as determined after taking into account all Capital Account adjustments for the Company's taxable year during which the liquidation occurs) shall be distributed to the Members, either in cash or in kind, as determined by the Manager, with any assets distributed in kind being valued for this purpose at their net fair market value. Any such distributions to the Members in respect of their Capital Accounts shall be made in accordance with the time requirements set forth in Section 1.704-1(b)(2)(ii)(b)(2) of the Treasury Regulations.~~

~~(c) In connection with liquidation, the Company may offset damages for breach of this Operating Agreement by a Member against the amount otherwise distributable to the Member.~~

~~(d) The provisions of Section 5.4, which eliminates any liability of a Member to restore any portion of a deficit balance in the Member's Capital Account, shall also apply to deficit balances in Capital Accounts upon liquidation of the Company.~~

~~(e) When all debts, liabilities and obligations of the Company have been paid and discharged or adequate provisions have been made therefor and when all of the remaining property and assets have been distributed to the Members, the Company shall be deemed terminated.~~

~~(f) The Manager and other Members shall comply with all applicable laws pertaining to the winding up of the business and affairs of the Company and the distribution of its assets.~~

10.5 ~~Articles of Dissolution. When all debts, liabilities, and obligations have been paid and discharged or adequate provisions have been made therefor and all of the remaining property and assets have been distributed to the Members, articles of dissolution and/or such other documents shall be executed and filed as required by the Florida Act.~~

10.6 ~~Certificate of Dissolution. Upon the issuance of the certificate of dissolution or completion of such other requirements for dissolution under the Florida Act, the existence of the Company shall cease, except for the purpose of suits, other proceedings, and appropriate action as provided in the Florida Act. Any Member shall have authority to distribute any Company property discovered after dissolution, convey real estate, and take such other action as may be necessary on behalf of and in the name of the Company.~~

~~Article 11~~
~~DEFINITIONS~~

~~The following terms used in this Operating Agreement have the meanings ascribed to them in this Article 11~~

11 1 ~~"Articles of Organization" means the Articles of Organization of the Company as filed with the Secretary of State of Florida as the same may be amended from time to time~~

11 2 ~~"Affiliate" means, with respect to any Person (such Person being referred to in this Section 11 2 as the ' Target Person"), (a) any Person directly or indirectly controlling, controlled by, or under common control with the Target Person, (b) any Person owning, of record or beneficially, ten (10) percent or more of the outstanding voting interests of the Target Person, unless another Person owns, beneficially, a larger percentage of the outstanding voting interests of the Target Person, (c) any Person who is a director, officer, partner, member, manager, or trustee of, or is in a similar capacity with respect to, the Target Person, or (d) any Person who is a director, officer, partner, member, manager, or trustee of, or is in a similar capacity with respect to, or is holder of ten (10) percent or more of the voting interests of, any Person described in clauses (a) through (c) of this sentence For purposes of this definition, the term "controls," "is controlled by," or ' is under common control with" shall refer to the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the Target Person, whether through the ownership of voting securities, by contract, or otherwise~~

11 3 ~~"Capital Account" of a Member, as of any given date, means the Capital Contribution to the Company by the Member as adjusted to the date in question under Article 5~~

11 4 ~~"Capital Contribution' means any contribution, whenever made, by a Member to the capital of the Company, whether in cash or property Whether a payment of cash or a transfer of property is a contribution to the capital of the Company, and, therefore, a Capital Contribution, shall be determined by the Manager~~

11 5 ~~"Code" means the Internal Revenue Code of 1986 or corresponding provisions of superseding federal laws~~

11 6 ~~"Florida Act" means the Florida Revised Limited Liability Company Act or any act that supersedes the Florida Revised Limited Liability Company Act, as the same may be amended from time to time~~

11 7 ~~"Company" is defined in the first paragraph of this Operating Agreement~~

11 8 ~~"Economic Interest" means a Member's share, if any, of the Company's Net Profits and Net Losses and distributions of the Company's assets under this Operating Agreement and the Florida Act, but 'Economic Interest" shall not include any right to participate in the management of the business or affairs of the Company or any right to Vote with Members upon any matter upon which a Vote of the Members is taken~~

11 9 ~~"Entity" means any legally recognized Person other than an individual~~

11 10 ~~"Manager" is defined in Section 3 1~~

11 11 ~~"Member" means each Person who is named in the first paragraph of this Operating Agreement and each other Person who is admitted as a Member under the terms and conditions of this Operating Agreement~~

11 12 ~~"Membership Interest" means a Member's entire interest in the Company including the Member's Economic Interest, Member Votes, and such other rights and privileges that the Member may enjoy by being a Member. If a Member acquires an Economic Interest from another Person, or if a Person who has acquired an Economic Interest subsequently is admitted as a Member, the Member's Membership Interest shall include all rights associated with such Economic Interest, notwithstanding that the Economic Interest Owner from whom the Economic Interest was acquired may not have been a Member.~~

11 13 ~~"Member Vote" refers to the right that a Member has to vote (the term "vote" is defined in Section 11 22) on matters that are presented to the Members for decision. Each Member shall have one "Member Vote" for each one percentage point of the Member's share in Net Profits and Net Losses as allocated under Section 6 1 and a fraction of a "Member Vote" for each fraction of a percentage point of such share. The number of Member Votes which each Member is entitled to cast shall be reflected on Schedule A.~~

11 14 ~~"Net Profits" and "Net Losses" means for each taxable year of the Company an amount equal to the Company's net taxable income or loss for such year as determined for federal income tax purposes (including separately stated items) in accordance with the accounting method and rules used by the Company and in accordance with Section 703 of the Code.~~

11 15 ~~"Operating Agreement" means this Operating Agreement, as amended from time to time.~~

11 16 ~~"Person" means an individual or Entity and shall include the heirs, executors, administrators, legal representatives, successors and assigns of a "Person" where the context permits or requires.~~

11 17 ~~"Recordkeeper" means the Person appointed by the Manager to keep the books and records of the Company and to perform the other duties specified in this Operating Agreement as duties of the Recordkeeper.~~

11 18 ~~"Schedule A" means Schedule A to this Operating Agreement reflecting matters such as Members' identities, share of Net Profits and Net Losses, and Member Votes, which schedule shall be amended from time to time in order to reflect changes that may have been made. Each such amended schedule shall bear the date of its adoption and shall be signed by a Member or Members holding a majority of all of the Member Votes. Schedule A is prima facie evidence of the agreement of the parties hereto with respect to the matters reflected therein, but it is recognized that, through inadvertence or otherwise, Schedule A may not have been modified from time to time as required to reflect the parties' agreement, or as circumstances, change, and, accordingly, any party to this Operating Agreement may, by a preponderance of the evidence, show that Schedule A is not an accurate reflection of the parties' agreement.~~

11 19 ~~"Transfer" includes sale, gift, bequest, assignment, and all other modes of transfer but does not include the mere creation of a security interest or encumbrance. The foreclosure of a security interest or encumbrance is a "transfer."~~

11 20 ~~"Transferee" is defined in Section 8 3.~~

11 21 ~~"Treasury Regulations" shall include temporary and final regulations promulgated under the Code that are in effect as of the date of the filing of the Articles of Organization and the corresponding sections of any regulations subsequently promulgated that amend or supersede such regulations. The term "Treasury Regulations" shall also include regulations that have been proposed by the Internal Revenue Service under the Code at or prior to the date of the filing of the Articles of Organization, and have not been withdrawn at or prior to such date, as well as the corresponding provisions of any regulations subsequently promulgated that amend or supersede such proposed regulations.~~

11 22 ~~"Vote" includes consent, approval and agreement, as the context may permit.~~

~~Article 12~~
~~MISCELLANEOUS PROVISIONS~~

12 1 ~~Notices Each notice and other communication under or with respect to this Operating Agreement (including instruments tendered as full satisfaction of debts and other communications concerning disputed debts) shall be in writing (including by email and other available communication facilities providing written copy to the recipient Person) and shall be effective when actually delivered to the Person to which it is directed or when deposited in the United States mail, postage prepaid, addressed to the Person to which it is directed, to the attention of the individual, and at the address, provided for that Person in Schedule A (or if that Person is the Company, to the attention of the Manager or to the attention of such other individual, or at such other address, as that Person may designate by notice) (such individual being referred to as the "Notice Individual" and such address being referred to as the ' Notice Address") Delivery of a notice or other communication to a Person, if made at the Notice Address, shall be to an individual whom the noticing or communicating Person reasonably believes is likely to transmit the notice or communication to the Notice Individual, provided, however, that delivery by a commercial carrier shall be presumed to have been to such an individual Delivery of a notice or other communication to a Person at a place other than the Notice Address shall be only to the Notice Individual A stamped receipt issued by a United States post office for registered mail shall be presumptive evidence of deposit in the United States mail, and a receipt signed by a responsible Person for the recipient Person or a delivery confirmation from a commercial messenger or courier shall be presumptive evidence of actual delivery~~

12 2 ~~Application of Florida Law This Operating Agreement shall be construed as though prepared by all of the parties hereto This Operating Agreement, and the performances of the parties hereunder, shall be governed by the laws of the State of Florida without giving effect to the principles of conflicts of laws that would otherwise provide for the application of the substantive law of another jurisdiction~~

~~12 3 Deleted~~

12 4 ~~Waiver of Action for Partition Each Member irrevocably waives any right that it may have to maintain any action for partition with respect to the property of the Company, provided, however, that this provision shall not apply to any asset that is distributed in kind to any Member~~

12 5 ~~Amendments Except as otherwise provided herein or in the Articles of Organization~~

~~(a) This Operating Agreement may be amended from time to time by the majority Vote of all the Members~~

~~(b) Provision is made elsewhere in this Operating Agreement for modifications of Schedule A in connection with the admission of additional Members and transfers of Membership Interests and Economic Interests, and this Section 12 5 does not supersede such provisions~~

~~(c) Provisions in this Operating Agreement that require a supermajority or unanimity may not be amended by a vote that is less than such supermajority or unanimity, as the case may be~~

~~(d) The Articles of Organization may be amended from time to time by the Majority Vote of All the Members~~

12 6 ~~Execution of Additional Instruments Each Member hereby agrees to execute such other and further statements of interest and holdings, designations, powers of attorney, and other instruments necessary or appropriate to comply with any laws, rules, or regulations~~

12 7 ~~Deleted~~

12 8 ~~Waivers No party shall be deemed to have waived any right or remedy under or with respect to this Operating Agreement unless such waiver is expressed in a writing signed by such party No waiver of any right or remedy under or with respect to this Operating Agreement by a party on any occasion or in any circumstance shall be deemed to be a waiver of any other right or remedy on that occasion or in that circumstance nor a waiver of the same or of any other right or remedy on any other occasion or in any other circumstance~~

12 9 ~~Rights and Remedies Cumulative The rights and remedies provided by this Operating Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance, or otherwise~~

12 10 ~~Severability If any provision in this Operating Agreement is held to be invalid or unenforceable on any occasion or in any circumstance, such holding shall not be deemed to render the provision invalid or unenforceable on any other occasion or in any other circumstance nor to render any other provision hereof invalid or unenforceable, and to that extent the provisions of this Operating Agreement are severable, provided, however, that this provision shall not preclude a court of competent jurisdiction from refusing so to sever any provision if severance would be inequitable to one or more of the parties~~

12 11 ~~Heirs, Successors, and Assigns Each and all of the covenants, terms, provisions, and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Operating Agreement, their respective heirs, legal representatives, successors, and assigns No assignment of this Operating Agreement or of any right or obligation hereunder shall relieve the assignor of the assignor's obligations hereunder without the written consent of all of the other Members~~

12 12 ~~No Third Party Beneficiaries, No Rights in Creditors This Operating Agreement creates no rights benefitting third Persons, and no third Person shall have any right to enforce any provision hereof, except as may be specifically provided herein Without limiting the generality of the preceding sentence, none of the provisions of this Operating Agreement shall be for the benefit of or enforceable by any creditor of the Company~~

12 13 ~~Deleted~~

~~12 14 Deleted~~

12 15 ~~Valid Obligation As of the date the Member becomes a Member, each Member represents and warrants that this Operating Agreement constitutes the legal, valid and binding obligation of the Member~~

12 16 ~~Counterparts This Operating Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument~~

~~CERTIFICATE~~

~~The undersigned, being the Company and all of the initial Members of the Company hereby agree, acknowledge, and certify that the foregoing Operating Agreement constitutes the Operating Agreement of the Company adopted by the Members as of the date first stated in the Operating Agreement.~~

~~**THE COMPANY:**~~	~~**MEMBERS:**~~
~~*[NEW FRANCHISEE]*, LLC~~	~~THE MELTING POT RESTAURANTS, INC.~~
~~By~~ _____	~~By~~ _____
~~Print Name~~ _____	~~Print Name~~ _____
_____	
_____	~~*[MINORITY MEMBER]*~~
_____	~~By~~ _____
_____	~~Print Name~~ _____

~~SCHEDULE A~~
~~*[NEW FRANCHISE]*, LLC~~
~~OPERATING AGREEMENT~~

~~Member Name and Address~~	~~Initial Capital Contribution~~	~~Initial Share of Total Capital~~	~~Share of the Membership Interests~~	~~Number of Member Votes~~
~~TMPRI~~ ~~7886 Woodland Center Blvd~~ ~~Tampa, FL~~ ~~33614~~ ~~Attn: Robert P. Johnston~~	~~$*[15-25%]*~~	~~51%~~	~~51%~~	~~51~~
~~[*Operating Franchisee*]~~ ~~[*Address*]~~ ~~[*City, State*]~~ ~~[*Zip Code*]~~	~~$*[5-15%]*~~	~~49%~~	~~49%~~	~~49~~

~~The undersigned, being Members holding at least a majority of all the Member Votes, certify that the foregoing Schedule A is accurate and in effect as of the date first stated on the Operating Agreement to which it is attached.~~

~~THE MELTING POT RESTAURANTS, INC.~~

~~By: _____~~

~~Its: _____~~

~~Print Name: _____~~

~~*[OPERATING FRANCHISEE]*~~

~~By: _____~~

~~Print Name: _____~~

~~**EXHIBIT 1**~~

~~**SECURED PROMISSORY NOTE**~~
~~**(Installment Payments)**~~

~~$_____ Date _____, 2015~~

~~**FOR VALUE RECEIVED,** [*New Franchisee*], [*Enter New Franchisee's street address, city, state and zip code*] ("**Borrower**") promises to pay to the order of The Melting Pot Restaurants, Inc., 8810 Twin Lakes Blvd., Tampa, Florida 33614 ("**Lender**") and its successors and assigns, the principal sum of $_____ (the "**Principal**"), together with interest payable on the unpaid Principal at the rate of 5.5% per annum. Payment will be delivered to Lender to 8810 Twin Lakes Blvd., Tampa, Florida 33614 or such other address mutually agreed upon by Borrower and Lender.~~

~~1. **Repayment.** Borrower will repay the amount owed under this Secured Promissory Note ("Note") in equal installments of $[*Enter installment payment amount*] made every month. The first payment will be due on [*Enter first payment date*], and the last payment will be due on *[Enter last payment date]* (the "Maturity Date"). All payments shall be first applied to interest and the balance to the Principal.~~

~~2. **Prepayment.** Borrower may pay to Lender all or any part of the amount due under this Note at any time without a prepayment penalty. Partial prepayments will not vary Borrower's obligation to pay Lender the full amounts due on the Note when due.~~

~~3. **Security.** To secure Borrower's payment Lender of the amount due under this Note, Borrower agrees that this Note shall be secured by the all of the assets owned by *[New Franchisee]*, LLC. Borrower provides its unqualified consent to the filing of a UCC-1 in favor of Lender evidencing its security interest.~~

~~4. **Default.** If Borrower is in default under this Note, the entire balance of this Note, plus any accrued but unpaid interest, becomes immediately due and payable, without demand or notice (which Borrower waives). Borrower is in default under this Note if: (i) Borrower fails to make any payment of interest or Principal when due, (ii) Borrower is declared to be bankrupt or insolvent, or (iii) Borrower breaches any of the terms of this Note.~~

~~5. **Collection Costs.** Borrower agrees to pay all costs Lender incurs in the collection of any amounts Borrower owes under this Note when Lender incurs them including, attorneys' fees and paralegal fees, whether for investigations, settlements, trials, appeals or in bankruptcy proceedings and whether suit is brought or not and all other related costs and expenses. Lender's collection costs will be added to the balance of Principal.~~

~~6. **Transfer of the Note.** Borrower hereby waives any notice of the transfer of this Note by Lender or by any subsequent holder of this Note. Borrower agrees to remain bound by the terms of this Note subsequent to any transfer, and Borrower agrees that the terms of this Note may be fully enforced by any subsequent holder of this Note.~~

~~7. **Waivers.** For itself and its successors and assigns, Borrower waives any defense by reason of any extension of time for reason of nonpayment. Borrower also waives presentment, notice of dishonor, protest, demand and notice of protest and notice of dishonor, or any indulgence that Lender may grant to Borrower from time to time. Lender's failure to assert any right or remedy under this Note will not be a waiver of any of Lender's rights.~~

~~8. **Governing Law.** This Note is governed by Florida law. Borrower consents to the venue and jurisdiction of the courts of Hillsborough County.~~

~~Intending to be bound by the provisions of this Note, Borrower signs it below and delivers it to Lender effective as of the date shown at the beginning of this Note.~~

~~BY: THE MELTING POT RESTAURANTS, INC. (Manager and Majority Member)~~

~~By: _____ Date: _____~~

~~Its: _____~~

~~BY: [OPERATING FRANCHISEE] (Minority Member)~~

~~By: _____ Date: _____~~

EXHIBIT "L-2"
TO THE DISCLOSURE DOCUMENT

FORM OF ~~OPERATING AGREEMENT~~

~~FOR~~ PATH TO GROW PROGRAM LOAN DOCUMENTS

EXHIBIT "L-2(a)"
TO THE DISCLOSURE DOCUMENT

FORM OF LOAN AGREEMENT

Loan Agreement

This Loan Agreement ("Agreement") is made as of this ____ day of _____, 20__, between _____ ('Borrower'), and The Melting Pot Restaurants, Inc., a Florida corporation ("Lender')

Recitals

A. Borrower has requested Lender to extend credit to Borrower for business purposes.

B. Lender is willing to extend such credit on the terms and conditions in this Agreement.

Agreement

1. Definitions and Certain Rules of Construction. In this Agreement:

   a. "Advance" means each of the following:
      i. A loan, advance, or other extension of credit to or for the benefit of Borrower under this Agreement, and
      ii. Funds that Lender advances or indebtedness Lender incurs in exercising its rights.

   b. "Affiliate' means a Person:
      i. That controls, is controlled by, or is under common control with another Person,
      ii. That controls 10% or more of the outstanding voting power of another Person, or
      iii. 10% or more of whose outstanding voting power is controlled by another Person.

   c. 'Capital Contribution" means $_____ contributed in capital to the Borrower by the Members.

   d. Collateral' means the property described in the Security Documents.

   e. "Events of Default" are defined in section 6 of this Agreement.

   f. Franchise Agreement' means The Melting Pot Restaurants, Inc. Franchise Agreement between Lender as franchisor and Borrower as franchisee dated _____, 20__.

   g. "Guarantors" means _____ and _____.

   h. "Law" means each present or future law, statute, code, rule, regulation, ordinance, rule of law, principle of law, treaty, compact, order, decree, judgment, directive, or the equivalent.

   i. "Loan Documents" means this Agreement, the Note, the Security Documents, and all other present or future agreements, instruments, guaranties, pledges, assignments, certificates, and other documents executed or accepted by an Obligor or by another Person in connection with this Agreement or any Obligations, as the same may be amended, modified, restated or supplemented from time to time.

j "Loan" means the Term Loan

k "Material Adverse Change" means a material adverse change in any one or more of the following

i An Obligor's or a Subsidiary assets, operations, business or financial condition, or business or financial prospects

ii An Obligor's ability to pay or perform all or part of the Obligations when due,

iii Any Collateral,

iv The perfection or priority of Lender's Security Interest in any Collateral, or

v Lender's rights

l ' Members ' refers to and

m "Note" means the Term Note

n "Obligations' means all present and future indebtedness obligations, covenants, undertakings and liabilities of Borrower to Lender of any kind (including the Loans and other amounts due under the Loan Documents or otherwise, including all principal, interest, premiums, fees, charges, costs, and expenses, including reasonable attorneys' fees and expenses), individually or with others, joint or several, direct or indirect absolute or contingent liquidated or disputed, due or to become due, however evidenced, however created whether or not same are from time to time reduced or extinguished and later increased or incurred, and whether or not presently contemplated by the parties on the date of this Agreement

o "Obligor' means Borrower, each Guarantor, and each other Person who is or become liable on all or part of the Obligations by contract, by operation of law, or otherwise

p "Person' includes any individual partnership joint venture, firm, association, trust, corporation, limited liability company any other type of association or entity, and any Governmental Unit

q "Requirement' means each present or future term, condition, and requirement or a license, permit, consent, approval insurance policy, franchise, covenant, restriction or easement

r "Restaurant" shall mean The Melting Pot Restaurant operated by Borrower pursuant to the terms of the Franchise Agreement

s 'Security Document' means every present and future agreement, security agreement mortgage, assignment pledge document, or instrument that secures all or part of the Obligations or any indebtedness of a Guarantor, as the same may be amended, modified, restated or supplemented from time to time

t "State" means the State of Florida

u "Subsidiary' means a Person of which Borrower directly or indirectly owns or controls voting or other power sufficient under ordinary circumstances to elect or to control the actions of a majority of the directors officers, trustees, managing partners, managers, or others who exercise or have the power to exercise control over the business or affairs of the Person

v "Term Loan" means a term loan in the principal amount of _____ and _____ Dollars ($_____), evidenced by Borrower's note in substantially the form of Exhibit A to this Agreement, with appropriate insertions (the "Term Note")

w "UCC" means the Uniform Commercial Code as now or in the future is in effect in the State

2 Advance and Manner of Borrowing

a Advance Lender agrees, on the terms and conditions of this Agreement and the Note, to loan Borrower _____ and _____ Dollars ($_____) (the "Principal")

b Manner of Borrowing Borrower agrees, on the terms and conditions of this Agreement and the Note to pay the order of Lender the Principal, together with interest payable on the unpaid Principal at the rate of _____% per annum, via ACH in forty-eight monthly installments, the first payment due on or before _____ 20__, and the last payment due on or before _____, 20__, until all Principal and interest are paid The interest rate will change in accordance with terms of the Note

3 Conditions Precedent

a Advance The obligation of Lender to make the Advance is subject to the following conditions precedent

i Lender has received fully executed Loan Documents, and such other records as Lender may reasonably require

ii Borrower has granted to Lender a perfected first-priority security interest in all of its presently owned and after-acquired personal property and fixtures, including all equipment, fixtures, inventory accounts, general intangibles, chattel paper, documents, instruments, deposit accounts, letter of credit rights, and investment property, and all proceeds of the foregoing (each as defined in the UCC), on the terms and conditions set forth in the security agreement with terms and conditions satisfactory to Lender

iii Lender has received a landlord's waiver in form satisfactory to Lender

iv Each Guarantor has executed and delivered to Lender its guaranty of all Obligations, with terms and conditions satisfactory to Lender

b Conditions for Lender's Benefit These conditions precedent exist solely for Lender's benefit and Lender in its sole discretion shall determine if they have been satisfied

4 Representations and Warranties

a To induce Lender to enter into this Agreement and make the Advance, Borrower hereby represents and warrants to Lender as follows

i Existence, Power, and Authority Borrower is a _____ (*insert form of business entity*) duly created, validly existing, and in good standing under the Laws of the jurisdiction identified at the beginning of this Agreement and is duly qualified to transact business in each state in which any material part of its assets are located or in which it conducts any important or material part of its business Borrower has power to make this Agreement and to borrow under this Agreement The making and performance by Borrower of the Loan Documents have been duly authorized by all necessary corporate action

ii Membership Interest The sole Members of Borrower are _____ and _____ has a 51% membership interest in Borrower _____ has a 49% membership interest in Borrower

iii Members' Capitalization of Borrower The Members have made a capital contribution to Borrower of $ _____, $ _____ from _____ and $ _____ from _____ (collectively, the "Capital Contribution")

iv Obligations Absolute The Loan Documents are valid, binding, and enforceable against Borrower in accordance with their respective terms Borrower's obligation to repay the Loans, together with all accrued interest and other charges, is absolute and unconditional, and there exists no right of set-off or recoupment, counterclaim, cross-claim, or defense of any kind to payment or performance of the Obligations

v Financial Condition The financial statements (including balance sheets, statements of income and retained earnings and statement of cash flows) of the Obligors and the Subsidiaries that have been furnished to Lender are complete and correct and fairly represent the financial condition of the Obligors and Subsidiaries as at the dates of the financial statements Since the date of the latest financial statements there has been no Material Adverse Change

b Reaffirmation and Continuing Nature of Representations and Warranties The representations and warranties in each Loan Document are of a continuing nature and shall survive the termination of this Agreement and full payment and performance of the Obligations

5 Covenants Until the full payment and performance of all Obligations, Borrower agrees that, unless Lender shall otherwise consent in writing

a Restaurant Operations

i Borrower shall operate the Restaurant at no less than minimum brand standards, and

ii Borrower shall follow the advice and direction of Borrower, its Franchise Business Consultants, and its Local Marketing Consultants, when operating the Restaurant

b Financial and Other Information Borrower shall, within the time(s) specified, give to Lender all records, reports and tax returns set forth in section 12 of the Franchise Agreement

c Salary Cap Borrower shall pay a salary to _____ and _____ an amount not to exceed $_____ each, for each two-week pay period

d Limitation on Indebtedness Borrower shall not and shall not permit any Subsidiary to, have any indebtedness except the following

i Indebtedness to Lender,

ii Current accounts payable accrued or incurred in the ordinary course of business, so long as the same are either paid when due in accordance with customary trade terms or contested in good faith by appropriate proceedings with adequate reserves, and

iii Current taxes, levies and assessments, so long as the same are either paid when due or contested in good faith by appropriate proceedings with adequate reserves,

e Security Interests Borrower shall not, nor shall it permit any Subsidiary to create, incur, or permit any Security Interest in any of its present or future assets except the following

i Security interests to Lender, and

ii Liens of materialmen, mechanics, carriers, warehousemen, or processors arising by operation of law in the ordinary course of business and securing obligations that are either paid when due or contested in good faith by appropriate proceedings with adequate reserves

f Reports and Returns Borrower shall, and shall cause each Subsidiary to, file with the appropriate governmental unit every return, report, and notice required by Law on or before the initial due date (or the extended due date, if there exists a valid extension for filing without interest or penalties)

g Dividends Borrower shall not declare any dividends or authorize any other distribution on any present or future equity interest in Borrower, or make any payment on account of the purchase, acquisition, redemption, or other retirement of any such interest

h Required Notice to Lender Borrower shall, and shall cause each Subsidiary to, promptly (but in no event not later than fifteen (15) days) give Lender written notice of each of the following

i the commencement or threat of any litigation, arbitration, or other legal proceeding,

ii any material loss or unusual depreciation in any material asset and the amount of same,

iii any material dispute that may arise between Borrower or a Subsidiary and a governmental unit,

iv any other matter which has resulted or is reasonably likely to result in a Material Adverse Change

i Insurance Borrower shall, and shall cause each of its Subsidiaries to, maintain insurance in such amounts and against such risks as is satisfactory to Lender

j Inspection At any reasonable time, and from time to time, Borrower shall permit Lender to enter Borrower's place of business and inspect and appraise Borrower's assets, examine and make copies or extracts of Borrower's records, and discuss Borrower's assets and state of affairs with Borrower, its accountants, and other consultants

k Debt Authorization Borrower irrevocably authorizes Lender to charge any account of Borrower for

i Installments of principal and/or interest due under the Notes, and

ii Any other Obligations, including but not limited to amounts owed Lender under the Franchise Agreement

l Miscellaneous Borrower shall not, and shall not permit any Subsidiary to, do any of the following

i Dissolve, merge, or consolidate with or into another Person,

ii Convert into another type of Person,

iii Form or dispose of a Subsidiary or Affiliate,

iv Sell, lease, transfer, otherwise dispose of all or any substantial part of its present or future assets (except inventory in the ordinary course of business),

v Change its entity name,

vi Make a significant change to management without prior written approval of Lender, or

vii Permit a transfer of a legal or equitable interest in any equity interest in Borrower to a Person other than the present holder of the equity interest as previously disclosed to Lender,

m Further Assurances At Borrower's cost, Borrower shall execute each document and take each action that Lender may request to implement the provisions of a Loan Document or perfect and protect Lender's Security Interests

6 Default

a Events of Default The occurrence of one or more of the following constitutes an "Event of Default" (collectively, ' Events of Default")

i A statement, representation or warranty made by Borrower to Lender turns out to have been incorrect or misleading in a material respect,

ii Borrower defaults in the payment, when due, of all or part of the Obligations,

iii Borrower defaults in the performance of a covenant, condition, or undertaking contained in a Loan Document or in another existing or future agreement with Lender,

iv Any indebtedness for money borrowed, for which an Obligor or a Subsidiary is liable (as principal obligor, guarantor, or otherwise) is not paid at its stated maturity or is declared or otherwise becomes due and payable before its stated maturity, or an event or condition occurs that permits a holder of the indebtedness to declare the indebtedness due and payable before its stated maturity,

v Demand by Lender, in the case of any Obligations due and payable on demand,

vi A Guarantor terminates or revokes its guaranty or takes action to terminate or revoke its guaranty

vii An Obligor or a Subsidiary does any one or more the following

1 Terminates or suspends the operation of its business,

2 Becomes the debtor, alleged debtor, respondent or other subject of a case or other proceeding relating to it under any bankruptcy, reorganization, arrangement, readjustment, insolvency receivership, dissolution, liquidation or similar Law,

3 It is unable to pay its debts as they fall due,

4 Makes a general assignment for the benefit of its creditors, or

5 Takes any action for the purpose of affecting any of the forgoing,

viii A Material Adverse Change occurs,

ix Borrower fails in a material respect to comply with a Law or a Requirement that applies to Borrower or any of its operations, premises, or assets, or

x Lender believes that the prospect of payment or performance of all or part of the Obligations is impaired

b Rights on Default On the occurrence of any one or more Events of Default, Lender may do any one or more of the following at any time and from time to time, without demand, presentment, protest, or notice (all of which Borrower hereby waives)

i Declare the principal of and interest accrued on the Term Note to be immediately due and payable, whereupon the same becomes immediately due and payable,

ii Purchase the Members' membership interest in the Borrower for a purchase price equal to the Capital Contribution made by the Members, and/or

iii Exercise any or all collection, sale, liquidation and other rights that arise when indebtedness is not paid when due

7 Miscellaneous

a Preservation of Lender's Rights Notwithstanding any course of dealing or course of performance

i neither failure nor delay on the part of Lender to exercise any right operates as a waiver of any right,

ii no single or partial exercise of a right precludes any other or future exercise of the right or another right,

iii all of Lender's rights with respect to the Obligors, the Obligations, or the Collateral are cumulative and may be exercised singularly, alternatively, successively, or concurrently at such time or at such times as Lender deems expedient

iv Lender's receipt or acceptance of partial payment or performance of any Obligations does not waive or otherwise affect any demand, default, or any right of Lender to enforce full payment or performance,

v No notice or demand by Lender is deemed to be a waiver of the right of Lender to take further action without notice or demand, and

vi No amendment, modification rescission, waiver, or release of all or part of a Loan Document is effective unless in writing and signed by a duly authorized officer of Lender

b Time of the Essence Time is of the essence with respect to each and every covenant, agreement, and undertaking of Borrower under the Loan Documents

c Benefit of Agreement This Agreement is binding on Borrower, its successors and assigns, and inures to the benefit of Lender, its successors and assigns No other Person is entitled to claim a right or benefit under this Agreement, as third-party beneficiary or otherwise

d Construction The Obligors respective representations, warranties, covenants, and other undertakings in the Loan Documents shall be liberally construed for Lender's benefit Each Loan Document shall be construed without regard to any presumption or rule requiring that it be construed against the party causing all or part of the Loan Documents to be drafted

e Severability If a provision of a Loan Document is held invalid or unenforceable in whole or in part in a jurisdiction, the provision shall, as to the jurisdiction, be ineffective only to the extent of the invalidity or unenforceability without in any manner affecting the validity or enforceability of the provision of another jurisdiction or the remaining provisions of the Loan Document in any jurisdiction

f Governing Law Except as otherwise specifically set forth in a particular Loan Document, the Loan Documents shall be governed by and construed in accordance with the Laws of the State (without giving effect to the State's conflict of laws principles)

g Lender's Fees and Expenses Borrower shall pay all costs, expenses and fees (including reasonable attorneys fees) incurred by Lender in connection with one or more of the following (1) collection or purchase of the Members' membership interest if an Event of Default occurs, and (2) each dispute between the parties

h Counterparts and Signatures This Agreement may be executed in counterparts, each of which shall be an original, but all of which constitute but one agreement

A signature to this Agreement delivered by electronic means is deemed to be an original signature

i Complete Agreement This Agreement, together with the other Loan Documents executed in connection with this Agreement, constitutes the entire agreement and understanding among the parties relating to the subject matter of this Agreement, and supersedes all prior proposals, negotiations, agreements, and understandings related to the subject matter

j Jurisdiction and Venue Borrower irrevocably consents to non-exclusive jurisdiction and venue for proceedings related to the all claims and disputes involving Borrower and Lender in the federal or state courts in the State Borrower irrevocably consents to the commencement and transfer of all proceedings to these courts Borrower irrevocably waivers all defenses based on inconvenience of forum in all proceedings commenced in, or transferred to, these courts

k WAIVER OF RIGHT TO TRIAL BY JURY Borrower and Lender each hereby unconditionally and irrevocably waive any right to trial by jury in any proceeding arising out of or otherwise relating to any Loan Document, all or part of the Obligations, all or part of the Collateral, or any transaction arising from any of the foregoing or related to any of the foregoing

IN WITNESS WHEREOF, the parties hereto have executed, sealed, and delivered this Loan Agreement on the day and year first above written

BORROWER	**LENDER**
[*INSERT NAME*]	**THE MELTING POT RESTAURANTS, INC**
By	By
Name	Title
Title	Date

EXHIBIT "L-2(b)"
TO THE DISCLOSURE DOCUMENT

FORM OF PROMISSORY NOTE

Adjustable Rate Promissory Note
(LIBOR One-Year Index)

Principal $ _____ **Date** _____

FOR VALUE RECEIVED, _____ (the "Borrower"), promises unconditionally to pay _____ AND _____ DOLLARS (the "Principal"), plus interest, plus any and all sums which may be owing pursuant to this Adjustable Rate Promissory Note ("Note"), to the order of THE MELTING POT RESTAURANTS, INC (the "Lender") at 7886 Woodland Center Boulevard, Tampa, Florida 33614, or at such other place as Lender may from time to time designate Borrower understands that the Lender may transfer this Note The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the ' Note Holder " The following terms shall apply to this Note

1 **Interest** Interest will be charged on unpaid principal until the full amount of Principal has been paid Borrower will pay interest at a yearly rate of _____ % The interest rate Borrower will pay will change in accordance with Section 4 of this Note The interest rate required by this Section 1 of this Note is the rate Borrower will pay before any Event of Default described in Section 5 of this Note

2 **Payments**

(A) Time of Payments Borrower will pay the amount owed under this Note via ACH in forty-eight monthly installments, the first payment due on or before _____, 20__, and the last payment due on or before _____, 20__, until all Principal and interest are paid (the "Maturity Date") This Note may be prepaid in whole or in part at any time without premium or penalty, provided that partial prepayments will not vary Borrower's obligation to pay Note Holder the full amounts due on the Note when due

(B) Amount of Borrower's Initial Monthly Payments Borrower's initial monthly payments will be in the amount of U S $ _____ This amount may change

(C) Monthly Payment Changes Changes in Borrower's monthly payment will reflect changes in the unpaid principal of Borrower's loan and the interest rate that Borrower must pay The Note Holder will determine Borrower' new interest rate and the changed amount of Borrower's monthly payment in accordance with Section 4 of this Note

3 **Payment Extension** If any payment of principal shall be due on a Saturday, Sunday or any other day on which banking institutions in the State of Florida are required or permitted to be closed, such payment shall be made on the next succeeding business day

4 **Interest Rate and Monthly Payment Changes**

(A) Change Dates The interest rate Borrower will pay may change on the first day of _____ and on that day every 12th month thereafter Each date on which Borrower's interest rate could change is called a "Change Date "

(B) The Index Beginning with the first Change Date, Borrower's interest rate will be based on an Index The 'Index' is the average of interbank offered rates for one-year U S dollar-denominated deposits in the London market (LIBOR") The most recent Index value available as of the date 45 days before each Change Date is called the "Current Index " provided that if the Current Index is less than zero, then the Current Index will be deemed to be zero for purposes of calculating Borrower's interest rate If the Index is no longer available the Note Holder will choose a new index which is based upon comparable information The Note Holder will give Borrower notice of this choice

(C) Calculation of Changes Before each Change Date the Note Holder will calculate Borrower's new interest rate by adding 2 5 percentage points (2 5%) (the "Margin") to the Current Index The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0 125%) This rounded amount will be Borrower's new interest rate until the next Change Date The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that Borrower is expected to owe at the Change Date in full on the Maturity Date at Borrower's new interest rate in substantially equal payments The result of this calculation will be the new amount of Borrower's monthly payment

(D) Effective Date of Changes Borrower's new interest rate will become effective on each Change Date Borrower will pay the amount of its new monthly payment beginning on the first monthly payment date after the Change Date until the amount of Borrower's monthly payment changes again

(E) Notice of Changes The Note Holder will deliver or mail to Borrower a notice of any changes in Borrower's interest rate and the amount of Borrower's monthly payment before the effective date of any change

5 **Default** Upon an Event of Default, as defined in that certain Loan Agreement between Borrower and Lender dated _____, 20__, this Note and all accrued interest and other charges shall become immediately due and payable at the election of Note Holder

6 **Collection Expenses and Costs** Borrower agrees to pay all expenses and costs Note Holder incurs in the collection of any amounts Borrower owes under this Note when Note Holder incurs them including, attorneys' fees and paralegal fees, whether for investigations, settlements, trials, appeals or in bankruptcy proceedings and whether suit is brought or not and all other related costs and expenses Note Holder s collection costs will be added to the balance of Principal

7 **Interest Rate after Judgment** If judgment is entered against Borrower on this Note, the amount of the judgment entered shall bear interest at the legal rate of interest then applicable to judgments in the jurisdiction in which judgment was entered

8 **Waivers** For itself and its successors and assigns, Borrower waives any defense by reason of any extension of time for reason of nonpayment Borrower also waives presentment, notice of dishonor, protest, demand and notice of protest, or any indulgence that Note Holder may

grant to Borrower from time to time Note Holder's failure to assert any right or remedy under this Note will not be a waiver of any of Note Holder's rights

9 **Service of Process** Borrower hereby consents to process being served in any suit, action or proceeding instituted in connection with this Note by the mailing of a copy thereof to Borrower by certified mail postage prepaid, return receipt requested Borrower hereby irrevocably agrees that such service shall be deemed to be service of process upon Borrower in any such suit, action or proceeding Nothing in this Note shall affect the right of Note Holder to serve process in any other manner otherwise permitted by law, and nothing in this Note will limit the right of Note Holder otherwise to bring proceedings against Borrower in the court of any other jurisdiction or jurisdictions

10 **Notice** Any notice, demand, request or other communication which Note Holder or Borrower may be required to give hereunder shall be in writing, shall be effective and deemed received the following business day when sent by overnight mail, upon transmission if sent by facsimile or email, or the third business day after deposited in first class United States mail, postage prepaid, and shall be addressed as follows or to such other addresses as the parties may designate by like notice

If to Borrower

Attn

com

If to Lender

7886 Woodland Center Blvd
Tampa Florida 33614
Attn Legal
bculp@frontburnerbrands com

Notwithstanding anything to the contrary, all notices and demand for payment from Note Holder actually received in writing by Borrower shall be considered to be effective upon the receipt thereof by Borrower regardless of the procedure or method used to accomplish deliver to Borrower

11 **Transfer of the Note** Borrower hereby waives any notice of the transfer of this Note by Lender or by any subsequent Note Holder of this Note Borrower agrees to remain bound by the terms of this Note subsequent to any transfer, and Borrower agrees that the terms of this Note may be fully enforced by any subsequent holder of this Note

12 **Miscellaneous**

a Copy Admissible A copy of this Note is admissible in evidence with the same effect as the original Note in any proceeding, whether or not the original is in existence

b Governing Law This Note is governed by the laws of the State of Florida

c Costs and Expenses Borrower shall pay to Note Holder all costs and expenses of collection of any amount due under this Note (including reasonable attorneys' fees)

Intending to be bound by the provisions of this Note Borrower signs it below and delivers it to Lender effective as of the date shown at the beginning of this Note

[INSERT NAME OF BORROWER]

By _____

Print name _____

EXHIBIT "L-2(c)"
TO THE DISCLOSURE DOCUMENT

FORM OF SECURITY AGREEMENT

Security Agreement

To The Melting Pot Restaurants Inc ("Lender")
7886 Woodland Center Blvd
Tampa FL 33614

1 Collateral

The undersigned ("Borrower") grants to Lendei a continuing security interest in the following property now owned or hereafter acquired, all as defined in the Uniform Commercial Code ("Collateral")

- All of Borrower's accounts, instruments documents chattel paper investment property, letter-of-credit rights, deposit accounts, and general intangibles
- All of Borrower s inventory
- All of Borrower's equipment
- All of Borrower's fixtures
- All records of the above Collateral, in whatever form
- All proceeds and products and proceeds of any insurance covering, of the above Collateral

2 Obligations Secured

This security agreement and Collateral secure the payment and performance of the following "Obligations" of Borrower to Lender all present and future indebtedness and liabilities of Borrower to Lendei, of whatever type and however arising, including the following loans, overdrafts, guaranties and endorsements of Borrower in Lender's favor, all related interest, fees, charges, and expenses, and all of the above, whether or not contemplated by the parties

3 Duties of Borrower Regarding Collateral

a Borrower shall maintain the Collateral in good condition and repair, and allow Lender to inspect the same at all reasonable times
b Borrower shall promptly provide Lender with such information about the Collateral as Lender may request from time to time, and execute any documents necessary to perfect the security interest granted hereby
c Borrower shall maintain insurance on the Collateral satisfactory to Lender, naming Lender payee of any insurance
d Borrower shall keep the Collateral free of all other security interests liens, or encumbrances of any kind, and will pay all taxes and other governmental charges on it
e Unless Lender consents in writing in advance, Borrower shall not (i) sell, assign, lease, or otherwise dispose of any of the Collateral, or (ii) remove any of the Collateral from its present location (except inventory sold in the ordinary course of Borrower's business)

4 Default

a Borrower shall be in default if any one or more of these happens
  i Borrower fails to make any payment on any Obligation when due,
  ii Borrower fails to perform any other provision of this or any other instrument in Lender's favor,
  iii Any representation made to Lender in connection herewith proves to be false,
  iv Any action shall be commenced affecting Borrower or any endorser or guarantor of any of the Obligations under any bankruptcy, receivership, relief of debtor, or insolvency laws, or
  v Lender at any time in good faith deems itself insecure with respect to any of the Obligations
b If Borrower shall be in default, Lender may, at its option and without notice or demand declare the Obligations to be immediately due and payable Lender shall have the rights of a secured party under the Uniform Commercial Code Borrower agrees that any notice that Lender must give to Borrower may be given by mailing it postage prepaid, or by emailing it, to Borrower at the addresses below at least 10 days before a sale

5 Other

a Borrower shall pay all costs and expenses (including reasonable attorneys' fees) incurred by Lender in enforcing, collecting, or realizing upon any of the Obligations or the Collateral, or in safeguarding it, which shall become part of the Obligations
b This Security Agreement shall be governed by the laws of Florida
c All terms used in this Security Agreement that are defined in the Uniform Commercial Code have the meanings used in that statute
d All rights of Lender under this Security Agreement and in the Collateral may be exercised by any assignee or successor to Lender All Obligations of Borrower bind Borrower's heirs, executors, administrators, successors, and assigns
e Lender's rights may be modified only by a written instrument and no waiver by Lender is effective unless in writing

Dated _____, 20__

[*Insert Name of Borrower*]

By _____

Title _____

EXHIBIT "L-2(d)"
TO THE DISCLOSURE DOCUMENT

FORM OF UNCONDITIONAL AND CONTINUING GUARANTY

Unconditional and Continuing Guaranty

This Guaranty ("Guaranty") is made as of this ___ day of _____, 20__, by _____ and _____ (individually a 'Guarantor" and collectively the "Guarantors"), in favor of The Melting Pot Restaurants, Inc ("Lender"), a Florida corporation, with its office at 7886 Woodland Center Blvd , Tampa, FL 33614, Attn Legal

WHEREAS Guarantors seek to induce Lender to extend credit to _____ (the "Borrower"), and

WHEREAS, Guarantors will derive substantial benefits from the transactions between Borrower and Lender, and Guarantors' execution and delivery of this Guaranty is a condition precedent to the obligation of Lender to extend or continue to extend credit to Borrower, and

NOW THEREFORE, in consideration of the premises and other good and valuable consideration the receipt of which the Guarantors hereby acknowledge, Guarantors hereby jointly and severally represent warrant and agree as follows

1 Definitions and Rules of Construction In this Guaranty

Collateral Security" means each of the following now or hereafter held by Lender (1) every interest in property that secures payment or performance of any of the Obligations, (2) every guaranty suretyship, letter of credit or reimbursement agreement issued by an Obligor, (3) every right of set-off, and (4) every other device providing collateral security for payment of the Obligations

"Obligations" means all present and future indebtedness, undertakings, liabilities, and obligations of Borrower to Lender of every name and nature whatsoever, whether absolute or contingent, secured or unsecured, created directly or acquired indirectly by assignment, by assumption, by operation of law, or otherwise, and whether on open account, or evidenced by a promissory note, check draft, credit agreement, agreement for letters of credit, or any other instrument or document, and whether created as maker, accommodation party, debtor, surety, endorser, guarantor, pledger, account party, or otherwise, and including all principal, interest, premiums, fees, costs and expenses, acceptance fees, commissions and reasonable attorneys' fees

"Obligor" means Borrower, each Guarantor, and each other Person who is or becomes liable on all or part of the Obligations by contract (including by guaranty, endorsement, assumption, or by acquiring property) by operation of law, or otherwise

"Person" means an individual, estate, business or nonprofit entity public corporation, government or governmental subdivision, agency or instrumentality, or other legal entity

"State' means the State of Florida

2 Guaranty

a Undertakings Guarantors hereby absolutely, irrevocably, and unconditionally guarantee to Lender the punctual and full payment and performance of all Obligations when due, whether at maturity, by acceleration, or otherwise This is a guaranty of payment and not merely of collection Guarantors' liability under this Guaranty is joint and several with every other Obligor and shall not be discharged except by complete final, and indefeasible payment and performance of the Obligations All of the Guarantors respective representations, warranties, covenants, agreements, consents and waivers in this Guaranty are irrevocable

b Payment by Guarantor If Borrower fails to pay or perform any of the Obligations when due, whether at maturity, by acceleration, or otherwise, Guarantors shall without demand or notice pay and perform the Obligations Each payment under this Guaranty shall be made at the main office of Lender (or at such other office as Lender may specify by notice to a Guarantor), in immediately available funds

c Continuing Nature of Guaranty This Guaranty is a continuing guaranty and shall remain in full force and effect until the latter of the following (i) the complete, final, and indefeasible payment and performance of all Obligations, (ii) termination of any agreement commitment, or other obligation by Lender to extend credit or give value to Borrower, or (iii) the expiration of all periods during which payments or transfers credited to the Obligations may be avoided or recovered by the transferor or by the transferor's creditors, trustee, receiver, or other representative

d Unconditional Nature of Guaranty Each Guarantor's liability under this Guaranty is absolute irrevocable, and unconditional, notwithstanding any one or more of the following (i) the legality, validity or enforceability of the Obligations or of Lender's interest in any Collateral Security, (ii) any delay, failure, or waiver in Lender's exercise of any right against any Obligor any Obligations, or any Collateral Security including any release, subordination, impairment, or failure to obtain or perfect any interest in property, and any failure to exercise or exhaust rights, (iii) any waiver or consent by Lender with respect to any Obligor, any Obligations, or any Collateral Security, (iv) the merger, consolidation conversion, or other reorganization or change in form or identity, dilution, liquidation death (if an individual), termination, or change in or termination of a Guarantor s association or relationship with Borrower, (vi) the recovery of a judgment against Borrower or another Person, or any action to enforce the judgment, (vii) any direction by an Obligor to apply a payment to particular Obligations or in a particular manner, (viii) any termination of any guaranty as to future transactions, or (ix) any act omission, circumstance, or thing that might otherwise constitute a defense to or operate to discharge a Guarantor, other Obligor or any Collateral Security

e Acceleration of Guaranty All Obligations shall become immediately due and payable for the purposes of this Guaranty if any one or more of the following occur (i) an Obligor becomes subject or an order for relief under the U S

Bankruptcy Code, as amended, (ii) a proceeding is commenced by or against any Obligor under an insolvency or debtor relief law, (iii) a proceeding is commenced for the appointment of a receiver for any Obligor or for any of its property, (iv) an Obligor makes any assignment for the benefit of creditors, (v) an Obligor discontinues its business, (vi) an Obligor becomes unable to pay or admits it cannot pay its debts as they become due, or (vii) a Guarantor breaches a representation, warranty, covenant, or agreement in this Guaranty

3 Waivers Each Guarantor hereby absolutely, irrevocably and unconditionally waives each of the following (i) acceptance of this Guaranty and notice of the acceptance of this Guaranty, (ii) notice of extensions of credit by Lender to Borrower and of any change in the terms and conditions or any of the Obligations, (iii) diligence presentment and demand for payment or performance of any of the Obligations, (iv) demand for payment or performance under this Guaranty, notice of default, notice of nonpayment, notice of dishonor, protest, notice of protest, and every other demand or notice that a guarantor may legally waive, (v) filings of claims or proofs of claim with a court in bankruptcy or insolvency proceedings of which an Obligor is the subject, (vi) any right to require a proceeding first against any Obligor or against any Collateral Security, (vii) any right to the deferral or modification of a Guarantor's obligations under this Guaranty by reason of any bankruptcy or insolvency proceeding, (viii) any right to any injunctive relief against Lender, (ix) any right of reimbursement, indemnity, contribution, or exoneration (x) any right to participate in any Collateral Security, and (xi) without limiting any other provision of this Guaranty, all defenses based on suretyship

4 Miscellaneous

a Expenses Without notice or demand, Guarantors shall pay or reimburse Lender for all expenses, including reasonable attorneys' fees, incurred by Lender in connection with any of the Obligations or the enforcement of this Guaranty

b Successors and Assigns This Guaranty is binding on Guarantors and their respective heirs executors, administrators, legal representatives, successors and assigns This Guaranty inures to the benefit of Lender and its successors and assigns

c Assignments Lender may assign its rights under this Guaranty with all or any of the Obligations and to the extent of the assignment the assignee shall have the same rights as if the assignee was the original holder of this Guaranty

d Preservation of Lender's Rights Notwithstanding any course of dealing or course of performance (i) Lender shall not be deemed to have given any consent or waived any of its rights with respect to this Guaranty, the Obligations, or the Collateral Security unless the consent or waiver is in writing and signed by a duly authorized officer of Lender, (ii) no delay or omission by Lender in exercising a right operates as a waiver of that right or any other right, (iii) a waiver on any one occasion is not a bar to or waiver of that right or another right on a future

occasion, (iv) no notice of or demand on an Obligor affects the right of Lender to take action without notice or demand, and (v) no amendment, modification, rescission, waiver, or release of any part of this Guaranty is effective unless it is in writing and signed by a duly authorized officer of Lender

e Governing Law This Guaranty is a contract entered into and made pursuant to the laws of the State and shall in all respects be governed, construed, applied and enforced in accordance with the internal substantive laws of the State

f Venue and Service of Process If Lender brings an action in any federal or state court located in the State, each Guarantor consents to and acknowledges personal jurisdiction over the Guarantor by these court or courts, waives any objection to the placement of venue in such courts and agrees that service of process may be made on the Guarantor by mailing a copy of the summons to Guarantor

g Waiver of Right to Trial by Jury Each Guarantor (and by accepting this Guaranty) Lender each hereby unconditionally and irrevocably waive any right to trial by jury in any proceeding arising out of or otherwise relating to this Guaranty, all or part of the Obligations, all or part of the Collateral Security, or any transaction arising from any of the foregoing or related to any of the foregoing

IN WITNESS WHEREOF, Guarantors have executed and delivered this Guaranty under seal as of the date written above

[*Name of guarantor*]

_____

[*Name of guarantor*]

_____

EXHIBIT "L-3"
TO THE DISCLOSURE DOCUMENT

FORM OF UCC-1

FINANCING STATEMENT

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A NAME & PHONE OF CONTACT AT FILER (optional)
B E MAIL CONTACT AT FILER (optional)
C SEND ACKNOWLEDGMENT TO (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1 DEBTOR S NAME Provide only one Debtor name (1a or 1b) (use exact full name do not omit modify or abbreviate any part of the Debtor s name) if any part of the Individual Debtor's name will not fit in line 1b leave all of item 1 blank check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a ORGANIZATION S NAME				
OR 1b INDIVIDUAL S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
1c MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

2 DEBTOR S NAME Provide only one Debtor name (2a or 2b) (use exact full name do not omit modify or abbreviate any part of the Debtor s name) if any part of the Individual Debtor s name will not fit in line 2b leave all of item 2 blank check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a ORGANIZATION S NAME				
OR 2b INDIVIDUAL S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
2c MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

3 SECURED PARTY S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY) Provide only one Secured Party name (3a or 3b)

3a ORGANIZATION S NAME				
OR 3b INDIVIDUAL S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
3c MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

4 COLLATERAL This financing statement covers the following collateral

Bottle Light Fixtures – Either wall mounted inset or hanging **Cooking Pots and Liners** – Metal fondue pots and liners used for cooking or warming products **White Plateware** Custom fondue plates ramekins bowls and small wares used for serving sauces **Fondue Forks** – Fondue forks with plastic colored handle **Roemmelators** – Devices made to safely transport the cooking pots **Inset Table Burners** – Electric thermostatically controlled burners which are inset into dining tables Used for warming or cooking products **Stand Alone Burners** Electric thermostatically controlled for positioning on tables Used for warming cooking or preparing products at the dining table or in the kitchen **Granite Tables and Table Bases** designed with a cut-out in the granite to insert table burners and the under mount thermostatic control knobs **Host Stand** – Wooden host and reservation desk **Signage** – Any type of signage interior or exterior bearing in any form THE MELTING POT® logo name or insignia **Branded Items Menus and Point of Sale Materials** – Any item bearing in any form THE MELTING POT® logo name or insignia including Dinner Dessert and Souvenir Menus wine lists table tents check presenters matches napkins glassware welcome mats mints sugar packets etc **Hardware Software and Customer Database** – Any software or hardware not available to the general public especially including those items which are used by or have been created to be used by or communicate within THE MELTING POT® Franchise System Any form of database including the reservation book(s) which contain customer names and/or other miscellaneous customer information **Operations Manuals Recipes Documents and Files** – Any manual document or otherwise related form which is used by THE MELTING POT® Franchise system including all THE MELTING POT® Standards Forms files (including electronic files) Brand Standards Manual Social Media Policy Manual Quality Certification Inspections Mindshare Survey Reports All Training Manuals Kitchen Reference Manual Operations Manual and other operational manuals internal releases and newsletters **Trade Dress** – any item of clothing including aprons bearing in any form THE MELTING POT® logo name or insignia **Products** – Any product that is supplied to the franchisee and not otherwise available to the general public especially those items used to prepare sauces bouillon mixes specialty drinks marinated meats milk dark and white chocolate Swiss and cheddar cheese blends This also includes the containers and labels for THE MELTING POT® To-Go items such as dressing bottles boxes or other containers for chocolates chocolate wafers Garlic & Wine Seasoning and other To-Go products which may be added at later date

5 Check only if applicable and check only one box Collateral is ☐ held in a Trust (see UCC1Ad item 17 and Instructions) ☐ being administered by a Decedent s Personal Representative

6a Check only if applicable and check only one box ☐ Public Finance Transaction ☐ Manufactured Home Transaction ☐ A Debtor is a Transmitting Utility

6b Check only if applicable and check only one box ☐ Agricultural Lien ☐ Non UCC Filing

7 ALTERNATIVE DESIGNATION (if applicable) ☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licensor

8 OPTIONAL FILER REFERENCE DATA

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9 NAME OF FIRST DEBTOR Same as line 1a or 1b on Financing Statement if line 1b was left blank because Individual Debtor name did not fit check here ☐

9a ORGANIZATION S NAME

OR

9b INDIVIDUAL S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

THE ABOVE SPACE IS FOR FILING OFFICE USE ON

10 DEBTOR S NAME Provide (10a or 10b) only one additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact fu do not omit modify or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

10a ORGANIZATION S NAME

OR

10b INDIVIDUAL S SURNAME

INDIVIDUAL S FIRST PERSONAL NAME

INDIVIDUAL S ADDITIONAL NAME(S)/INITIAL(S) | SUFFI

10c MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUN

11 ☐ ADDITIONAL SECURED PARTY S NAME or ☐ ASSIGNOR SECURED PARTY S NAME Provide only one name (11a or 11b)

11a ORGANIZATION S NAME

OR

11b INDIVIDUAL S SURNAME | FIRST PERSONAL NAME | ADDITIONAL NAME(S)/INITIAL(S) | SUFFI

11c MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUN

12 ADDITIONAL SPACE FOR ITEM 4 (Collateral)

13 ☐ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)

14 This FINANCING STATEMENT ☐ covers timber to be cut ☐ covers as-extracted collateral ☐ is filed as a fixture fil

15 Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest)

16 Description of real estate

17 MISCELLANEOUS

EXHIBIT "M"
TO THE DISCLOSURE DOCUMENT

LIST OF STATE AGENCIES

AND AGENTS FOR SERVICE OF PROCESS

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

LIST OF STATE AGENCIES AND AGENTS FOR SERVICE OF PROCESS

STATE	AGENCY	PROCESS, IF ANY
California	Department of Business Oversight ***Los Angeles*** 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7500 ***Sacramento*** 1515 K Street, Suite 200 Sacramento, CA 95814 (916) 445-7205 ***San Diego*** 1350 Front Street, Room 2034 San Diego, CA 92101 (619) 525-4233 ***San Francisco*** 71 Stevenson Street, Suite 2100 San Francisco, CA 94105 (415) 972-8559	Commissioner of Business Oversight Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, CA 90013
Florida	Florida Dept of Agriculture & Consumer Services P O Box 6700 Tallahassee, FL 32314-6700	Gerard Wehle c/o Drummond Wehle & Ross LLP Terrace Oaks Office Park 6987 East Fowler Avenue Tampa, FL 33617
Hawaii	Business Registration Division Securities Compliance Branch Department of Commerce and Consumer Affairs P O Box 40 Honolulu, Hawaii 96810 (808) 586-2727	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813
Illinois	Franchise Division Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General, 500 South Second Street, Springfield, Illinois 62706
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W Washington Street Indianapolis, Indiana 46204 (317) 232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204
Maryland	Office of Attorney General Securities Division 200 St Paul Place Baltimore, MD 21202-2021 (410) 57606360	Maryland Securities Commissioner Office of the Attorney General Securities Division 200 St Paul Place Baltimore Maryland 21202-2021

STATE	AGENCY	PROCESS, IF ANY
Michigan	Office of Attorney General Consumer Franchise Section 670 G Mennen Williams Building 525 West Ottawa Lansing, Michigan 48913 (517) 373-7117	
Minnesota	Minnesota Department of Commerce 133 East Seventh Street St Paul, Minnesota 55101 (651) 296-6328	Commissioner of Commerce 85 7th Place East, Suite 500 St Paul, MN 55101
New York	New York State Department of Law Bureau of Investor Protection and Securities 120 Broadway, 23rd Floor New York, NY 10271 (212)416-8211	Secretary of State State of New York One Commerce Plaza 99 Washington Avenue, Suite 600 Albany, New York 12231
North Dakota	Office of Securities Commissioner Fifth Floor 600 East Boulevard Bismarck, ND 58505 (701) 328-4712	
Oregon	Department of Consumer and Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, Oregon 97310 (503) 378-4140	
Rhode Island	Division of Securities John O Pastore Center Bldg 69, First Floor 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9500	Division of Securities John O Pastore Center Bldg 69, First Floor 1511 Pontiac Avenue Cranston, Rhode Island 02920
South Dakota	Department of Labor and Regulation Division of Securities 124 South Euclid, Suite 104 Pierre, SD 57501	
Utah	Utah Department of Commerce Division of Consumer Protection 160 East 300 South SM Box 146704 Salt Lake City, UT 84114-6704	
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk State Corporation Commission 1300 East Main Street Richmond, VA 23219
Washington	Department of Financial Institutions 150 Israel RoadTumwater, WA 98501 (360) 902-8760	Department of Financial Institutions 150 Israel RoadTumwater, WA 98501

STATE	AGENCY	PROCESS, IF ANY
Wisconsin	Division of Securities Department of Financial Institutions P O Box 1768 Madison, Wisconsin 53701 (608) 266-2801	Division of Securities Department of Financial Institutions 345 W Washington Avenue, 4th Fl Madison, Wisconsin 53703

EXHIBIT "N"
TO THE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA TO

FRANCHISE DISCLOSURE DOCUMENT

ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT FOR
THE MELTING POT RESTAURANTS, INC
STATE OF CALIFORNIA

1 THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT

2 ITEM 6 of the disclosure document is amended to add the following line item to the table

Name of Fee	Amount	Due Date	Remarks
Liquidated Damages	Determined when due	15 days after the effective date of early termination of the Franchise Agreement	If we terminate the Franchise Agreement with cause, or you terminate the Franchise Agreement without cause, you must pay us liquidated damages *

* If termination is the result of your default, you must pay us a lump sum payment equal to the total of all royalty and service fee payments for (a) the 24 calendar months of operation preceding your default, (b) the period of time you have been in operation preceding the notice, if less than 24 calendar months, or (c) any shorter period equal to the unexpired term at the time the Franchise Agreement is terminated The liquidated damages provision only covers our damages from the loss of cash flow from the royalty and service fees It does not cover any other damages, including damages to our reputation and damages arising from a violation of any provision of the Franchise Agreement other than the royalty and service fees section The liquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of the Franchise Agreement other than the royalty and service fees section

3 ITEM 17 of the disclosure document is amended to add the following

The 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

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

The Franchise Agreement contains a covenant not to compete which extends beyond the term of the agreement This provision might not be enforceable under California Law

The Franchise Agreement contains a liquidated damages clause Under California Law, certain liquidated damages clauses are unenforceable

The Franchise Agreement requires litigation to be conducted in a court located in the State of Florida This provision might not be enforceable for any cause of action arising under California Law

The Franchise Agreement requires application of the laws of the State of Florida This provision might not be enforceable under California Law

The Franchise Agreement requires binding arbitration The arbitration will occur at the forum indicated in ITEM 17 with the costs being borne by the non-prevailing party Prospective franchisees are encouraged to consult 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 the Franchise Agreement restricting venue to a forum outside the State of California

The following URL address is for the franchisor's website

www meltingpot com

FRANCHISOR'S 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 OVERSIGNT AT www dbo ca gov

ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT FOR
THE MELTING POT RESTAURANTS, INC
FOR THE STATE OF ILLINOIS

For choice of law purposes, and for the interpretation and construction of the Franchise Agreement, the Illinois Franchise Disclosure Act (the "**Act**"), 815 ILCS 705, governs

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

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

Illinois law governs the Franchise Agreement (without regard to conflict of laws), and jurisdiction and venue for court litigation shall be in Illinois

Any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside the State of Illinois is void, provided that a Franchise Agreement may provide for arbitration in a forum outside of Illinois

ITEM 17 of the disclosure document is amended to add the following

> The conditions under which a franchise can be terminated and your rights upon non-renewal may be affected by the Act
>
> The Act provides that any provision in the Franchise Agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois

ITEM 23 of the disclosure document is amended to add the following

> There is a 14-calendar day minimum disclosure period prior to the signing of a binding agreement or any payment to the franchisor

ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT FOR
THE MELTING POT RESTAURANTS, INC
STATE OF MARYLAND

1 Item 5 is amended by the addition of the following language

No General release required as a condition of renewal, sale, assignment or transfer will apply to any liability arising under the Maryland Franchise Registration and Disclosure Law ("**Maryland Law**")

2 Item 17, summary column for (c) as to the Unit Franchise Program is amended to read as follows

Give us written notice no later than the 16th month and no sooner than the 19th month from the expiration of the franchise agreement, maintain premises or secure substitute premises, remodel, sign new license and other documents and pay fee, except that pursuant to COMAR 02 0208 16L any release will not apply to any liability arising under the Maryland Franchise Registration and Disclosure Law ("**Maryland Law**")

3 Item 17, summary column for (m) as to the Unit Franchise Program is amended to read as follows

You are in full compliance, new franchisee qualifies, you pay us all amounts due, training completed, transferee signs assignment and assumption and new license, transfer fee paid, we approve material terms, you de-identify yourself and you sign other documents we require, including releases (also see r below), except that pursuant to COMAR 02 0208 16L any release will not apply to any liability arising under the Maryland Franchise Registration and Disclosure Law If you have signed a Successor Franchise Addendum, any transferee must sign a new license

4 Item 17, summary column for (v) as the Unit Franchise Program is amended to read as follows

Litigation in the county and state where Franchisor's principal headquarters are located, venue under the Membership Agreement will be in the state in which the marketing cooperative entity is formed, except for matters arising under the Maryland Franchise Registration and Disclosure Law

5 Item 17, summary column for (w) of the Unit Franchise Program is amended to read as follows

Florida law applies (subject to federal law), The Membership Agreement is governed by the law of the state in which the marketing cooperative entity is formed except for matters arising under the Maryland Franchise Registration and Disclosure Law (for which a franchisee may sue in Maryland)

6 Item 17, summary column for (c) of the Area Development Program is amended to read as follows

You must be in good standing under your Development Agreement and all Franchise Agreements with us, enter into a Successor Area Development Agreement and pay the development fee and sign a general release, except that pursuant to COMAR 02 0208 16L any release will not apply to any liability arising under the Maryland Franchise Registration and Disclosure Law

7 Item 17, summary column for (m) of the Area Development Program is amended to read as follows

All of your obligations being assumed by the assignee, the assignee signs an approved assignment and assumption agreement, our current form of Developer Agreement and ancillary agreements, pay the assignment fee, you sign a general release except for matters coming under Maryland Franchise Registration and Disclosure Law, we approve the assignment, you sign a Noncompete agreement, and you subordinate any installments of the purchase price

8 Item 17, summary column for (v) of the Area Development Program is amended to read as follows

Litigation in the county and state where our principal headquarters are located, except for matters coming under Maryland Franchise Registration and Disclosure Law

9 Item 17, summary column for (w) of the Area Development Program is amended to read as follows

Florida law applies (subject to federal law), except for matters coming under Maryland Franchise Registration and Disclosure Law

10 Item 17 is amended by the additional language at the end of the Item

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 DISCLOSURE DOCUMENT FOR
THE MELTING POT RESTAURANTS, INC
STATE OF MINNESOTA

1 ITEM 13 of the disclosure document is amended as follows

As required by the Minnesota Franchise Act, Minn Stat Sec 80C 12(g), franchisor will reimburse the franchisee for any costs incurred by the franchisee in the defense of the franchisee's right to use the Marks, so long as the franchisee was using the Marks in the manner authorized by franchisor, and so long as franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim

2 ITEM 17 of the disclosure document is amended as follows

With respect to franchises governed by Minnesota law, the franchisor will comply with Minn Stat Sec 80C 14, Subds 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the Agreement

ITEM 17 does not provide for a prospective general release of any claims against Franchisor that may be subject to the Minnesota Franchise Law Minn Rule 2860 4400D prohibits a franchisor from requiring a franchisee to assent to a general release

Minn Stat §80C 21 and Minn Rule 2860 4400J prohibit franchisor from requiring litigation to be conducted outside Minnesota In addition, nothing in the disclosure document or Franchise Agreement can abrogate or reduce any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction

3 The following are added as Risk Factors to the Cover Sheet

MINNESOTA LAW PROVIDES YOU WITH CERTAIN TERMINATION AND NON-RENEWAL RIGHTS MINN STAT §80C 14 SUBD 3, 4 AND 5 REQUIRE, EXCEPT IN CERTAIN CASE, THAT YOU BE GIVEN 90 DAYS' NOTICE OF TERMINATION (WITH 60 DAYS TO CURE) AND 180 DAYS' NOTICE FOR NONRENEWAL OF THE FRANCHISE LICENSE

MINN STAT §80C 21 AND MINN RULE 2860 4400J PROHIBIT US FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA IN ADDITION, NOTHING IN THE DISCLOSURE DOCUMENT OR AGREEMENT CAN ABROGATE OR REDUCE ANY OF YOUR RIGHTS AS PROVIDED FOR IN MINNESOTA STATUTES, CHAPTER 80C, OR YOUR RIGHTS TO ANY PROCEDURE, FORUM, OR REMEDIES PROVIDED FOR BY THE LAWS OF THE JURISDICTION

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

Except for matters coming under the Minnesota Franchise Laws

ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT FOR
THE MELTING POT RESTAURANTS, INC
FOR THE STATE OF NORTH DAKOTA

1 ITEM 5 of the disclosure document is amended by the addition of the following language to the original language

Refund and cancellation provisions will be inapplicable to franchises operating under North Dakota Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17 If we elect to cancel this Agreement, we will be entitled to a reasonable fee for its evaluation of you and related preparatory work performed and expenses actually incurred

2 ITEM 17 of the disclosure document is amended to add the following

No general release shall be required as a condition of renewal, termination and/or transfer which is intended to exclude claims arising under North Dakota Law

In the case of any enforcement action, the prevailing party is entitled to recover all costs and expenses including attorneys' fees

The Franchise Agreement shall be amended to state that the statute of limitations under North Dakota Law will apply

3 ITEMS 17(i) and 17(q) are amended to state that covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law

4 ITEM 17(v) is amended to state that a provision requiring litigation or arbitration to be conducted in a forum other than North Dakota is void with respect to claims under North Dakota Law

5 ITEM 17(w) is amended to state in the event of a conflict of laws, North Dakota Law will control

ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT FOR
THE MELTING POT RESTAURANTS, INC
STATE OF RHODE ISLAND

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

The Rhode Island Franchise Investment Act, R I Gen Law Ch 395 Sec 19-28 1-1 through 34 provides that a provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act

Any general release as a condition of renewal, termination or transfer will be void with respect to claims under the Rhode Island Franchise Investment Act

ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT FOR
THE MELTING POT RESTAURANTS, INC
STATE OF WASHINGTON

The State of Washington has a statute, RCW 19 100 180, which may supersede the franchise agreement and the area development agreement in your relationship with us, including the area of termination and renewal of your franchise There may also be court decisions which may supersede the franchise agreement and the area development agreement in your relationship with us including the area of termination and renewal of your franchise

ITEM 17 of the disclosure document is amended to add the following

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail

A general release or waiver of rights executed by a franchisee will not include rights under the Washington Franchise Investment Protection Act

Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable

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

The Franchise Agreement requires any litigation or arbitration to be conducted in a state other than Washington, the requirement shall not limit any rights franchisee may have under the Washington Franchise Investment Protection Act to bring suit in the State of Washington

EXHIBIT "O"
TO THE DISCLOSURE DOCUMENT

STATE SPECIFIC RIDERS

TO AGREEMENTS

THE MELTING POT® RESTAURANTS
CALIFORNIA ADDENDUM TO
FRANCHISE AGREEMENT

This Addendum to the Franchise Agreement, agreed to this ___day of _____, 20___, is by and between **THE MELTING POT RESTAURANTS, INC** (the "**COMPANY**") with its principal office at 7886 Woodland Center Boulevard, Tampa, Florida 33614, and _____

_____

1 In recognition of the requirements of the California Franchise Investment Law, Cal Corp Code §§31000-3516 and the California Franchise Relations Act, Cal Bus And Prof Code §§20000-20043, the Franchise Agreement for **THE MELTING POT RESTAURANTS, INC** is amended as follows

- The California Franchise Relations Act provides rights to Franchisee concerning termination or non-renewal of the Franchise Agreement that may supersede provisions in the Franchise Agreement

- The section which terminates the Franchise Agreement upon the bankruptcy of the Franchisee may not be enforceable under federal bankruptcy law (11 U S C Section 101, *et seq*)

- The section which contains a covenant not to compete that extends beyond the expiration or termination of the Agreement, this covenant may not be enforceable under California Law

- New Section 17 M is inserted into the Franchise Agreement and states as follows

  If termination is the result of Franchisee's default, Franchisee shall pay to Franchisor a lump sum payment (as liquidated damages for causing the premature termination of this Agreement and not as a penalty) equal to the total of all Royalty Fee payments for (a) the twenty-four (24) calendar months of operation of Franchisee preceding Franchisee's default, (b) the period of time Franchisee has been in operation preceding the notice, if less than twenty-four (24) calendar months, projected on a twenty-four (24) calendar month basis, or (c) any shorter period as equals the unexpired term at the time of termination The parties acknowledge that a precise calculation of the full extent of the damages that Franchisor will incur on termination of this Agreement as a result of Franchisee's default is difficult and the parties desire certainty in this matter and acknowledge that the lump sum payment provided under this Section is reasonable in light of the damages for premature termination that Franchisor will incur This payment is not exclusive of any other remedies that Franchisor may have, including attorneys' fees and costs

- The Franchise Agreement requires litigation to be conducted in a court located outside of the State of California This provision might not be enforceable for any cause of action arising under California law

- The Franchise Agreement requires application of the laws of a state other than California This provision might not be enforceable under California law

- The section which requires binding arbitration The arbitration will occur at the forum indicated in the section with the costs being borne by the non-prevailing party Prospective franchisees are encouraged to consult 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 the Franchise Agreement restricting venue to a forum outside of the State of California

- This Addendum contains a liquidated damages clause Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable

2 To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms

COMPANY	FRANCHISEE
THE MELTING POT RESTAURANTS, INC	_____
By _____	By _____
Title _____	Title _____
Date _____	Date _____

THE MELTING POT® RESTAURANTS
ILLINOIS ADDENDUM TO
FRANCHISE AGREEMENT

THIS ADDENDUM to the Franchise Agreement (the "**Addendum**"), is effective as of this ___ day of _____, 20___, (the "**Effective Date**"), and amends the Franchise Agreement dated _____, 20__ (the "**Agreement**") between **THE MELTING POT RESTAURANTS, INC** (the "**COMPANY**") with its principal office at 7886 Woodland Center Boulevard, Tampa, Florida 33614, and __ _____ (the "**FRANCHISEE**"), whose mailing address is _____ _____

1 **Precedence and Defined Terms** This Addendum is an integral part of, and is incorporated into, the Agreement Nevertheless, this Addendum supersedes any inconsistent or conflicting provisions of the Agreement Terms not otherwise defined in this Addendum have the meanings as defined in the Agreement

2 **Governing Law/Consent to Jurisdiction** Except to the extent governed by the United State Trademark Act of 1946 (Lanham Act, 15 U S C Section 1051, et seq) any other applicable federal law, or the Illinois Franchise Disclosure Act (the "**Act**"), this Agreement and the Franchise shall be governed by the laws of the State of Florida

3 **Limitation of Claims** No action may be maintained to enforce any liability created by the Law unless brought before the first to expire of (i) 3 years after the occurrence of the act or transaction constituting a violation, (ii) the expiration of 1 year after FRANCHISEE becomes aware of the facts or circumstances reasonably indicating that he may have a claim for relief in respect to conducted governed by the Laws, or (iii) 90 days after delivery to FRANCHISEE of a written notice disclosing the violation

4 **No Waiver** Section 41 of the Act states that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void

5 **Effective Date** This Addendum is effective on the Effective Date regardless of the actual date of signature

Intending to be bound, the COMPANY and the FRANCHISEE sign and deliver this Addendum to each other as shown below

COMPANY	**FRANCHISEE**
THE MELTING POT RESTAURANTS, INC	_____
By _____	By _____
Title _____	Title _____
Date _____	Date _____

THE MELTING POT® RESTAURANTS
ILLINOIS ADDENDUM TO
AREA DEVELOPMENT AGREEMENT

THIS ADDENDUM to the Area Development Agreement (the "**Addendum**"), is effective as of this ___ day of _____, 20___, (the "**Effective Date**"), and amends the Area Development Agreement dated _____, 20__ (the "**Agreement**") between **THE MELTING POT RESTAURANTS, INC** (the "**COMPANY**") with its principal office at 7886 Woodland Center Boulevard, Tampa, Florida 33614, and ___ _____ (the "**DEVELOPER**"), whose mailing address is_____ _____

1 **Precedence and Defined Terms** This Addendum is an integral part of, and is incorporated into, the Agreement Nevertheless, this Addendum supersedes any inconsistent or conflicting provisions of the Agreement Terms not otherwise defined in this Addendum have the meanings as defined in the Agreement

2 **Governing Law/Consent to Jurisdiction** Except to the extent governed by the United State Trademark Act of 1946 (Lanham Act, 15 U S C Section 1051, et seq) any other applicable federal law, or the Illinois Franchise Law (the "**Law**"), this Agreement and the Franchise shall be governed by the laws of the State of Florida

3 **Limitation of Claims** No action may be maintained to enforce any liability created by the Law unless brought before the first to expire of (i) 3 years after the occurrence of the act or transaction constituting a violation, (ii) the expiration of 1 year after DEVELOPER becomes aware of the facts or circumstances reasonably indicating that he may have a claim for relief in respect to conducted governed by the Law, or (iii) 90 days after delivery to DEVELOPER of a written notice disclosing the violation

4 **Construction** The preambles to this Agreement are a part of this Agreement, which constitutes the entire Agreement of the parties, and there are no other oral or written understandings, except for or other than those contained in the Franchise Disclosure Document, or agreements between the COMPANY and DEVELOPER relating to the subject matter of this Agreement as of the date of this Agreement other than as may be specifically referenced herein

5 **No Waiver** Section 41 of the Act states that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void

6 **Effective Date** This Addendum is effective on the Effective Date regardless of the actual date of signature

Intending to be bound, the COMPANY and the FRANCHISEE sign and deliver this Addendum to each other as shown below

COMPANY

THE MELTING POT RESTAURANTS, INC
a Florida corporation

By _____
Name _____
Title _____
Date _____

DEVELOPER

_____
If a corporation, limited liability company or partnership

By _____
Name _____
Title _____
Date _____

MARYLAND RIDER TO
THE MELTING POT RESTAURANTS, INC
FRANCHISE AGREEMENT

This Rider is entered into this _____ day of _____, _____, by and between **THE MELTING POT RESTAURANTS, INC** (the "**COMPANY**") and _____ (' **FRANCHISEE**")

1 **Background** The COMPANY and the FRANCHISEE are parties to that THE MELTING POT® Franchise Agreement dated _____, 20__ (the "**Agreement**") that has been signed concurrently with the signature on this Rider This Rider is signed because (a) THE MELTING POT® Restaurant to be operated by you pursuant to the Agreement will be located in the State of Maryland, and the offer of the franchise for such Restaurant was made or accepted by you in the State of Maryland and/or (b) because you are a resident of the State of Maryland

2 **Governing Law and/or Consent to Jurisdiction** Paragraph H of Section 17 is amended in its entirety to read as follows

> Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U S C Section 1051, et seq), any other applicable federal law, or the Maryland Franchise Registration and Disclosure Law (the '**Maryland Law**"), this Agreement and the Franchise shall be governed by the laws of the State of Florida, the state in which the COMPANY is headquartered, all financial obligations of FRANCHISEE are required to be paid, and this Agreement is deemed to have been executed FRANCHISEE consents and irrevocably submits to the jurisdiction and venue of any state or federal court of competent jurisdiction located in the county and state where COMPANY'S principal headquarters are located and waives any objection to the jurisdiction and venue of such courts, except for matters coming under the Maryland Law

3 **Representations** No provision of the Agreement is intended to, nor will it, act as a release, estoppel or waiver of any liability incurred under the Maryland Law

4 **General Release** No general release required as a condition of renewal, sale, assignment or transfer will apply to any liability under the Maryland Law

5 **Limitation of Claims** Any claims arising under the Maryland Law must be brought within 3 years after the grant of the franchise

IN WITNESS WHEREOF, the parties hereto have executed, sealed and delivered this Rider in _____ counterparts on the day and year first above written

FRANCHISEE	**THE MELTING POT RESTAURANTS, INC**
_____	By _____
Name _____	Name _____
Title _____	Title _____
Date _____	Date _____

MARYLAND RIDER TO
THE MELTING POT RESTAURANTS, INC
AREA DEVELOPMENT AGREEMENT

This Rider is entered into this _____ day of _____, 20___, by and between **THE MELTING POT RESTAURANTS, INC** (the **"COMPANY"**) and _____ (the **'DEVELOPER"**)

1 **Background** The COMPANY and the DEVELOPER are parties to that THE MELTING POT® Area Development Agreement dated _____, _____ (the **"Agreement"**) that has been signed concurrently with the signature on this Rider This Rider is signed because (a) THE MELTING POT® Restaurant to be operated by you pursuant to the Agreement will be located in the State of Maryland, and the offer of the franchise for such Restaurant was made or accepted by you in the State of Maryland and/or (b) because you are a resident of the State of Maryland

2 **Governing Law and/or Consent to Jurisdiction** Section 13 8 is amended in its entirety to read as follows

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U S C Section 1051, et seq), any other applicable federal law, or the Maryland Franchise Registration and Disclosure Law (the **"Maryland Law"**), this Agreement and the Franchise shall be governed by the laws of the State of Florida, the state in which the COMPANY is headquartered, all financial obligations of DEVELOPER are required to be paid, and this Agreement is deemed to have been executed DEVELOPER consents and irrevocably submits to the jurisdiction and venue of any state or federal court of competent jurisdiction located in the county and state where COMPANY'S principal headquarters are located and waives any objection to the jurisdiction and venue of such courts, except for matters coming under the Maryland Law

3 **Representations** No provision of the Agreement is intended to, nor will it, act as a release, estoppel or waiver of any liability incurred under the Maryland Law

4 **General Release** No general release required as a condition of renewal, sale, assignment or transfer will apply to any liability under the Maryland Law

5 **Limitation of Claims** Any claims arising under the Maryland Law must be brought within 3 years after the grant of the franchise

IN WITNESS WHEREOF, the parties hereto have executed, sealed and delivered this Rider in _____ counterparts on the day and year first above written

COMPANY

THE MELTING POT RESTAURANTS, INC
a Florida corporation

By _____
Name _____
Title _____
Date _____

DEVELOPER

_____
If a corporation, limited liability company or partnership

By _____
Name _____
Title _____
Date _____

MARYLAND RIDER TO
THE MELTING POT RESTAURANTS, INC
FRANCHISE COMPLIANCE CERTIFICATION

The following is added to the Franchise Compliance Certification

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability uncured under the Maryland Franchise Registration and Disclosure Law

FRANCHISEE APPLICANT

_____

Date _____

MINNESOTA RIDER TO
THE MELTING POT RESTAURANTS, INC
FRANCHISE AGREEMENT

This Rider is entered into this _____day of _____, 20__, by and between **THE MELTING POT RESTAURANTS, INC** , a Florida corporation (**"COMPANY"**) and _____ _____(' **FRANCHISEE"**)

1 **Background** The COMPANY and the FRANCHISEE are parties to that certain Franchise Agreement dated _____, 20__ (the "**Agreement**") that has been signed concurrently with the signature of this Rider This Rider is annexed to and forms part of the Agreement This Rider is being signed because THE MELTING POT® Restaurant to be operated by the **FRANCHISEE** pursuant to the Agreement will be located in the State of Minnesota and/or because the **FRANCHISEE** is a resident of the State of Minnesota

2 **Renewal Rights** The following is added as the last sentence in Section 3 C

FRANCHISEE and its Owners must execute general releases, in form and substance satisfactory to us, of any and all claims against us, and our Affiliates, officers, directors, employees, agents, successors and assigns, except for matters coming under the Minnesota Franchise law

3 **Termination of Agreement** The following is added at the beginning of Section 15

Minnesota Law provides you with certain termination and non-renewal rights Minn Stat §80C 14 Subd 3, 4 and 5 require, except in certain case, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Franchise Agreement

4 **Governing Law** The following sentence is added at the end of Section 17 H

MINN STAT §80C 21 AND MINN RULE 2860 4400J PROHIBIT US FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA IN ADDITION, NOTHING IN THE DISCLOSURE DOCUMENT OR AGREEMENT CAN ABROGATE OR REDUCE ANY OF YOUR RIGHTS AS PROVIDED FOR IN MINNESOTA STATUTES, CHAPTER 80C, OR YOUR RIGHTS TO ANY PROCEDURE, FORUM, OR REMEDIES PROVIDED FOR BY THE LAWS OF THE JURISDICTION

5 **Injunctive Relief** Nothing in the Agreement is construed to mean that you are consenting to our obtaining injunctive relief We may, however, seek injunctive relief The court will determine if a bond is required

IN WITNESS WHEREOF, the parties hereto have signed and delivered this Rider in 2 counterparts on the day and year first above written

COMPANY

THE MELTING POT RESTAURANTS, INC
a Florida corporation

By _____
Name _____
Title _____
Date _____

FRANCHISEE

_____
If a corporation, limited liability company or partnership

By _____
Name _____
Title _____
Date _____

MINNESOTA RIDER TO
THE MELTING POT RESTAURANTS, INC
AREA DEVELOPMENT AGREEMENT

This Rider is entered into this ____ day of _____, 20__, by and between **THE MELTING POT RESTAURANTS, INC**, a Florida corporation ("**COMPANY**") and _____ ("**DEVELOPER**")

1 **Background** The COMPANY and the DEVELOPER are parties to that certain Area Development Agreement dated _____, 20__ (the "**Agreement**") that has been signed concurrently with the signature of this Rider This Rider is annexed to and forms part of the Agreement This Rider is being signed because THE MELTING POT® Restaurant to be operated by the DEVELOPER pursuant to the Agreement will be located in the State of Minnesota and/or because the DEVELOPER is a resident of the State of Minnesota

2 **Renewal Rights** Section 2 2(f) is deleted in its entirety and the following added as Section 2 2(f)

DEVELOPER and its Owners must execute general releases, in form and substance satisfactory to us, of any and all claims against us, and our Affiliates, officers, directors, employees, agents, successors and assigns, except for matters coming under the Minnesota Franchise law

3 **Termination of Agreement** The following is added at the beginning of Section 9

Minnesota Law provides you with certain termination and non-renewal rights Minn Stat §80C 14 Subd 3, 4 and 5 require, except in certain case, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Agreement

4 **Governing Law** The following sentence is added at the end of Section 13 8

MINN STAT §80C 21 AND MINN RULE 2860 4400J PROHIBIT US FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA IN ADDITION, NOTHING IN THE DISCLOSURE DOCUMENT OR AGREEMENT CAN ABROGATE OR REDUCE ANY OF YOUR RIGHTS AS PROVIDED FOR IN MINNESOTA STATUTES, CHAPTER 80C, OR YOUR RIGHTS TO ANY PROCEDURE, FORUM, OR REMEDIES PROVIDED FOR BY THE LAWS OF THE JURISDICTION

5 **Injunctive Relief** Nothing in the Agreement is construed to mean that you are consenting to our obtaining injunctive relief We may, however, seek injunctive relief The court will determine if a bond is required

IN WITNESS WHEREOF, the parties hereto have signed and delivered this Rider in 2 counterparts on the day and year first above written

COMPANY

THE MELTING POT RESTAURANTS, INC
a Florida corporation

By _____
Name _____
Title _____
Date _____

DEVELOPER

_____
If a corporation, limited liability company or partnership

By _____
Name _____
Title _____
Date _____

TEXAS ADDENDUM
THE MELTING POT RESTAURANTS, INC
FRANCHISE AGREEMENT

THIS FIRST AMENDMENT (this "**Amendment**") is effective as of _____ (the "**Effective Date**"), and modifies the Franchise Agreement dated _____ (the "**Agreement**") between **THE MELTING POT RESTAURANTS, INC** (the "**COMPANY**") and _____, an individual whose principal address _____ (the "**FRANCHISEE**") (The COMPANY and the FRANCHISEE are sometimes referred to collectively as the "**parties**" or singly as a "**party**")

1 **INCORPORATION AND PRECEDENCE** This Amendment is incorporated into the Agreement and supersedes any conflicting provisions in it Capitalized terms not otherwise defined in this Amendment have the meanings as defined in the Agreement

2 **APPROVED BRANDS/ALCOHOLIC BEVERAGES** The parties hereby acknowledge and agree that the COMPANY does not intend to, and shall not exercise control over the storage, distribution, possession, transportation or sale of alcoholic beverages in violation of Section 109 53 of the Texas Alcoholic Beverage Code or any other provision of Texas law Accordingly, notwithstanding anything to the contrary contained in Sections 10 D , 10 E or any other provision of the Agreement, the COMPANY may not require that the FRANCHISEE stock or offer for sale any particular brand of alcoholic beverage in the Restaurant, provided, however, that the COMPANY may make non-binding suggestions to the FRANCHISEE as to which brands of alcoholic beverages meet the COMPANY's specifications and quality standards

3 **REMAINING PROVISIONS UNAFFECTED** Those parts of the Agreement that are not expressly modified by this Amendment remain in full force and effect This Amendment will not be binding on the COMPANY until it has been signed by one of the COMPANY'S duly authorized officers or managers

Intending to be bound, the FRANCHISEE and the COMPANY sign and deliver this Amendment in _____ counterparts effective on the Effective Date, regardless of the actual date of signature

COMPANY	**FRANCHISEE**
THE MELTING POT RESTAURANTS, INC	_____
By _____	By _____
Name _____	Name _____
Title _____	Title _____
Date _____	Date _____

WASHINGTON RIDER TO
THE MELTING POT RESTAURANTS, INC
FRANCHISE AGREEMENT

The State of Washington has a statute, RCW 19 100 180, which may supersede this Agreement in FRANCHISEE'S relationship with the COMPANY, including the area of termination and renewal of FRANCHISEE'S franchise There may also be court decisions which may supersede this Agreement in FRANCHISEE'S relationship with COMPANY including the area of termination and renewal of FRANCHISEE'S franchise

In any arbitration involving a franchise purchased in Washington, the arbitration site will either be in the State of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act (the "**Act**"), Chapter 19 100 RCW, prevail

A release or waiver of rights signed by FRANCHISEE will not include rights under the Act except when signed pursuant to a negotiated settlement after the agreement(s) are in effect and where the parties are represented by independent counsel Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable

Transfer fees may be collected to the extent that they reflect our reasonable estimated or actual costs in effectuating a transfer

COMPANY

THE MELTING POT RESTAURANTS, INC

By _____
Name _____
Title _____
Date _____

FRANCHISEE

INDIVIDUALS

_____
Name _____
Date _____

_____
Name _____
Date _____

OWNER

_____

By _____
Name _____
Title _____
Date _____

WASHINGTON RIDER TO
THE MELTING POT RESTAURANTS, INC
AREA DEVELOPMENT AGREEMENT

The State of Washington has a statute, RCW 19 100 180, which may supersede this Agreement in DEVELOPER'S relationship with the COMPANY, including the area of termination and renewal of DEVELOPER'S AREA DEVELOPMENT AGREEMENT There may also be court decisions which may supersede this Agreement in DEVELOPER'S relationship with COMPANY including the area of termination and renewal of DEVELOPER'S Area Development Agreement

In any arbitration involving a franchise purchased in Washington, the arbitration site will either be in the State of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act (the "**Act**"), Chapter 19 100 RCW, prevail

A release or waiver of rights signed by FRANCHISEE will not include rights under the Act except when signed pursuant to a negotiated settlement after the agreement(s) are in effect and where the parties are represented by independent counsel Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable

Transfer fees may be collected to the extent that they reflect our reasonable estimated or actual costs in effectuating a transfer

COMPANY

THE MELTING POT RESTAURANTS, INC

By _____
Name _____
Title _____
Date _____

DEVELOPER

INDIVIDUALS

_____
Name _____
Date _____

_____
Name _____
Date _____

OWNER

_____

By _____
Name _____
Title _____
Date _____

EXHIBIT "P"
TO THE DISCLOSURE DOCUMENT

LIST OF CURRENT FRANCHISEES

ALABAMA

BIRMINGHAM
Bob Hammond & John Dooley
611 Doug Baker Blvd #201
Birmingham AL 35242
Tel (205) 981 8001

HUNTSVILLE
David Hagins & Steve Hagins
340 Bridge Street Town
Centre #202
Huntsville AL 35806
Tel (256) 327 8888

ARIZONA

AHWATUKEE
Dan Arndt & Mark Rosenthal
3626 East Ray Road
Phoenix AZ 85044
Tel (480) 704 9206

ARROWHEAD
Dan Arndt & Mark Rosenthal
19420 N 59th Ave Bldg B
Scottsdale AZ 85258
Tel (480) 874 4934

SCOTTSDALE
Dan Arndt & Mark Rosenthal
8260 N Hayden Rd
Scottsdale AZ 85258
Tel (480) 607 1799

TUCSON
Kelly Cooper
7401 N LaCholla Blvd #109
Tucson AZ 85741
Tel (520) 575 6358

CALIFORNIA

IRVINE
Rod & Mira Selbo
2646 Dupont Drive Suite C70
Irvine CA 92612
Tel (949) 955 3242

LARKSPUR
John McDonald
125 E Sir Francis Drake Blvd
Larkspur CA 94939
Tel (415) 461 6358

SACRAMENTO
Michael Frampton
814 15th Street
Sacramento CA 92612
Tel (916) 443 2347

SAN DIEGO – GasLamp Quarter
David Cohn & Leslie Cohn
901 5th Ave
San Diego CA 92101
Tel (619) 234 5554

SAN DIEGO – La Jolla
Lane Scelzi / Bart &
Velma Bandy
8980 University Center Lane
San Diego CA 92122
Tel (858) 638 1700

SAN MATEO
Rob Sanchez, Andrew Clark
82 N B Street
San Mateo CA 94401
Tel (650) 342 6358

THOUSAND OAKS
Jerry White
3685 E Thousand Oaks Blvd
Thousand Oaks CA 91632
Tel (805) 370 8802

COLORADO

COLORADO SPRINGS
Steve & Tracy Carlson
30 A East Pikes Peak Avenue
Colorado Springs CO 80903
Tel (719) 385 0300

FORT COLLINS
Ryan Houdek
334 East Mountain Avenue
Ft Collins CO 80524
Tel (970) 207 0100

LITTLETON
Kyle Reed
2707 W Main St
Littleton CO 80120
Tel (303) 794 5666

LOUISVILLE
Kyle Reed & Bill Schmearer
732 Main St
Louisville CO 80027
Tel (303) 666 7777

CONNECTICUT

DARIEN
Will Areson & James Layfield
14 Grove Street
Darien CT 06820
Tel (203) 656 4774

DELAWARE

WILMINGTON
Jeff Nichols
1601 Concord Pike Ste 43 47
Wilmington DE 19803
Tel (302) 652 6358

FLORIDA

BOCA RATON
Bill Schmearer
5455 N Federal Hwy Ste A
Boca Raton FL 33487
Tel (561) 997 7472

COOPER CITY
Dave Lopate Jere Cook,
Bill Schmearer
5834 S Flamingo Road
Cooper City FL 33330
Tel (954) 880 0808

CORAL SPRINGS
Jere Cook Bill Schmearer
David Lopate
10374 W Sample Rd
Coral Springs FL 33065
Tel (954) 755 6368

DESTIN
Mike Domming & Randy
Harrelson
11394 US Hwy 98 W #J
Destin FL 32550
Tel (850) 269 2227

FT MYERS
Bill Schmearer
13251 McGregor Blvd
Ft Myers FL 33919
Tel (941) 481 1717

JACKSONVILLE
Michael Robie
7860 Gate Parkway #101
Jacksonville FL 32256
Tel (904) 642 4900

LONGWOOD
Robert Frady & Dale Wallace
1200 Douglas Avenue
Longwood FL 32779
Tel (407) 862 8773

MELBOURNE
Irfan Zinna
2230 Town Center Avenue
Suite 101
Melbourne FL 32940
Tel (321) 433 3040

MIAMI
Dana & Selene Munach
11520 Sunset Dr
Miami FL 33173
Tel (305) 279 8816

ORLANDO
Mark Conway & Eric Deigan
7549 W Sand Lake Rd
Orlando FL 32819 5019
Tel (407) 903 1100

PALM BEACH GARDENS
Jason Jones
11811 US Highway 1
#200 204
North Palm Beach FL 33408
Tel (561) 264 0020

PENSACOLA
Mike & Joan Domning
418 E Garden Street, Suite 100
Pensacola, FL 32501
Tel (850) 438 4030

SARASOTA*
1949 Ringling Blvd
Sarasota, FL 34236
Tel (941) 365 2628

ST PETERSBURG *
2221 4th St N
St Petersburg FL 33704
Tel (727) 895 6358

TALLAHASSEE
Robbie Johnston & Ryan Johnston
2727 N Monroe St
Tallahassee, FL 32303
Tel (850) 386 7440

TAMPA *
Mark T Johnston
13164 N Dale Mabry
Tampa, FL 33618
Tel (813) 962 6936

GEORGIA
ATLANTA MIDTOWN
Mark Gunn
754 Peachtree Street
Atlanta, GA 30308
Tel (404) 389 0099

DULUTH
Bob Gunn & Mark Gunn
3610 Satellite Blvd NW
Duluth GA 30096
Tel (770) 623 1290/1291

KENNESAW
Mark Gunn
2500 Cobb Place Lane
Suite 800
Kennesaw GA 30144
Tel (770) 425 1411

SAVANNAH, GA
Joshua Behringer &
Jason Stravinski
232 E Broughton St
Savannah GA 31401
Tel (912) 349 5676

ROSWELL
Bob Gunn & Mark Gunn
1055 Mansell Rd
Roswell GA 30076
Tel (770) 518 4100

IDAHO
BOISE
Keith Dunn & George Chaposky
200 N 6th Street
Boise ID 83702
Tel (208) 343 8800

ILLINOIS
DOWNER'S GROVE
Erv Emery & Mike Ruffalo
1205 Butterfield Rd Ste A
Downer s Grove IL 60515
Tel (630) 737 0810

NAPERVILLE
Erv Emery & Mike Ruffolo
4931 S Rt 59
Naperville IL 60564
Tel (630) 717 8301

SCHAUMBURG
Erv Emery & Mike Ruffolo
255 West Golf Rd
Schaumburg IL 60195
Tel (847) 843 8970

INDIANA
INDIANAPOLIS
Bennet Ackerman
5650 E 86th St Ste F
Indianapolis, IN 46250
Tel (317) 841 3601

KENTUCKY
LOUISVILLE
Jerod & Lori Hagen
2045 South Hurstbourne Parkway
Louisville KY 40220
Tel (502) 841 3601

LOUISIANA
BATON ROUGE
Chris Womack
5294 Corporate Blvd
Baton Rouge, LA 70808
Tel (225) 928 5677

NEW ORLEANS
Ray Naquin
1820 St Charles Avenue
Suite 120
New Orleans LA 70130
Tel (504) 525 3225

MARYLAND
ANNAPOLIS
Kevin Mason
2348 Solomons Island Road
Annapolis MD 21401
Tel (410) 266 8004

COLUMBIA
John & Dana Snyder
10451 Twin Rivers Road #130
Columbia, MD 21044
Tel (410) 740 9988

GAITHERSBURG
Barry Berkowitz
9021 Gaither Road
Gaithersburg, MD 20877
Tel (301) 231 8220

TOWSON
Jeff Nichols John Fox
418-420 York Rd
Towson MD 21204
Tel (410) 821 6358

MASSACHUSETTS
BEDFORD/BURLINGTON
Brian Skedd
213 Burlington Road
Bedford MA 01730
Tel (781) 791 0529

FRAMINGHAM
Al Nammari Basel Nammari
Mike Stead
92 Worchester Road
Framingham MA 01702
Tel (508) 875 3115

MICHIGAN
GRAND RAPIDS
Jon Ferguson
2090 Celebration Dr Ste 130
Grand Rapids MI 49525
Tel (616) 365 0055

TROY
Aaron Van De Mark Bill Holt
888 West Big Beaver Road
Suite 199
Troy MI 48084
Tel (248) 362 2221

MINNESOTA
MINNEAPOLIS
Al Nammari & Mike Stead
824 Marquette Avenue
Minneapolis MN 55402
Tel (612) 338 9900

MISSOURI
KANSAS CITY
Matt & Ruby Soik
450 Ward Parkway
Kansas City MO 64112
Tel (816) 931 6358

ST LOUIS
Michael Hobbs
6683 Delmar Blvd
University City MO 63130
Tel (314) 725-4141

TOWN & COUNTRY
John & Karen Barnett
294 Lamp & Lantern Village
Town & Country MO 63017
Tel (636) 207 6358

NEVADA
LAS VEGAS
Dirk Astle
8704 W Charleston
Las Vegas NV 89117
Tel (702) 384 6358

NEW JERSEY
ATLANTIC CITY
Charlie Haney
2112 Atlantic Avenue
Atlantic City NJ 08401
Tel (609) 441 1100

MAPLE SHADE
Charles LaRosa & Kimberly Hughes
584 Rt 38 East
Maple Shade NJ 08052
856 793 7033

~~**RED BANK**~~
~~Ken Kruse~~
~~Galleria 1st Floor Bldg 6~~
~~2 Bridge Avenue~~
~~Red Bank NJ 07701~~
~~Tel (732) 219-0090~~

SOMERVILLE
Jatin Patel
1900 W Main Street
Somerville NJ 08876
Tel (908) 575 8010

WESTWOOD
Will Layfield Carol Layfield & James Layfield
250 Center Avenue
Westwood NJ 07675
Tel (201) 664 8877

WHIPPANY
Kathy Garmise
831 Route 10 East
Whippany NJ 07981
Tel (973) 428 5400

NEW MEXICO
ALBUQUERQUE
Chris Zalesiak
2201 Uptown Loop Rd NE
ALB NE 87110
Tel (505) 843 6358

NEW YORK
ALBANY
Mike Stygles
Crossgates Mall Space K102
1 Crossgates Mall Road
Albany NY 12303
Tel (518) 862 1292

BUFFALO
Jim & Virginia Materese
One Walden Galleria
Suite TH119
Buffalo NY 14225
Tel (716) 685 6358

LONG ISLAND
Jeff Nichols Barry Berkowitz
Brian Neel Bill Schmearer
2377 Broad Hollow Road
Farmingdale NY 117535
Tel (631) 752 4242

POUGHKEEPSIE
Mike Stygles
2001 South Rd
Poughkeepsie NY 12601
Tel (845) 632 6171

ROCHESTER
Michael Daley & Jim Materese
Market Place Mall Space E16
290 Miracle Mile Dr
Rochester NY 14623
Tel (585) 424 6358

SYRACUSE
Mike Stygles & Bruce Anderson
1 Carousel Center Drive
Syracuse NY 13204
Tel (518) 466 8747

WHITE PLAINS
Will Layfield & James Layfield
30 Mamaroneck Avenue
White Plains NY 10601
Tel (914) 993 6358

NORTH CAROLINA
CHARLOTTE
Todd Dennis & Brian Neel
901 S Kings Dr Ste 140 B
Charlotte NC 28204
Tel (704) 334 4400

CHARLOTTE – LAKE NORMAN
Todd Dennis & Brian Neel
16625 Statesville Rd
Huntersville NC 28078
Tel (704) 987 2201

DURHAM
Dan & Katherine Richardson
7011 Fayetteville Road #101
Durham NC 27713
Tel (919) 544 6358

RALEIGH
Mark Conway and Aaron & Richard Van De Mark
3100 Wake Forest Rd
Raleigh NC 27609
Tel (919) 878 0477

WILMINGTON, NC
Jason Shea & Murphy Tan
885 Town Center Dr
Wilmington NC 28405
Tel (910) 256 1187

OHIO
CINCINNATI
Chris Millsap & Zach Hearon
11023 Montgomery Rd
Cincinnati OH 45249
Tel (513) 530 5501

COLUMBUS
Keith Dun & George Chaposky
4014 Townsfair Way #1 001
Columbus OH 43219
Tel (614) 476 5500

DAYTON
Al Nammari
453 Miamisburg Centerville Rd
Dayton OH 45459
Tel (937) 567 8888

LYNDHURST
Seth Bromberg
24741 Cedar Road
Lyndhurst, OH 44124
Tel (216) 381 2700

ROCKY RIVER
Seth Bromberg & Eric McIntyre
3111 Westgate
Rocky River OH 44126
Tel (440) 356 8900

OKLAHOMA
OKLAHOMA CITY
Mark & Becky Chapman
4 Sheridan Avenue
Oklahoma City OK 73101
Tel (405) 235 1000

TULSA
Mark & Becky Chapman
300 Riverwalk Terrace
Suite 190
Jenks OK 74037
Tel (918) 299 8000

OREGON
PORTLAND
Kip Aszman & Walter Wrahtz
1001 SW Fifth Avenue
Portland OR 97204
Tel (503) 517 8960

PENNSYLVANIA
BETHLEHEM
Charlie LaRosa &
Kevin O Leary
1 East Broad St Ste 100
Bethlehem PA 18018
Tel (484) 241 4939

HARRISBURG
Ben Sipola & Andrew Holder
33560 Paxton St
Harrisburg PA 17111
Tel (717) 564 6358

KING OF PRUSSIA
Barry Berkowitz, Jeff Nichols
Brian Neel Charlie LaRosa
150 Allendale Road
King of Prussia, PA 19406
Tel (610) 265 7195

PITTSBURGH
Chris Milsap & Jim Matarese
125 W Station Square Drive
Pittsburgh PA 15219
Tel (412) 261 3477

WARRINGTON
Charlie LaRosa & Kevin
O Leary
8229 Germantown Ave
Chestnut Hill PA 19118
Tel (215) 242 3003

RHODE ISLAND
PROVIDENCE
Renee Torres
9707 Singleton Drive
Bethesda, MD 20817
Tel (401) 228 6658

SOUTH CAROLINA
COLUMBIA
Jay & Elizabeth Kilmartin
1410 Colonial Life Blvd
Columbia, SC 29210
Tel (803) 731 8500

GREENVILLE
Jay & Elizabeth Kilmartin
475 5 Haywood Road
Greenville SC 29607
Tel (864) 297 5035

MYRTLE BEACH
Keith & Ginger Dunn
5001 N Kings Hwy Ste 104
Myrtle Beach SC 29577
Tel (843) 692 9003

TENNESSEE
GATLINBURG
Brent Collier Lori Colier &
Jessice Collier Masey
959 Parkway #2
Gatlinburg TN 37738

KNOXVILLE
John Gillpatrick
111 N Central Avenue
Knoxville TN 37902
Tel (865) 971 5400

NASHVILLE
Mark & Carla Rosenthal
166 Second Ave N
Nashville TN 37201
Tel (615) 742 4970

TEXAS
ADDISON
Jerry White & Liz Beddow
4900 Beltline Road
Suite 200
Dallas TX 75254
Tel (972) 239 6358

ARLINGTON
Mike Gayle
David & Kelly Hatala
4000 Five Points Road #119
Arlington TX 76018
Tel (817) 469 1444

AUSTIN
Mike & Kelly Swartz
13343 US Hwy 183 N Suite 350
Austin TX 78750
Tel (512) 401 2424

HOUSTON
Mark Rosenthal &
Bill Schmearer
6100 Westheimer Ste 146
Houston TX 77057
Tel (713) 532 5011

SAN ANTONIO
DeWayne & Denise Foust
14855 Blanco Road #110
San Antonio TX 78216
Tel (210) 479 6358

UTAH
SALT LAKE CITY
Dirk Astle
340 S Main
Salt Lake City UT 84101
Tel (801) 521 6358

VIRGINIA
ARLINGTON
Barry Berkowitz
1110 N Glebe Road
Arlington VA 22201
Tel (703) 243 4490

CHARLOTTESVILLE
Derek Bond
501 East Water Street
Charlottesville VA 22902
Tel (434) 244 3463

FREDERICKSBURG
Murphy Tan & William Lovo
1618 Carl D Silver Parkway
Fredericksburg MD 22401
Tel (540) 785 9690

RESTON
Barry Berkowitz
11730 Plaza America Dr
Reston VA 20190
Tel (703) 435 1277

RICHMOND
Chad Hornik
9704 Gayton Rd
Richmond VA 23233
Tel (804) 741 3120

VIRGINIA BEACH
Andrew Holder
1564 Laskin Road #182
Virginia Beach VA 23451
Tel (757) 425 3463

WASHINGTON
BELLEVUE
Lane Scelzi
308 108th Avenue NE
Bellevue WA 98004
Tel (425) 646 2744

SEATTLE
Lane Scelzi
14 Mercer St
Seattle WA 98109
Tel (206) 378 1208

SPOKANE
William Miller
707 W Main Ave – Suite C 1
Spokane WA 99201
Tel (509) 926 8000

TACOMA
Lane Scelzi
2121 Pacific Avenue
Tacoma WA 98402
Tel (253) 535 3939

WISCONSIN
APPLETON
John & Jay Supple
2295 W College Avenue
Appleton WI 54914
Tel (920) 739 3533

BROOKFIELD
Matt & Ruby Soik
19850 Bluemound Road
Brookfield WI 53045
Tel (262) 641 9495

MADISON
David & Terri Lenz
6816 Odana Road
Madison WI 53719
Tel (608) 833 5676

*Some or all of the shareholders directors and officers of these franchisees are also shareholders directors and officers of ours

THIS LIST CONTAINS U S FRANCHISEES ONLY

EXHIBIT "Q"
TO THE DISCLOSURE DOCUMENT

FRANCHISEES WHO HAVE LEFT THE SYSTEM

FRANCHISEES WHO HAVE LEFT THE SYSTEM

The following is a list of franchisee associates whose Franchise Agreements have either been terminated, cancelled, not renewed or who otherwise have left the system during the 12-month period ending March 31, 2015~~5~~6 or who have not communicated with us within 10 weeks of the issuance date of this disclosure document

Alabama	Anand & Dipan Patel Mobile AL 36609 (251) 583 2618	Termination
California	Mike & June Rubin Pasadena, CA (626) 792 1941	Mutual Termination
Florida	Scott & Tai Demaris Ocala FL (352) 622 9968	Termination
Illinois	Erv Emery & Mike Ruffolo Chicago IL (630) 737 0810	Termination
Kentucky	Jared & Lori Hagen Lexington KY (859) 254 6358	Termination
Louisiana	Chris Womack & Parag Amin New Orleans, LA (225) 202-4901	Transfer
Michigan	Lisa and Mark Shaw Ann Arbor MI (734) 622 0055	Mutual Termination
North Carolina	Kevin Burbine Greensboro NC (336) 545 6233	Mutual Termination
Virginia	Andrew Holder Newport News VA (757) 369 9500	Termination

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

This list contains U S franchisees only

EXHIBIT "R"
TO THE DISCLOSURE DOCUMENT

FORM OF

FRANCHISE COMPLIANCE CERTIFICATE

FRANCHISE COMPLIANCE CERTIFICATION

The purpose of this Certification is to determine whether any statements or promises were made to you that we have not authorized and that may be untrue, inaccurate or misleading Do not sign or date this Certification the same day as the Receipt for the Franchise Disclosure Document, you should sign and date this Certification the same day you sign the Franchise Agreement and/or Area Development Agreement Please review each of the following questions and statements carefully and provide honest and complete responses to each

1 Have you received and personally reviewed our Franchise Agreement and/or Area Development Agreement, and each Addendum (if any) and related agreement (i e , personal guaranty) attached to them?

Yes_____ No_____

2 Did you receive the Franchise Agreement and/or Area Development Agreement, and each related agreement, containing all material terms, at least 7 days before signing any binding agreement (other than any deposit agreement) with us or an affiliate?

Yes_____ No_____

* This does not include changes to any agreement mutually agreed upon

3 Do you understand all of the information contained in the Franchise Agreement and/or Area Development Agreement, and each Addendum (if any) and related agreement provided to you?

Yes_____ No_____

If No, what parts of the Franchise Agreement and/or Area Development Agreement, Addendum (if any) and/or related agreements do you not understand? (Attach additional pages, if necessary)

_____

_____

_____

4 Have you received and personally reviewed our Franchise Disclosure Document ("FDD") that was provided to you?

Yes_____ No_____

5 Did you receive the FDD at least 14 days before signing the Franchise Agreement and/or Area Development Agreement, this document or any related agreement, or before paying any funds to us or an affiliate?

Yes_____ No_____

6 Did you sign a receipt for the FDD indicating the date you received it?

Yes_____ No_____

7 Do you understand all of the information contained in the FDD and any state-specific Addendum to the FDD?

Yes_____ No_____

If No, what parts of the FDD and/or Addendum do you not understand? (Attach additional pages, if necessary)

_____

_____

8 Do you acknowledge and understand that no parent or affiliate of ours promises to back us financially or otherwise guarantees our performance or commits to perform post-sale obligations for us?

Yes_____ No_____

9 Have you discussed the benefits and risks of purchasing a THE MELTING POT® Restaurant franchise with an attorney, accountant or other professional advisor?

Yes_____ No_____

If No, do you wish to have more time to do so?

Yes_____ No_____

10 Do you understand that the success or failure of your the MELTING POT® Restaurant franchise will depend in large part upon your skills and abilities, competition from other businesses, and other economic and business factors?

Yes_____ No_____

11 Has any employee or other person speaking on our behalf made any statement or promise concerning the actual or possible revenues or profits of a THE MELTING POT® Restaurant franchise that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD?

Yes_____ No_____

12 Has any employee or other person speaking on our behalf made any statement or promise regarding the amount of money you may earn in operating a THE MELTING POT® Restaurant franchise that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD?

Yes_____ No_____

13 Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a THE MELTING POT® Restaurant franchise that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD?

Yes_____ No_____

14 Has any employee or other person speaking on our behalf made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish to you that is contrary to, or different from, the information contained in the FDD?

Yes_____ No_____

15 If you have answered "Yes" to any one of questions 11-14, please provide a full explanation of each "Yes" answer in the following blank lines (Attach additional pages, if necessary, and refer to them below)

_____

_____

_____

16 Do you understand that the Franchise Agreement and/or Area Development Agreement, Addendum (if any) and related agreements contain the entire agreement between you and us concerning THE MELTING POT® Restaurant franchise, meaning that any prior oral or written statements not set out in the Franchise Agreement and/or Area Development Agreement, Addendum (if any) or related agreements will not be binding?

Yes_____ No_____

Nothing in this document or any related agreement is intended to disclaim the representations we made in the FDD that we furnished to you

17 Do you understand that, except as provided in the FDD, nothing stated or promised by us that is not specifically set forth in the Franchise Agreement and/or Area Development Agreement, Addendum (if any) and related agreements can be relied upon?

Yes_____ No_____

18 You signed the Franchise Agreement and/or Area Development Agreement, and Addendum (if any) and related agreements on _____, 20__, and acknowledge that no agreement or addendum is effective until signed and dated by us

YOU UNDERSTAND THAT YOUR RESPONSES TO THESE QUESTIONS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM BY SIGNING THIS COMPLIANCE CERTIFICATION, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS

The individuals signing below for the "Franchisee Applicant" constitute all of the executive officers, partners, shareholders, investors and/or principals of the Franchisee Applicant, or constitute the duly authorized representatives or agents of the foregoing

FRANCHISEE APPLICANT

Signature_____

Printed Name_____

Date _____, 201__

Signature_____

Printed Name_____

Date _____, 201__

Signature_____

Printed Name_____

Date _____, 201__

Signature_____

Printed Name_____

Date _____, 201__

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement, development agreement and other information in plain language Read this disclosure document and all agreements carefully

If The Melting Pot Restaurants, Inc offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale 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 before the execution of any binding franchise or other agreement, or payment of any consideration that relates to the franchise relationship Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or payment of any consideration, whichever occurs first

If The Melting Pot Restaurants, Inc does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D C 20580 and any applicable state agency as listed on Exhibit ' M "

The name, principal business address, and telephone number of the franchise seller(s) offering the franchise is/are

Name	Principal Business Address	Telephone Number
□ Robert P Johnston	7886 Woodland Center Blvd , Tampa, FL 33614	813-881-0055
□ Mike Lester	7886 Woodland Center Blvd , Tampa, FL 33614	813-881-0055
□ Dan Stone	7886 Woodland Center Blvd , Tampa FL 33614	813-881-0055
□ Christina Hobbs	7886 Woodland Center Blvd , Tampa, FL 33614	813-881-0055
□ John Westland	7886 Woodland Center Blvd , Tampa, FL 33614	813 881 0055

Issuance Date June 6, 2016, as amended November 4 2016

I received a disclosure document dated June 6, 2016 as amended November 4, 2016 (See the state effective date summary page for state effective dates) The disclosure document included the following Exhibits

Exhibit "A"	Financial Statements
Exhibit ' B'	Form of Franchise Agreement
Exhibit "B-1"	Form of Successor Franchise Addendum to Franchise Agreement (Renewal)
Exhibit "C '	Form of Area Development Agreement
Exhibit ' D"	Form of Conditional Assignment of Telephone Numbers and Listings
Exhibit ' E"	Form of Collateral Assignment and Assumption of Lease
Exhibit ' F"	Manuals Tables of Contents
Exhibit "G-1"	Form of Personal Guaranty of Owner/Shareholder
Exhibit 'G-2"	Form of Principal Owner's Statement
Exhibit ' H-1"	Form of Noncompete Agreement
Exhibit "H-2"	Form of Confidentiality, Non-Solicitation and Assignment of Inventions Agreement
Exhibit ' I'	Form of Sample Articles of Incorporation for Fondue Marketing Cooperative, Inc
Exhibit J"	Form of Sample Bylaws of Fondue Marketing Cooperative, Inc
Exhibit "K"	Form of Sample of The Fondue Dining Cooperative Membership Agreement
Exhibit "L-1"	Form of Franchisee Operating Agreement
Exhibit ' L-2"	Form of ~~Operating Agreement for~~ Path to Grow Program Loan Documents
Exhibit ' L-3"	Form of UCC-1 Financing Statement
Exhibit ' M"	List of State Agencies and Agents for Service of Process
Exhibit ' N"	State Specific Addenda to Franchise Disclosure Document
Exhibit "O"	State Specific Riders to Agreements
Exhibit ' P"	List of Current Franchisees
Exhibit "Q"	Franchisees Who Have Left the System
Exhibit "R"	Franchise Compliance Certificate

Dated _____

_____
Individually and as an Officer

_____
Printed Name

of_____
(a_____Corporation)
(a_____Partnership)
(a_____Limited Liability Company)

[Keep this page for your records]

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□ Christina Hobbs	7886 Woodland Center Blvd , Tampa, FL 33614	813-881-0055
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Dated _____

_____
Individually and as an Officer

_____
Printed Name

of_____
(a_____Corporation)
(a_____Partnership)
(a_____Limited Liability Company)

[Sign and return this page]