FRANCHISE DISCLOSURE DOCUMENT
2018

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 $1,473,938 to $1,650,428. 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 $1,496,438 to $1,740,428 (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 Jesi Tarver, Sr. Director of Franchise Development, The Melting Pot Restaurants, Inc., Restaurant Support Center, 7886 Woodland Center Blvd., Tampa, Florida 33614, (813) 425-6212.

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 12, 2018

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	_____, 2018
Hawaii	
Illinois	_____, 2018
Indiana	_____, 2018
Maryland	_____, 2018
Michigan	
Minnesota	_____, 2018
New York	_____, 2018
North Dakota	
Rhode Island	_____, 2018
South Dakota	_____, 2018
Virginia	_____, 2018
Washington	_____, 2018
Wisconsin	_____, 2018

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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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 4 franchised THE MELTING POT® Restaurants located in Pensacola, 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 3 of the 4 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.

- 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 16 franchises and 7 company-owned locations. Five 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 serve cheese fondue and may also serve (i) beef, chicken, seafood, and vegetable fondue, (ii) cooked and/or prepared entrees, (iii) chocolate fondue, (iv) salads, fruits, and fresh breads, (v) imported and domestic beer and wine, and (vi) other foods and beverages as specified by COMPANY. The dining, unique physical layout, aesthetic decor, 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 some of the food they are served in fondue pots or on a grill on in-table burners. THE MELTING POT® Restaurants operate according to our business formats, methods, procedures, designs, layouts, signs, artwork, music, equipment, menus, recipes, Marks, trade dress, standards and specifications, all of which we may improve, further develop or otherwise modify from time to time in our sole discretion (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 enters into a new Franchise Agreement and pays us the Initial Franchise Fee.

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, we receive (i) a loan agreement and promissory note in which NewCo agrees to repay our loan in 48 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.

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 or grills 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 for the sale and consumption of beer, wine and liquor, 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

Chairman of the Board of Directors: Robert P. Johnston

Mr. Johnston has been a 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 was a Director and served as President of Grillsmith Restaurant Group, Inc. ("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.

Director and General Counsel: Bud Culp

Mr. Culp has been a Director since August 2017. He 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. Mr. Culp was previously a Partner at the Denver law firm of Moye White LLP. Mr. Culp is also 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.

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 became our President. Previously, from 1993 through 2006, Mr. Lester was a joint venture partner with Outback Steakhouse.

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. Mr. Pierce served previously as a Senior Accountant at Ernst & Young.

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. 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.

Vice President of RSC Operations: Jennifer Dodd

Ms. Dodd became our Vice President of RSC Operations in April 2017. From 2012 until 2017, Ms. Dodd was the principal and CEO of The TreeTop Group, in Birmingham, Alabama, during which time she held a number of interim/fractional executive positions, including Interim Chief Operating Officer of Elderfire Lodges in Orlando, Florida (June 2016 to July 2017), Interim International Franchise Executive for KUDU Corporation, Kingdom of Saudi Arabia (September 2016 to November 2016), Chief Operating Officer of Pedestal Foods, St. Louis, Missouri (August 2015 – April 2016), COO of Spirit of Math Schools, Toronto, Canada (2014 – 2015), and SVP of Operations, Chester's Intl., Birmingham, Alabama (2013-2014). Previously, Ms. Dodd has had numerous positions in the franchised restaurant industry, including Sr. Director U.S. Franchising at Tim Horton's, Sr. Director of Operations for Dunkin Brands, Director of Operations at Applebee's International, VP of Operations at Church's Chicken and Vice President of RTM Restaurant Group (Arby's and Shoney's).

Sr. Director of Franchise Development: Jesi Tarver

Ms. Tarver joined us in May 2018 as Sr. Director of Franchise Development. From February 2014 until May 2018, she served as the Licensed Store Business Development Manager – Florida for Starbucks Coffee Company. From September 2012 to February 2014, Ms. Tarver served as Franchise Sales Consultant & Business Development Executive for a master developer of Jersey Mike's and Pizza Hut & KFC restaurants in South Africa, and Ms. Tarver previously was a Company Operations Leader for Yum! Brands in Virginia and the North and South Carolina markets.

Director of Learning & Communications: Danielle Kilgore

Ms. Kilgore became our Director of Learning & Communications in April 2017 and serves in the same capacity for FB. From February 2012 to June 2014, she was Designer: Technical Writing & Graphic Design, and in July 2015 she was promoted to Manager of Core Communications. Ms. Kilgore accepted the position of interim Director of Learning & Communications in March 2017 and served in that capacity until she was promoted to her current position in April 2017.

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]	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]	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 UMELT Management Essentials Training[6]	Fees range from $400 to $2,000 per person, plus expenses	20 days after billing	We provide initial training to 4 people tuition-free. Additional training is provided for a fee.
Learning & Communication Fee[7]	Approximately $200 per Restaurant per year for the e-learning subscription, plus estimated design and content development fees between $75 and $1,800 per year per Restaurant	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 training of 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.
Accounting	$650 per month	Currently payable on or before the 10th day of each calendar month.	Mandatory during your first year of operation.
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.

Type of Fee [1]	Amount	Due Date	Remarks
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.
Compliance Fee [8]	$100 to $1,500 per individual violation of the Franchise Agreement	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 via the internet.
Data Central	$599.50 per quarter	As designated by us from	Data Central manages and reports

Type of Fee [1]	Amount	Due Date	Remarks
restaurant management software		time to time; currently payable on or before the 25th day of each calendar quarter.	on certain metrics including purchasing, inventory, sales and product mix, and cost of goods. This service is provided by a third party that bills us collectively for all Restaurant locations.
Website Enhancements/Integration ("WEI") Fee	$139 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 calendar month	We require you to pay by electronic funds transfer. Gift card processing services are provided by a third party that bills us collectively for all Restaurant locations
Communication Fee	$15 per month	As designated by us from time to time; currently payable on or before the 25th day of each calendar month	This fee pays for your Office 365 email and FranConnect user fee. This service is provided by a third party that bills us collectively for all Restaurant locations.
Customer surveys (InMoment)	$41.98 per month	As designated by us from time to time; currently payable on or before the 25th day of each calendar month	This service is provided by a third party that bills us collectively for all Restaurant location.
Open Table survey	$21.98 per month	As designated by us from time to time; currently payable on or before the 25th day of each calendar month	This service is provided by a third party that bills us 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, HRIS software. 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

Type of Fee [1]	Amount	Due Date	Remarks
			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.

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. You must spend (i) up to 3% of your Gross Revenues for the first six months of the year on local advertising, failing which you are required to make up any shortfall in spending within 60 days from June 30, and (ii) up to 3% of your Gross Revenues for the last six months of the year on local advertising, failing which you must make up any shortfall in spending by February 28 of the following year. As of the date of this disclosure document, we require that you spend 2.5% of your annual Gross Revenues for local marketing efforts. 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 UMELT (University of Mastering Exceptional Learning & Training) 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. UMELT 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 approximately $200 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 fees (estimated to range from $75 to $1,800 per Restaurant per year) if we develop in our discretion any new e-learning programs, including but not limited to, new courses, Spanish translation 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)	$27,000 to $62,500	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)	$706,003 to $716,003	As Agreed	As Incurred	Contractors, Suppliers and Tradesmen

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Computer and Point of Sales Hardware/Software (6)	$27,600	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, Website Development/Enhancement 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)	$444,408	Lump Sum	As Incurred	Outside Suppliers
Utility Deposits	$2,000 to $5,000	Lump Sum	As Incurred	Utilities
Opening Inventory and Supplies (10)	$50,000 to $72,270	As Agreed	As Incurred	Outside Suppliers and Us
Grand Opening Advertising (20)	$8,000 to $15,000	Lump Sum	As Incurred	Advertising Sources
Training Expenses (11)	$36,000 to $50,000	As Incurred	As Incurred	Us or 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	Us or Third Parties
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
TOTAL ESTIMATED INITIAL INVESTMENT UNDER THE FRANCHISE PROGRAM (17)	$1,473,938 to $1,650,428			
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)	$1,496,438 to $1,740,428			

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. A typical THE MELTING POT® Restaurant should occupy between 4,400 and 5,000 square feet of leased space in a strong retail hub or central business district. The annual rent for such space is estimated to range from $110,000 to $250,000, and it may be more depending on factors such as the size of the space, age, city where it is located, local economic conditions, tenant improvement allowance by the landlord, 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 building or 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 and grills 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 and grills 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; however, we reserve the right to require that you build your kitchen in a manner

that would allow installation of a full-service kitchen in the future. 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. However, you must also employ our designated design firm for design services for your Restaurant, the cost of which will range between $20,000 and $30,000. 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, and we may require the purchase of handheld POS's and cases in the future. This estimate does not include additional programming of your POS software for customization. This estimate also includes your purchase of the FusionPrep app, which houses recipes and job aids for your Restaurant. 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, and we reserve the right to require the use of a specified vendor. 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 all of the data contained within it, the menu and the 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 $9,450 to $19,392, 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 (4,400 square feet to 5,000 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. Unless we designate or approve another provider, you must use our internal accounting services 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.

20. The Grand Opening advertising funds must be spent within a 90-day timeframe ranging from thirty days prior to opening and 60-days post-opening.

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, email, learning management systems, reservation interface, gift card processing, customer survey services and website enhancements/integration (WEI) 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 are the only approved supplier of accounting services for your Restaurant during its first year of operation. 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, 2018, our revenues from the sale of items to franchisees were $25,320, which represents 0.2% of our total revenues of $12,397,780. 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, produce items (which may or may not be part of nationwide buying program), 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, wireless services, 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 $2,623,518 for fiscal year ending March 31, 2018, which is 21.2% of our total revenues of $12,397,780 (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 1.45%); 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, including the cost of microbiological and nutritional tests, 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 (including sustainability and fair trade), 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, consistency, exclusion of unapproved food additives and/or chemicals, sustainability, fair trade certification, 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 and in the manner and method that we prescribe. 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, along with our outside design vendor who will provide you services and invoice you directly for payment. 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 purchase the FusionPrep app to house recipes and job aids for your Restaurant. 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
(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	

Obligation	Section in Agreement	Disclosure Document Item
(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	
(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	

Obligation	Section in Agreement	Disclosure Document Item
(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, and your owners if you are a corporation, limited liability company or other form of entity, 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 70%. 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 5.25%. 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.

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. To allow you to enjoy discounts available to our Construction and Design Department that you may be unable to secure, we may assist you in the purchase of certain materials and supplies for the construction of the Restaurant. However, you are solely responsible for the selection and the use of those items, and we make no warranty of any kind for the work or supplies we may help you to acquire. 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 if the Restaurant is to be open for dinner only, or a total of 4 operating managers/people if the Restaurant is to be open for lunch and dinner). We will train up to 5 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 1.19% of Gross Revenues of the Restaurant, but we may increase the contribution up to a total of 1.5% of Gross Revenues. 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. All decisions regarding media purchases and media placement will be made by us in our sole discretion; however, we may consult with the franchisee Strategic Partnership Committee regarding any such purchases.

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, 2018, the Brand Development Fund spent an amount more than the total contributions made by the Restaurants, as follows:

Item	% Spent**
Production	82%
Media Placement	0%
Administrative Expenses	3%
Other (market research)	10%
Total	86%

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. You must spend (i) up to 3% of your Gross Revenues for the first six months of the year on local advertising, failing which you are required to make up any shortfall in spending within 60 days from June 30, and (ii) up to 3% of your Gross Revenues for the last six months of the year on local advertising, failing which you must make up any shortfall in spending by February 28 of the following year. 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 paid media placement in your local market, such as radio, television, digital and out-of-home advertising (e.g., billboards, bus wraps or other outdoor advertising). If you don't spend the minimum amount that we designate for advertising and promotion of the Restaurant, we may undertake local marketing and promotional activities on your behalf and charge you the cost of such activities via ACH from your Restaurant's bank operating account.

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 solely 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 compliance with all laws including the Americans with Disabilities Act and the copyright or trademark rights of any third party. WEI 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 to ensure that you have spent the requisite amounts and that you have accounted for your expenditures in the manner required by us. 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, and may also include handheld iPad Minis and specified cases enabling pay-at-table functionality. 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, firewalls, and firewall management vendor services 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. In addition to credit card information, your computer network infrastructure must also protect from disclosure customer data, including any profile data provided by your customers during the course of operating your Restaurant. 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. Data Central® is the proprietary property of Accsys, Inc., d/b/a Restaurant Magic Software. 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 5 MB, or such upload speeds as are necessary to implement the "e-learning" online training system described below. Additionally, you must obtain at your expense a mobile cellular card for use in the firewall to allow continuous operation of the Order Entry system when the main internet or DSL provider fails. 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. The overall network infrastructure, which includes network cabling, hardware, software and services must be installed and maintained by a vendor approved or required by us, shall be in accord with a set of standards defined by us, and you must adhere to these standards both upon installation and throughout the term of your franchise agreement. 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 that 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 which is payable to us at the time and frequency we determine (e.g., daily, weekly, monthly etc.).

You are required to purchase the FusionPrep app to house recipes and job aids for your Restaurant.

You are required to maintain a restaurant reservation system that allows for guests to make online web-based reservations, including required hardware and software, in accordance with our standards and specifications. You are required to take online reservations for the maximum party size your location has available and for the entire duration of your operating hours. We will specify from time to time required settings for your online reservation system to maximize business at your Restaurant, which we may alter without notice and through email or postings on our intranet. 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 (or 4-person if your Restaurant is open for lunch) qualified management team to manage the Restaurant – 1 will be the General Manager, and 2 to 3 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, stay current on front of the house and heart of the house skills, and retrain from time-to-time as needed to stay current. 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, stay current on front of the house and heart of the house skills, and retrain from time-to-time as needed to stay current. 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, stay current on front of the house and heart of the house skills, and retrain from time-to-time as needed to stay current. 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 8 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	–	72	Restaurant Support Center, Tampa, FL, and Company Operated Restaurants, Tampa Bay, FL
Dishwasher	–	6	Restaurant Support Center, Tampa, FL and Company Operated Restaurants, Tampa Bay, FL
Service Assistant	2	6	Restaurant Support Center, Tampa, FL and Company Operated Restaurants, Tampa Bay, FL
Hospitality Specialist	2	18	Restaurant Support Center, Tampa, FL, and Company Operated Restaurants, Tampa Bay, FL
Bartender / Wine Service	2	60	Restaurant Support Center, Tampa, FL,and Company Operated Restaurants, Tampa Bay, FL
Server	10	30	Restaurant Support Center, Tampa, FL, and Company Operated Restaurants, Tampa Bay, FL
Management / Supervision & Administration	24	150	Restaurant Support Center, Tampa, FL, and Company Operated Restaurants, Tampa Bay, FL
TOTAL	**40**	**288**	

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:

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.

Steve Nunemaker serves as the General Manager for the company-operated Restaurant in St. Petersburg, Florida. He joined us in November of 2015 and has more than 30 years of experience in restaurant operations and management. Prior to serving as General Manager in the Tampa Bay area, he served as General Manager for the Chicagoland franchisees of The Melting Pot, and Operations Manager and Beverage Manager for Ruth's Chris Steakhouse.

Levi Kay serves as the Managing Partner for the company-operated Restaurant in Sarasota, Florida. He joined us in September 2012 and has more than 20 years of experience in restaurant operations and management. Prior to serving as Managing Partner, he served as General Manager from January 2007 until October 2016. Prior to joining us, Mr. Kay worked as a Front Hospitality Manager at Coeur d'Alene Resort for three years.

Successful completion of training is validated/measured through on-the-job observations, written and online assessments, 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 $160 per Restaurant) and may also charge you on-going fees (estimated to range between $75 and $1,500 per Restaurant per year) for Spanish translation and development of 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. You must send a General Manager, Manager and/or Kitchen Manager to participate in the Operations Conference; if you would like any other type of attendee to participate in the Operations Conference, you must obtain our written approval no less than three weeks in advance of the Operations Conference. If you and/or any of your management personnel fail to attend any required training courses, conferences, seminars or meetings, or you and/or any of your management personnel fail to attend all days and all sessions provided at such training course, conference, seminars and meetings, you will be in default under the Franchise Agreement and we may charge you a Compliance Fee (up to $1,500) per occurrence.

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 Systems Standards 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 System Standards Manual (formerly known as the Operations Manual) and the Brand Standards 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; or (b) 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), that does not operate under one or more of the present or future Marks. 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 Restaurants and 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 (including, but not limited to, airports, entertainment and/or sports venues, supermarkets, retail stores, the Internet, catalogues, 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 different Marks. However, 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. Five 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.

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	1049255	Principal	Restaurant Services
The Melting Pot	01/19/99	2218991	Principal	Salad Dressings and Seasonings
The Melting Pot A Fondue Restaurant and Design	02/09/99	2222393	Principal	Restaurant Services
The Melting Pot and Design	08/17/99	2270457	Principal	Salad Dressings and Seasonings
Perfect Night Out	6/17/08	3450196	Principal	Restaurant Services; Cheese; Cheese Fondue; Chocolate; Chocolate Fondue; Salad Dressings; Sauces; Seasonings.
The Melting Pot	08/05/08	3482448	Principal	Sauces; Chocolate; Chocolate Fondue; Cheese; Cheese Fondue
Melting Pot Design	11/25/08	3537138	Principal	Salad Dressings and Seasonings Restaurant Services
Melting Pot Design	12/30/08	3555439	Principal	Sauces; Chocolate; Chocolate Fondue; Cheese; Cheese Fondue
The Melting Pot and Design	12/30/08	3555438	Principal	Sauces; Chocolate; Chocolate Fondue; Cheese; Cheese Fondue
Big Night Out	01/27/09	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.

Mark	Reg. Date	Reg. No.	Register	Class/Use
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
Savor Every Moment	01/03/17	5116043	Principal	Restaurant Services

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
Best In Glass	87655992	10/23/17	Principal	Restaurant Services
Melting Pot	87925025	05/17/18	Principal	Restaurant Services
Melting Pot Crave	87947421	06/04/18	Principal	Restaurant Services

We do not have a federal registration for the above marks. Therefore, these trademark 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, (b) the controlling owner must directly supervise the Restaurant, (c) 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, and (d) your owners may not divide their ownership interest in a manner which may lead to deadlock (for example, 50%-50% or 25%-25%-25%-25%). 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 first be mediated and, if mediation is unsuccessful, 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 first be mediated and, if mediation is unsuccessful, 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. The vast majority of Restaurants serve dinner only; 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. 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 2018 INFORMATION

Company Operated Restaurants

The following chart shows certain information regarding gross sales, guest counts, per guest average, total cost of sales, and total labor cost (excluding payroll taxes and employee benefits) for 3 Company operated THE MELTING POT® Restaurants in the United States that were open a full 12 months ending fiscal year March 31, 2018 ("**Fiscal Year End 2018**"). Two of the three Company operated THE MELTING POT® Restaurants are "operational franchise outlets," meaning they are franchised outlets managed by an affiliate of the Company but owned exclusively by the franchisee. The remaining THE MELTING POT® Restaurant is a "Company-owned outlet," which is owned indirectly by the Company and is managed by a Company affiliate. All three THE MELTING POT® Restaurants operated by our affiliate receive substantially the same services, and the results of the two operational franchise outlets are not materially different than the results of the Company-owned outlet; therefore, their results are disclosed together. However, 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 2018. Of these Restaurants, no Restaurants were open for lunch.

TOTALS FOR 2018					
Category	**The Lowest Volume Restaurant[a]**	**Average Of The Lowest 25% Volume Restaurants (1 Unit)[b]**	**Average Of 3 Restaurants[c]**	**Average Of The Highest 25% Volume Restaurants (1 Unit)[d]**	**The Highest Volume Restaurant[e]**
Total Sales	$901,377	$901,377[1]	$1,245,837[2]	$1,433,868[3]	$1,433,868
Guest Count	22,850	22,850[4]	29,364[5]	31,784[6]	31,784
Average Sales per Guest	$39.45	$39.45[7]	$42.43[8]	$45.11[9]	$45.11
Total Cost of Sales %	25.0%	25.0%[10]	25.5%[11]	26.1%[12]	26.1%
Total Labor Cost %	27.4%	27.4%[13]	29.9%[14]	31.2%[15]	31.2%

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. 2 of all 3 Restaurants (67%) 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. 2 of all 3 Restaurants (67%) 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
8. 1 of all 3 Restaurants (67%) achieved or surpassed the stated result.
9. 1 of all 1 Restaurants (100%) achieved or surpassed the stated result.
10. 1 of the 1 Restaurants (100%) in this category achieved or surpassed the stated result.
11. 1 of the 3 Restaurants (33%) in category achieved or surpassed the stated result.
12. 1 of all 1 Restaurants (100%) achieved or surpassed the stated result.
13. 1 of the 1 Restaurants (100%) in this category achieved or surpassed the stated result.
14. 1 of the 3 Restaurants (33%) in category achieved or surpassed the stated result.
15. 1 of all 1 Restaurants (100%) achieved or surpassed the stated result.

Franchisee Operated Restaurants

The following chart shows certain information regarding gross sales, guest counts, per guest average, and total cost of sales of 111 Franchised THE MELTING POT® Restaurants in the United States that were open a full 12 months ending fiscal year March 31, 2018 ("**Fiscal Year End 2018**"). 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 111 THE MELTING POT® Restaurants that were open for a full 12 months ending Fiscal Year 2018. Of these Restaurants, 39 Restaurants were open for both lunch and dinner.

TOTALS FOR 2018 – FRANCHISED UNITS					
Category	**The Lowest Volume Restaurant[a]**	**Average Of The Lowest 25% Volume Restaurants (28 Units)[b]**	**Average Of All 111 Franchised Restaurants[c]**	**Average Of The Highest 25% Volume Restaurants (28 Units)[d]**	**The Highest Volume Restaurant[e]**
Total Sales	$890,020	$1,084,058[1]	$1,705,036[2]	$2,614,347[3]	$7,065,790
Guest Count	23,006	26,997[4]	39,534[5]	56,527[6]	127,570
Average Sales per Guest	$38.69	$40.15[7]	$43.13[8]	$46.25[9]	$55.39
Total Cost of Sales %	26.0%	24.0%[10]	23.4%[11]	22.9%[12]	21.5%

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 dinner only.
b. This category has 12 locations that serve lunch and dinner.
c. This category has 39 locations that serve lunch and dinner.
d. This category has 9 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. 15 out of the 28 Restaurants (54%) in this category achieved or surpassed the stated result.
2. 41 of all 111 Restaurants (37%) achieved or surpassed the stated result.
3. 9 of the 28 Restaurants (32%) in this category achieved or surpassed the stated result.
4. 14 out of the 28 Restaurants (50%) in this category achieved or surpassed the stated result.
5. 40 of all 111 Restaurants (36%) achieved or surpassed the stated result.
6. 11 of the 28 Restaurants (39%) in this category achieved or surpassed the stated result.
7. 16 out of the 28 Restaurants (57%) in this category achieved or surpassed the stated result.
8. 42 of all 111 Restaurants (38%) achieved or surpassed the stated result.
9. 13 of the 28 Restaurants (46%) in this category achieved or surpassed the stated result.
10. 10 of the 28 Restaurants (36%) in category achieved or surpassed the stated result.
11. 51 of all 111 Restaurants (46%) achieved or surpassed the stated result.
12. 14 of the 28 Restaurants (50%) in this category achieved or surpassed the stated result.

The following charts show information regarding gross sales, guest counts, per guest average, and total cost of sales of Franchised THE MELTING POT® Restaurants broken into five geographical subsets: (1) West, (2) Mid West, (3) North East, (4) South East, and (5) South West. We have broken out the United States into these five regions based on their different sales history, traditions, economy, climate and geography. Based on our experience, THE MELTING POT® Restaurants in each geographic region have similarities in their gross revenues and their cost of doing business. Therefore, we have grouped the Restaurants into these five subsets to provide more meaningful information to you. The states that comprise each geographic region are illustrated below.

WEST REGION 2018 – 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	$981,700	$1,112,780[1]	$2,204,857[2]	$3,510,575[3]	$7,065,790
Guest Count	21,050	25,219[4]	43,842[5]	64,651[6]	127,570
Average Sales per Guest	$46.64	$44.12[7]	$50.29[8]	$54.30[9]	$55.39
Total Cost of Sales %	20.9%	23.6%[10]	21.8%[11]	22.0%[12]	21.52%

NOTES:

a. This restaurant is open dinner only.
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 2 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. 2 out of the 5 Restaurants (40%) in this category achieved or surpassed the stated result.
5. 8 of 19 Restaurants (42%) 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. 7 of all 19 Restaurants (37%) achieved or surpassed the stated result.
9. 3 of the 5 Restaurants (60%) 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 19 Restaurants (53%) 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 2018 – 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	$1,004,248	$1,149,799[1]	$1,636,711[2]	$2,264,971[3]	$3,150,520
Guest Count	24,603	27,874 [4]	39,991[5]	55,368[6]	61,642
Average Sales per Guest	$40.82	$41.25[7]	$40.93[8]	$40.91[9]	$51.11
Total Cost of Sales %	24.9%	23.4%[10]	23.3%[11]	22.9%[12]	21.5%

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. 3 out of the 5 Restaurants (60%) in this category achieved or surpassed the stated result.
2. 8 of all 18 Restaurants (44%) achieved or surpassed the stated result.
3. 2 of the 5 Restaurants (40%) 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. 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. 1 out of the 5 Restaurants (20%) achieved or surpassed the stated result.
8. 6 of all 18 Restaurants (33%) achieved or surpassed the stated result.
9. 1 of the 5 Restaurants (20%) 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. 7 of all 18 Restaurants (39%) achieved or surpassed the stated result.
12. 3 of the 5 Restaurants (60%) in this category achieved or surpassed the stated result.

NORTH EAST REGION 2018 – FRANCHISED UNITS

Category	The Lowest Volume Restaurant[a]	Average Of The Lowest 25% Volume Restaurants (6 Units) [b]	Average Of All 23 Franchised Restaurants[c]	Average Of The Highest 25% Volume Restaurants (6 Units) [d]	The Highest Volume Restaurant[e]
Total Sales	$966,524	$1,121,153[1]	$1,626,018[2]	$2,304,892 [3]	$2,930,343
Guest Count	22,824	28,463[4]	39,398[5]	56,292[6]	74,680
Average Sales per Guest	$42.35	$39.39[7]	$41.27[8]	$40.95[9]	$39.24
Total Cost of Sales %	22.0%	22.0%[10]	23.5%[11]	23.4%[12]	23.5%

NOTES:
a. This restaurant is open for lunch and dinner.
b. This category has 6 locations that serve lunch and dinner.
c. This category has 10 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. 3 out of the 6 Restaurants (50%) in this category achieved or surpassed the stated result.
2. 8 of all 23 Restaurants (35%) achieved or surpassed the stated result.
3. 3 of the 6 Restaurants (50%) in this category achieved or surpassed the stated result.
4. 4 out of the 6 Restaurants (67%) in this category achieved or surpassed the stated result.
5. 7 of 23 Restaurants (30%) achieved or surpassed the stated result.
6. 2 of the 6 Restaurants (33%) in this category achieved or surpassed the stated result.
7. 3 out of the 6 Restaurants (50%) achieved or surpassed the stated result.
8. 13 of all 23 Restaurants (57%) achieved or surpassed the stated result.
9. 3 of the 6 Restaurants (50%) in this category achieved or surpassed the stated result.
10. 3 of the 6 Restaurants (50%) in category achieved or surpassed the stated result.
11. 12 of all 23 Restaurants (52%) achieved or surpassed the stated result.
12. 3 of the 6 Restaurants (50%) in this category achieved or surpassed the stated result.

SOUTH EAST REGION 2018 – FRANCHISED UNITS					
Category	**The Lowest Volume Restaurant[a]**	**Average Of The Lowest 25% Volume Restaurants (10 Units) [b]**	**Average Of All 40 Franchised Restaurants[c]**	**Average Of The Highest 25% Volume Restaurants (10 Units) [d]**	**The Highest Volume Restaurant[e]**
Total Sales	$890,020	$1,024,348[1]	$1,547,258[2]	$2,297,347[3]	$2,668,298
Guest Count	23,006	26,311[4]	37,629[4]	54,223[6]	62,522
Average Sales per Guest	$38.69	$38.93[7]	$41.12[8]	$42.37[9]	$42.66
Total Cost of Sales %	26.0%	24.7%[10]	24.4%[11]	24.7%[12]	23.9%

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 1 locations that serve lunch and dinner.
e. This restaurant is open for dinner only.

1. 3 out of the 10 Restaurants (30%) in this category achieved or surpassed the stated result.
2. 13 of all 40 Restaurants (33%) achieved or surpassed the stated result.
3. 6 of the 10 Restaurants (60%) in this category achieved or surpassed the stated result.
4. 3 of the 10 Restaurants (30%) in this category achieved or surpassed the stated result.
5. 14 of 40 Restaurants (35%) achieved or surpassed the stated result.
6. 6 of the 10 Restaurants (60%) in this category achieved or surpassed the stated result.
7. 5 of the 10 Restaurants (50%) achieved or surpassed the stated result.
8. 18 of all 40 Restaurants (45%) achieved or surpassed the stated result.
9. 6 of the 10 Restaurants (60%) in this category achieved or surpassed the stated result.
10. 5 of the 10 Restaurants (50%) in category achieved or surpassed the stated result.
11. 17 of all 40 Restaurants (43%) achieved or surpassed the stated result.
12. 4 of the 10 Restaurants (40%) in this category achieved or surpassed the stated result.

SOUTH WEST REGION 2018 – 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	$1,089,164	$1,262,828[1]	$1,692,473[2]	$2,325,359[3]	$2,979,150
Guest Count	30,344	27,335[4]	38,553[5]	54,940[6]	64,091
Average Sales per Guest	$35.89	$46.20[7]	$43.90[8]	$42.33[9]	$46.48
Total Cost of Sales %	24.7%	22.9%[10]	23.5%[11]	24.1%[12]	23.4%

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 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. 4 of all 11 Restaurants (36%) achieved or surpassed the stated result.
3. 1 of the 3 Restaurants (33%) 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 11 Restaurants (36%) 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. 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. 2 of the 3 Restaurants (67%) in category achieved or surpassed the stated result.
11. 6 of all 11 Restaurants (55%) achieved or surpassed the stated result.
12. 2 of the 3 Restaurants (67%) in this category achieved or surpassed the stated result.

FISCAL YEAR END 2017 INFORMATION

Company Operated Restaurants

The following chart shows certain information regarding gross sales, guest counts, per guest average, total cost of sales and total labor cost (excluding payroll taxes and employee benefits) for 3 Company operated THE MELTING POT® Restaurants in the United States that were open a full 12 months ending fiscal year March 31, 2017 ("**Fiscal Year End 2017**"). Two of the three Company operated THE MELTING POT® Restaurants are "operational franchise outlets," meaning they are franchised outlets managed by an affiliate of the Company but owned exclusively by the franchisee. The remaining THE MELTING POT® Restaurant is a "Company-owned outlet," which is owned indirectly by the Company and is managed by a Company affiliate. All three THE MELTING POT® Restaurants operated by our affiliate receive substantially the same services, and the results of the two operational franchise outlets are not materially different than the results of the Company-owned outlet; therefore, their results are disclosed together. However, 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 2017. Of these Restaurants, no Restaurants were open for lunch.

TOTALS FOR 2017					
Category	**The Lowest Volume Restaurant[a]**	**Average Of The Lowest 25% Volume Restaurants (1 Unit)[b]**	**Average Of 3 Restaurants[c]**	**Average Of The Highest 25% Volume Restaurants (1 Unit)[d]**	**The Highest Volume Restaurant[e]**
Total Sales	$848,214	$848,214[1]	$1,207,408[2]	$1,419,914[3]	$1,419,914
Guest Count	21,678	21,678[4]	29,272[5]	32,300[6]	32,300
Average Sales per Guest	$39.13	$39.13[7]	$41.25[8]	$43.96[9]	$43.96
Total Cost of Sales %	21.2%	21.2%[10]	25.4%[11]	28.0%[12]	28.0%
Total Labor Cost %	28.6%	28.6%[13]	30.9%[14]	33.0%[15]	33.0%

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 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. 2 of all 3 Restaurants (67%) 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. 2 of the 3 Restaurants (67%) 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
8. 1 of the 3 Restaurants (33%) achieved or surpassed the stated result.
9. 1 of the 1 Restaurants (100%) achieved or surpassed the stated result.
10. 1 of the 1 Restaurants (100%) in this category achieved or surpassed the stated result.
11. 2 of the 3 Restaurants (67%) in category achieved or surpassed the stated result.
12. 1 of the 1 Restaurants (100%) achieved or surpassed the stated result.
13. 1 of the 1 Restaurants (100%) in this category achieved or surpassed the stated result.
14. 2 of the 3 Restaurants (67%) in category achieved or surpassed the stated result.
15. 1 of the 1 Restaurants (100%) achieved or surpassed the stated result.

Franchisee Operated Restaurants

The following chart shows certain information regarding gross sales, guest counts, per guest average, and total cost of sales of 114 Franchised THE MELTING POT® Restaurants in the United States that were open a full 12 months ending fiscal year March 31, 2017 ("**Fiscal Year End 2017**"). 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 114 THE MELTING POT® Restaurants that were open for a full 12 months ending Fiscal Year 2017. Of these Restaurants, 42 Restaurants were open for both lunch and dinner.

TOTALS FOR 2017 – FRANCHISED UNITS					
Category	**The Lowest Volume Restaurant[a]**	**Average Of The Lowest 25% Volume Restaurants (29 Units)[b]**	**Average Of All 114 Franchised Restaurants[c]**	**Average Of The Highest 25% Volume Restaurants (29 Units)[d]**	**The Highest Volume Restaurant[e]**
Total Sales	$740,081	$1,071,781[1]	$1,683,343[2]	$2,553,914[3]	$6,619,104
Guest Count	19,321	26,875[4]	39,911[5]	57,363[6]	123,898
Average Sales per Guest	$38.30	$39.88[7]	$42.18[8]	$44.52[9]	$53.42
Total Cost of Sales %	26.7%	23.4%[10]	23.1%[11]	22.7%[12]	21.5%

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 42 locations that serve lunch and dinner.
d. This category has 9 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 29 Restaurants (59%) in this category achieved or surpassed the stated result.
2. 43 of all 114 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. 45 of all 114 Restaurants (39%) achieved or surpassed the stated result.
6. 11 of the 29 Restaurants (38%) in this category achieved or surpassed the stated result.
7. 13 out of the 29 Restaurants (45%) in this category achieved or surpassed the stated result.
8. 45 of all 114 Restaurants (39%) achieved or surpassed the stated result.
9. 16 of the 29 Restaurants (55%) in this category achieved or surpassed the stated result.
10. 14 of the 29 Restaurants (48%) in category achieved or surpassed the stated result.
11. 49 of all 114 Restaurants (43%) achieved or surpassed the stated result.
12. 13 of the 29 Restaurants (45%) in this category achieved or surpassed the stated result.

The following charts show information regarding gross sales, guest counts, per guest average, and total cost of sales of Franchised THE MELTING POT® Restaurants broken into five geographical subsets: (1) West, (2) Mid West, (3) North East, (4) South East, and (5) South West. We have broken out the United States into these five regions based on their different sales history, traditions, economy, climate and geography. Based on our experience, THE MELTING POT® Restaurants in each geographic region have similarities in their gross revenues and their cost of doing business. Therefore, we have grouped the Restaurants into these five subsets to provide more meaningful information to you. The states that comprise each geographic region are illustrated below.

WEST REGION 2017 – FRANCHISED UNITS					
Category	**The Lowest Volume Restaurant[(a)]**	**Average Of The Lowest 25% Volume**	**Average Of All 19 Franchised Restaurants[(c)]**	**Average Of The Highest 25% Volume**	**The Highest Volume Restaurant[(e)]**

		Restaurants (5 Units) [b]		Restaurants (5 Units) [d]	
Total Sales	$941,729	$1,189,679[1]	$2,178,310[2]	$3,376,193[3]	$6,619,104
Guest Count	25,628	29,585[4]	45,052[5]	63,163[6]	123,898
Average Sales per Guest	$36.75	$40.21[7]	$48.35[8]	$53.45[9]	$53.42
Total Cost of Sales %	24.8%	22.6%[10]	21.9%[11]	21.7%[12]	21.5%

NOTES:

a. This restaurant is open dinner only.
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. 1 out of the 5 Restaurants (20%) in this category achieved or surpassed the stated result.
2. 9 of all 19 Restaurants (47%) 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. 8 of 19 Restaurants (42%) 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. 6 of all 19 Restaurants (32%) 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. 11 of all 19 Restaurants (58%) achieved or surpassed the stated result.
12. 4 of the 5 Restaurants (80%) in this category achieved or surpassed the stated result.

MID WEST REGION 2017 – 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	$1,123,092	$1,227,699[1]	$1,667,887[2]	$2,353,606[3]	$3,313,560
Guest Count	26,985	29,230 [4]	41,076[5]	56,618[6]	66,384
Average Sales per Guest	$41.62	$42.00[7]	$40.85[8]	$41.57[9]	$49.92
Total Cost of Sales %	20.6%	22.2%[10]	23.1%[11]	22.7%[12]	21.2%

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. 2 out of the 5 Restaurants (40%) in this category achieved or surpassed the stated result.
2. 8 of all 18 Restaurants (44%) 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. 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. 9 of all 18 Restaurants (50%) achieved or surpassed the stated result.
9. 1 of the 5 Restaurants (20%) 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 18 Restaurants (39%) 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 2017 – 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	$740,483	$1,126,666[1]	$1,605,624[2]	$2,271,810[3]	$2,779,204
Guest Count	20,724	27,754[4]	39,592[5]	56,899[6]	73,868
Average Sales per Guest	$35.73	$40.59[7]	$40.55[8]	$39.93[9]	$37.62
Total Cost of Sales %	20.3%	23.1%[10]	22.6%[11]	21.4%[12]	21.1%

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 11 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. 3 out of the 7 Restaurants (43%) in this category achieved or surpassed the stated result.
2. 10 of all 26 Restaurants (38%) achieved or surpassed the stated result.
3. 4 of the 7 Restaurants (57%) 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 26 Restaurants (35%) achieved or surpassed the stated result.
6. 3 of the 7 Restaurants (43%) in this category achieved or surpassed the stated result.
7. 3 out of the 7 Restaurants (43%) achieved or surpassed the stated result.
8. 13 of all 26 Restaurants (50%) achieved or surpassed the stated result.
9. 3 of the 7 Restaurants (43%) 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 26 Restaurants (42%) 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 2017 – FRANCHISED UNITS					
Category	**The Lowest Volume Restaurant[a]**	**Average Of The Lowest 25% Volume Restaurants (10 Units) [b]**	**Average Of All 39 Franchised Restaurants[c]**	**Average Of The Highest 25% Volume Restaurants (10 Units) [d]**	**The Highest Volume Restaurant[e]**

Total Sales	$740,081	$1,012,682[1]	$1,513,724[2]	$2,201,243[3]	$2,631,460
Guest Count	19,321	26,461[4]	37,562[4]	53,712[6]	57,121
Average Sales per Guest	$38.30	$38.27[7]	$40.30[8]	$40.98[9]	$46.07
Total Cost of Sales %	26.7%	24.7%[10]	24.1%[11]	24.7%[12]	25.2%

NOTES:

a. This restaurant is open for dinner only.
b. This category has 3 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. 3 out of the 10 Restaurants (30%) in this category achieved or surpassed the stated result.
2. 15 of all 39 Restaurants (38%) achieved or surpassed the stated result.
3. 5 of the 10 Restaurants (50%) in this category achieved or surpassed the stated result.
4. 4 of the 10 Restaurants (40%) in this category achieved or surpassed the stated result.
5. 12 of 39 Restaurants (31%) achieved or surpassed the stated result.
6. 6 of the 10 Restaurants (60%) in this category achieved or surpassed the stated result.
7. 6 of the 10 Restaurants (60%) achieved or surpassed the stated result.
8. 18 of all 39 Restaurants (46%) achieved or surpassed the stated result.
9. 7 of the 10 Restaurants (70%) in this category achieved or surpassed the stated result.
10. 4 of the 10 Restaurants (40%) in category achieved or surpassed the stated result.
11. 17 of all 39 Restaurants (44%) achieved or surpassed the stated result.
12. 3 of the 10 Restaurants (30%) in this category achieved or surpassed the stated result.

SOUTH WEST REGION 2017 – 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	$962,134	$1,117,292[1]	$1,627,477[2]	$2,259,563[3]	$2,969,313
Guest Count	23,550	26,807[4]	38,343[5]	54,407[6]	66,547
Average Sales per Guest	$40.85	$41.68[7]	$42.44[8]	$41.53[9]	$44.62
Total Cost of Sales %	23.4%	23.1%[10]	23.8%[11]	24.7%[12]	25.0%

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. 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. 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. 1 out of the 3 Restaurants (33%) achieved or surpassed the stated result.
8. 5 of all 12 Restaurants (42%) 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. 7 of all 12 Restaurants (58%) 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 2016 INFORMATION

Company Operated Restaurants

The following chart shows certain information regarding gross sales, guest counts, per guest average, total cost of sales and total labor cost (excluding payroll taxes and employee benefits) 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**"). These two Company operated THE MELTING POT® Restaurants are "operational franchise outlets," meaning they are franchised outlets managed by an affiliate of the Company but owned exclusively by the franchisee. Both of THE MELTING POT® Restaurants operated by our affiliate receive substantially the same services, and the results of the two operational franchise outlets are not materially different; therefore, their results are disclosed together. However, 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%
Total Labor Cost %	29.6%	29.6%[13]	32.3%[14]	34.9%[15]	34.9%

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 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.
13. 1 of the 1 Restaurants (100%) in category achieved or surpassed the stated result.
14. 1 of all 2 Restaurants (50%) achieved or surpassed the stated result.
15. 1 of the 1 Restaurants (100%) in this category achieved or surpassed the stated result.

Franchisee Operated Restaurants

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.

The following charts show information regarding gross sales, guest counts, per guest average, and total cost of sales of Franchised THE MELTING POT® Restaurants broken into five geographical subsets: (1) West, (2) Mid West, (3) North East, (4) South East, and (5) South West. We have broken out the United States into these five regions based on their different sales history, traditions, economy, climate and geography. Based on our experience, THE MELTING POT® Restaurants in each geographic region have similarities in their gross revenues and their cost of doing business. Therefore, we have grouped the Restaurants into these five subsets to provide more meaningful information to you. The states that comprise each geographic region are illustrated below.

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.

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, 2016 ("2016"), March 31, 2017 ("2017")
And March 31, 2018 ("2018")

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2016	124	117	-7
	2017	117	115	-2
	2018	115	111	-4
Company-Owned [1]	2016	3	2	-1
	2017	2	4	+2
	2018	4	3	-1
Total Outlets [2]	**2016**	**127**	**119**	**-8**
	2017	**119**	**119**	**0**
	2018	**119**	**114**	**-5**

[1] All "company-owned" outlets are owned by some or all of our shareholders, officers and affiliates. 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, 2016 ("2016"), March 31, 2017 ("2017")
And March 31, 2018 ("2018")

State	Year	Number of Transfers
Florida	2016	0
	2017	1
	2018	0
California	2016	0
	2017	0
	2018	1
Colorado	2016	0
	2017	1
	2018	0
Kentucky	2016	0
	2017	1
	2018	0
Louisiana	2016	1
	2017	0
	2018	0
Pennsylvania	2016	0
	2017	1
	2018	0

State	Year	Number of Transfers
Washington	2016	0
	2017	1
	2018	0
All Other States	2016	0
	2017	0
	2018	0
Total	**2016**	**1**
	2017	**5**
	2018	**1**

Table No. 3
Status of Franchised Outlets
For Years Ending March 31, 2016 ("2016"), March 31, 2017 ("2017")
And March 31, 2018 ("2018")

State	Year	Outlets at Start of Year	Outlets Opened	Termi-nations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Alabama	201	3	0	1	0	0	0	2
	201	2	0	0	0	0	0	2
	201	2	0	0	0	0	0	2
Arizona	201	4	0	0	0	0	0	4
	201	4	0	0	0	0	0	4
	201	4	0	1	0	0	0	3
California	201	8	0	1	0	0	0	7
	201	7	0	0	0	0	0	7
	201	7	0	0	0	0	0	7
Colorado	201	4	0	0	0	0	0	4
	201	4	0	0	0	0	0	4
	201	4	0	0	0	0	0	4
Connecticut	201	1	0	0	0	0	0	1
	201	1	0	0	0	0	0	1
	201	1	0	0	0	0	0	1
Delaware	201	1	0	0	0	0	0	1
	201	1	0	0	0	0	0	1
	201	1	0	0	0	0	0	1
Florida	201	14	1 [(1)]	1	0	0	0	14
	201	14	0	0	0	1	0	13
	201	13	0	0	0	0	0	13
Georgia	201	5	0	0	0	0	0	5
	201	5	0	0	0	0	0	5
	201	5	0	0	0	0	0	5
Idaho	201	1	0	0	0	0	0	1
	201	1	0	0	0	0	0	1
	201	1	0	0	0	0	0	1
Illinois	201	4	0	1	0	0	0	3
	201	3	0	0	0	0	0	3
	201	3	0	0	0	0	0	3
Indiana	201	1	0	0	0	0	0	1
	201	1	0	0	0	0	0	1
	201	1	0	0	0	0	0	1
Kentucky	201	2	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Termi-nations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
	201	1	0	1	0	0	0	1
	201	1	0	0	0	0	0	1
Louisiana	201	2	0	0	0	0	0	2
	201	2	0	0	0	0	0	2
	201	2	0	0	0	0	0	2
Maryland	201	4	0	0	0	0	0	4
	201	4	0	0	0	0	0	4
	201	4	0	0	0	0	0	4
Massachusetts	201	2	0	1	0	0	0	2
	201	2	0	0	0	0	0	2
	201	2	0	0	0	0	0	2
Michigan	201	3	0	1	0	0	0	2
	201	2	0	0	0	0	0	2
	201	2	0	0	0	0	0	2
Minnesota	201	1	0	0	0	0	0	1
	201	1	0	0	0	0	0	1
	201	1	0	0	0	0	0	1
Missouri	201	3	0	0	0	0	0	3
	201	3	0	0	0	0	0	3
	201	3	0	0	0	0	0	3
Nevada	201	1	0	0	0	0	0	1
	201	1	0	0	0	0	0	1
	201	1	0	0	0	0	0	1
New Jersey	201	5	1	0	0	0	0	6
	201	6	0	1	0	0	0	5
	201	5	0	1	0	0	0	4
New Mexico	201	1	0	0	0	0	0	1
	201	1	0	0	0	0	0	1
	201	1	0	0	0	0	0	1
New York	201	7	0	0	0	0	0	7
	201	7	0	1	0	0	0	6
	201	6	0	0	0	0	0	6
North Carolina	201	6	0	1	0	0	0	5
	201	5	0	0	0	0	0	5
	201	5	0	0	0	0	0	5
Ohio	201	5	0	0	0	0	0	5
	201	5	0	1	0	0	0	4
	201	4	0	1	0	0	0	3
Oklahoma	201	2	0	0	0	0	0	2
	201	2	0	0	0	0	0	2
	201	2	0	0	0	0	0	2
Oregon	201	1	0	0	0	0	0	1
	201	1	0	0	0	0	0	1
	201	1	0	0	0	0	0	1
Pennsylvania	201	5	0	1 [(2)]	0	0	0	5
	201	5	0	0	0	0	0	5
	201	5	0	0	0	0	0	5
Rhode Island	201	1	0	0	0	0	0	1
	201	1	0	0	0	0	0	1
	201	1	0	1	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Termi-nations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
South Carolina	201	3	0	0	0	0	0	3
	201	3	0	0	0	0	0	3
	201	3	0	0	0	0	0	3
Tennessee	201	4	0	0	0	0	0	4
	201	4	0	0	0	0	0	4
	201	4	0	0	0	0	0	4
Texas	201	5	1	0	0	0	0	5
	201	5	0	0	0	0	0	5
	201	5	0	0	0	0	0	5
Utah	201	1	0	0	0	0	0	1
	201	1	0	0	0	0	0	1
	201	1	0	0	0	0	0	1
Virginia	201	7	0	1	0	0	0	6
	201	6	1	0	0	0	0	7
	201	7	0	0	0	0	0	7
Washington	201	4	0	0	0	0	0	4
	201	4	0	0	0	0	0	4
	201	4	0	0	0	0	0	4
Wisconsin	201	3	0	0	0	0	0	3
	201	3	0	0	0	0	0	3
	201	3	0	0	0	0	0	3
Totals	**201**	**124**	**2**	**9**	**0**	**0**	**0**	**117**
	201	**117**	**1**	**2**	**0**	**1**	**0**	**115**
	201	**115**	**0**	**4**	**0**	**0**	**0**	**111**

(1) This is for the Tampa location that transitioned from company operated to a franchised location in 2017. It is not a new restaurant.

Table No. 4
Status of Company-Owned Outlets(1)
For Years Ending March 31, 2016 ("2016"), March 31, 2017 ("2017")
And March 31, 2018 ("2018")

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	2016	3	0	0	0	1	2
	2017	2	0	1	0	0	3
	2018	3	0	1	0	0	3
Alabama	2016	0	0	0	0	0	0
	2017	0	1	0	0	0	1
	2018	1	0	0	1	0	0
All Other States	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
Total	**2016**	**3**	**0**	**0**	**0**	**1**	**2**
	2017	**2**	**1**	**1**	**0**	**0**	**4**
	2018	**4**	**0**	**0**	**1**	**0**	**3**

(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, 2017

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year (2017)	Projected New Company Owned Outlets in the Next Fiscal Year (2017)
Arkansas	0	1	0
Florida	0	0	2
New Jersey	1	0	1
Texas	1	1	0
Totals	**2**	**2**	**3**

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 eight 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, 2018, March 31, 2017 and March 31, 2016.

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 and Digital IP – 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 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)”
    d. Form of Guaranty – Exhibit “L-2(d)”
14. Form of General Release – see Exhibit “B-1” – Successor Franchise Addendum and Exhibit “A” (Release) attached thereto
15. 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, 2018, 2017 and 2016
(With Independent Auditor's Report Thereon)

THE MELTING POT RESTAURANTS, INC. AND SUBSIDIARIES

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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, 2018 and 2017, and the related consolidated statements of income, stockholders' equity, and cash flows for the fiscal years ended March 31, 2018, 2017 and 2016, 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 auditor's 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 Company'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 Company'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, 2018 and 2017, and the results of their operations and their cash flows for the fiscal years ended March 31, 2018, 2017 and 2016 in accordance with accounting principles generally accepted in the United States of America.

June 4, 2018
Clearwater, Florida

THE MELTING POT RESTAURANTS, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2018 and 2017

	2018	2017
Assets		
Current assets:		
Cash	$ 5,534,223	3,380,714
Restricted cash	90,083	219,807
Accounts receivable:		
Trade, net of allowance for doubtful accounts of $241,661 and $313,071, respectively	1,607,661	1,692,260
Restricted, net of allowance for doubtful accounts of $1,327 and $78,761, respectively	209,165	192,887
Current portion of notes receivable	208,520	96,364
Brand development fund receivable	-	152,579
Inventories	116,492	136,141
Due from related parties and stockholders, net	68,662	98,423
Prepaid expenses and other current assets	34,475	46,617
Total current assets	7,869,281	6,015,792
Notes receivable, less current portion	118,981	143,593
Property and equipment, net	1,355,640	1,324,415
Intangible assets, net	300,259	53,124
Other assets	134,632	85,684
Total assets	$ 9,778,793	7,622,608
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 1,373,385	1,151,502
Gift card liability	2,271,212	2,085,460
Brand development fund liability	189,943	-
Deferred rent	278,526	228,892
Deferred franchise fees, current	66,234	208,601
Income tax payable	1,202,697	1,140,699
Current portion of long-term debt	161,837	67,458
Total current liabilities	5,543,834	4,882,612
Deferred franchise fees, less current portion	815,000	149,950
Long-term debt, less current portion	571,791	146,726
Total liabilities	6,930,625	5,179,288
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	1,994,767	2,035,479
Total The Melting Pot Restaurants, Inc. equity	2,014,767	2,055,479
Non-controlling interest	833,401	387,841
Total equity	2,848,168	2,443,320
Total liabilities and equity	$ 9,778,793	7,622,608

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, 2018, 2017 and 2016

	2018	2017	2016
Revenues:			
Initial franchise fees	$ 393,541	545,353	726,691
Royalties	8,159,766	8,361,758	8,375,646
Restaurant sales, net of discounts of $44,521, $59,304 and $0, respectively	898,223	795,530	-
Consulting fees	-	-	67,665
Rebates, food, equipment, and supplies sales	2,946,252	2,915,226	2,660,831
	12,397,782	12,617,867	11,830,833
Operating expenses:			
Restaurant cost of sales	248,013	225,433	-
Cost of food, equipment, and supplies sales	135,408	292,526	197,947
General and administrative	9,788,472	9,286,841	8,351,806
	10,171,893	9,804,800	8,549,753
Income from operations	2,225,889	2,813,067	3,281,080
Other income (expense):			
Interest income	19,599	6,033	1,162
Interest expense	(20,913)	(3,746)	-
Other income	214,563	263,447	275,511
Income before taxes	2,439,138	3,078,801	3,557,753
Income tax expense	100,565	44,602	59,553
Net income	2,338,573	3,034,199	3,498,200
Less: net income attributable to non-controlling interest	(1,100,032)	(1,382,191)	(1,557,300)
Net income attributable to The Melting Pot Restaurants, Inc.	$ 1,238,541	1,652,008	1,940,900

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, 2018, 2017 and 2016

	Common Stock	Additional Paid-in Capital	Retained Earnings	Total The Melting Pot Restaurants, Inc. Equity	Non-Controlling Interest	Total Equity
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
Net income	-	-	1,652,008	1,652,008	1,382,191	3,034,199
Distributions	-	-	(1,331,098)	(1,331,098)	(682,484)	(2,013,582)
Balances at March 31, 2017	7,000	13,000	2,035,479	2,055,479	387,841	2,443,320
Net income	-	-	1,238,541	1,238,541	1,100,032	2,338,573
Contributions	-	-	-	-	416,500	416,500
Distributions	-	-	(1,279,253)	(1,279,253)	(1,070,972)	(2,350,225)
Balances at March 31, 2018	$ 7,000	13,000	1,994,767	2,014,767	833,401	2,848,168

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, 2018, 2017 and 2016

	2018	2017	2016
Cash flows from operating activities:			
Net income	$ 2,338,573	3,034,199	3,498,200
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	320,126	313,152	158,592
Provision for bad debts	-	(45,773)	94,609
Loss on disposal of property and equipment	93,139	-	161,064
Amortization of deferred rent	49,634	(40,996)	269,888
Increase (decrease) in cash resulting from changes in:			
Restricted cash	129,724	(202,644)	466,431
Accounts receivable, trade	84,599	(36,690)	81,462
Accounts receivable, restricted	(16,278)	(32,098)	(25,512)
Notes receivable	(87,544)	(239,957)	-
Brand development fund receivable	152,579	(152,579)	-
Inventory	19,649	67,236	42,391
Due from related parties and stockholders	(5,006)	(57,172)	28,443
Prepaid expenses and other current assets	12,142	(6,569)	128,531
Other assets	(48,948)	(1,196)	(132,220)
Accounts payable and accrued expenses	221,883	124,518	(171,967)
Gift card liability	185,752	78,335	118,136
Brand development fund liability	189,943	(153,102)	(514,202)
Deferred franchise fees	522,683	(277,925)	(541,474)
Income tax payable	61,998	21,095	48,662
Net cash provided by operating activities	4,224,648	2,391,834	3,711,034
Cash flows from investing activities:			
(Purchase) proceeds from and disposal of property and equipment	(444,490)	(183,695)	(1,428,538)
Purchase of liquor license	(247,135)	-	-
Net cash used in investing activities	(691,625)	(183,695)	(1,428,538)
Cash flows from financing activities:			
Proceeds from long-term debt	826,000	251,206	-
Stockholder contributions to Renegade Holdings, LLC	416,500	-	-
Stockholder distributions	(1,244,486)	(1,331,098)	(1,400,000)
Stockholder distributions of consolidated variable interest entity	(1,070,972)	(682,484)	(2,559,534)
Principal payments on long-term debt	(306,556)	(37,022)	-
Net cash used in financing activities	(1,379,514)	(1,799,398)	(3,959,534)
Net change in cash	2,153,509	408,741	(1,677,038)
Cash, beginning of year	3,380,714	2,971,973	4,649,011
Cash, end of year	$ 5,534,223	3,380,714	2,971,973
Supplemental disclosures of cash flow information:			
Cash paid for interest	$ 20,913	3,746	-
Cash paid for income taxes	$ 38,000	3,000	7,800
Summary of significant non-cash investing and financing transactions:			
Distribution of amounts due from stockholders	$ 34,767	18,090	15,239
Fixed assets acquired but not placed in service in 2016	$ -	102,000	-

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

(1) Nature of Business and 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 and Qatar. 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 as of March 31, 2018, 2017 and 2016 are as follows:

	Melting Pot Number of Stores
March 31, 2015	132
Locations opened during FYE March 31, 2016	4
Locations closed during FYE March 31, 2016	(11)
March 31, 2016	125
Locations opened during FYE March 31, 2017	2
Locations closed during FYE March 31, 2017	(2)
March 31, 2017	125
Locations opened during FYE March 31, 2018	1
Locations closed during FYE March 31, 2018	(7)
March 31, 2018	119

(b) Basis of Presentation and Principles of Consolidation

The consolidated financial statements as of March 31, 2018 include the accounts of TMP Renegade Holdings, LLC (Renegade), MPF of Mobile, LLC, MPF of Pensacola, LLC, 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). Renegade was formed on January 26, 2018 as the holding company of Renegade Fondue, Inc. Renegade is owned 100% by TMPRI and is a 51% owner of Renegade Fondue, Inc. MPF of Mobile, LLC and MPF of Pensacola, LLC were formed on April 12, 2016 and September 12, 2016, respectively, and are both franchises 100% owned by TMPRI. MPF of Mobile, LLC closed during the year ended March 31, 2018.

(1) Nature of Business and Summary of Significant Accounting Policies - Continued

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

The consolidated financial statements as of March 31, 2017 include the accounts of MPF of Mobile, LLC, MPF of Pensacola, LLC, TMPRI and one VIE, in which it holds the primary beneficial interest, FB.

The consolidated financial statements as of March 31, 2016 include the accounts of TMPRI and one VIE, in which it holds the primary beneficial interest, FB.

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

All significant intercompany balances and transactions have been eliminated in consolidation. TMPRI and FB are both owned under common ownership by the stockholders. Non-controlling interest is recorded to reflect the variable interest held in FB and the 49% interest TMPRI does not hold in Renegade Fondue, Inc.

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. Significant estimates included in the accompanying consolidated financial statements include: the allowance for doubtful accounts, useful lives for long-lived assets, income tax payable and the gift card liability.

(d) Restricted Cash, Restricted Accounts Receivable and Brand Development Fund Receivable

Under the terms of the franchise agreements, the Company bills and collects a monthly Brand Development Fund (BDF) 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. BDF liability represents BDF fees billed to franchisees that have not yet been expended. BDF receivable represents BDF expenses in excess of fees billed to franchisees.

(1) Nature of Business and Summary of Significant Accounting Policies - Continued

(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, 2018 and 2017. 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:

	2018	2017
Beginning balance	$ (391,832)	(544,008)
Bad debt expense	(60,131)	(102,262)
Decrease (Increase) in BDF reserve	77,434	2,264
(Write offs) and recoveries	131,541	252,174
Ending balance	$ (242,988)	(391,832)

(f) Inventories

Inventories consist of food and restaurant supply items, which are stated at cost, as determined by the 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.

(h) Intangible Assets

Intangible assets consist of franchise rights and a liquor license. 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. Liquor license represents the Company's right to sell liquor in a franchise in the state of New Jersey. The life of the liquor license will be determine upon the asset being placed in service.

(1) Nature of Business and Summary of Significant Accounting Policies - Continued

(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. For the year ended March 31, 2017, the Company impaired approximately $22,000 related to the indefinite life franchise rights of MPF of Mobile, due to subsequent restaurant closure. There were no impairment charges recognized during the years ended March 31, 2018 or 2016.

(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, 2018, 2017 and 2016, the Company recognized approximately $105,000, $150,000 and $215,000, 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.

(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, 2018 and 2017 was $881,234 and $358,551, respectively, and are included in deferred franchise fees current and long term on the accompanying consolidated balance sheets.

(1) Nature of Business and Summary of Significant Accounting Policies - Continued

(k) Revenue Recognition - Continued

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 as earned.

The Company recognizes revenue from its company-owned restaurant locations upon the sale of food and related products to customers.

During fiscal 2016, the Company provided consulting services to an unrelated party. Consulting fee revenue was recognized as the services were provided. No consulting services were provided during fiscal years ended 2018 or 2017.

(l) Advertising

The Company expenses the cost of advertising in the period incurred, except for co-op advertising, which reduces the BDF liability when incurred. Advertising expense was approximately $133,000, $184,000 and $117,000 for the fiscal years ended March 31, 2018, 2017 and 2016, 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 $191,000, $29,000 and $23,000 during the fiscal years ended March 31, 2018, 2017 and 2016, respectively. Such costs are included in general and administrative expenses in the accompanying consolidated statements of income.

(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.

(1) Nature of Business and Summary of Significant Accounting Policies - Continued

(o) Income Taxes - Continued

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 reductions of approximately $12,000 in interest, penalties and other estimate changes for the fiscal year ended March 31, 2018. The Company recognized approximately $33,000 and $3,100 in interest, penalties and other estimate changes for the fiscal years ended March 31, 2017 and 2016, 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.

(q) Reclassification

Certain prior year accounts were reclassified in the current year to conform to the current year presentation. These reclassifications did not impact the net income or stockholders' equity as previously reported.

(1) Nature of Business and Summary of Significant Accounting Policies - Continued

(r) 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. In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers (Topic 606)*, that delays the implementation of ASU 2014-09 until reporting periods beginning after December 15, 2018 for non-public entities. The Company is currently evaluating the full effect that the adoption of these standards will have on the Company's consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842).* 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.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230)*: *Classification of Certain Cash Receipts and Cash Payments.* ASU 2016-15 addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice. ASU 2016-15 is effective for the fiscal years beginning after December 15, 2018, with early adoption permitted. The Company is currently evaluating the full effect that the adoption of this standard will have on its consolidated financial statements.

(2) Non-Controlling Interests

TMPRI has identified FB as a VIE in which TMPRI is the primary beneficiary, and as such, has consolidated the financial statements with those of the Company. FB is a management company which leases 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.

Since TMPRI and FB are related under common control, and because TMPRI holds no ownership interest in FB, the assets and liabilities of FB have been included in these financial statements at their historical basis.

(2) Non-Controlling Interests - Continued

The effect of consolidating FB on the Company's consolidated balance sheets as of March 31 is as follows:

	2018	2017
Total assets	$ 1,394,216	1,436,823
Total liabilities	863,815	1,048,982
Total stockholders' equity (non-controlling interest)	$ 530,401	387,841

The effect of the FB consolidation on income before non-controlling interest in consolidated variable interest entity was approximately $1,214,000, $1,382,000 and $1,557,000 for each of the fiscal years ended March 31, 2018, 2017 and 2016, respectively.

The liabilities of FB do not represent additional claims on TMPRI's general assets; rather they represent claims against the specific assets of FB. Likewise, the assets of the consolidated FB entity do not represent additional assets available to satisfy claims against TMPRI's general assets, except as guaranteed per Note 7.

Renegade, a subsidiary of TMPRI, owns 51% of Renegade Fondue, Inc., and as such, has been consolidated in the financial statements with those of the Company. Renegade Fondue, Inc. is a franchise location. The 49% of Renegade Fondue, Inc. owned by an unrelated third party is presented as non-controlling interest in the Company's consolidated financial statements.

The effect of consolidating Renegade Fondue, Inc. on the Company's consolidated balance sheets and statement of stockholder's equity as of March 31 is as follows:

Total assets	$ 699,220
Total liabilities	80,853
Total stockholders' equity	618,367
Less: non-controlling interest	303,000
Total The Melting Pot Restaurants, Inc. equity	$ 315,367

The effect of the Renegade Fondue, Inc. consolidation on income before non-controlling interest was a loss of approximately $232,000 for the fiscal year ended March 31, 2018, of which, 49% is included in non-controlling interest.

(2) Non-Controlling Interests - Continued

Additionally, as of March 31, 2018, 2017 and 2016, 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 8 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:

		2018	2017
Leasehold improvements	$	1,117,466	848,489
Furniture and fixtures		371,762	329,679
Computer and office equipment		789,379	772,912
Computer software		34,053	34,054
		2,312,660	1,985,134
Less: accumulated depreciation		(957,020)	(660,719)
	$	1,355,640	1,324,415

Depreciation expense was approximately $320,000, $313,000 and $159,000 for the fiscal years ended March 31, 2018, 2017 and 2016, respectively.

(4) Intangible Assets

Intangible assets consists of the following as of March 31:

		2018	2017
Franchise rights	$	53,124	53,124
Liquor license costs		247,135	-
Total intangible assets, net	$	300,259	53,124

The Company incurred costs of $247,135 during the fiscal year ended March 31, 2018 to obtain a liquor license that is capitalized but has yet to be placed into service as of March 31, 2018, as the related location has not yet opened for business.

(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 $66,000 and $87,000 as of March 31, 2018 and 2017, 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 $3,000 and $11,000 as of March 31, 2018 and 2017, respectively.

(b) Related Party Franchisees

As of March 31, 2018, 2017 and 2016, the stockholders of the Company owned three entities, 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 contribute to the Brand Development Fund. The Company's maximum exposure to loss is approximately $344,000, $209,000, and $206,000, respectively, the amount of royalty fees that would be provided for under a franchise agreement.

(c) Related Party Lease Obligation

FB entered into a building lease with a related party during fiscal year 2015, requiring monthly payments of $16,667 through June 2015 and month-to-month thereafter. The lease was terminated in November 2015.

Rent expense related to this lease was approximately $125,000 for the fiscal year ended March 31, 2016. Rent expense is included as general and administrative expense in the accompanying consolidated statements of income.

(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 $65,000, $56,000 and $54,000 to the Plan during the fiscal years ended March 31, 2018, 2017 and 2016, respectively.

(7) Long-Term Debt

In May 2016, MPF of Mobile, LLC entered into a loan agreement for $112,000 with Bank of America (Lender). The loan required monthly principal payments of $2,507 plus interest of 3.5% beginning June 2016 through the maturity date, May 2020, at which time all remaining unpaid amounts are due.

In September 2016, the Company amended the existing loan with the Lender. The amended and restated credit agreement resulted in additional borrowings of $139,206. The modified terms require monthly principal payments of $5,622 plus interest of 3.5%, beginning September 2016 through the maturity date, August 2020, at which time all remaining unpaid amounts are due. The balance of the loan as of March 31, 2017 was $214,184. The loan was paid in full by TMPRI during the year ended March 31, 2018.

On April 25, 2017, the Company entered into a loan agreement for $126,000 with the Lender. The loan requires monthly payments of $2,847, which includes interest of 3.98%, beginning May 25, 2017 through the maturity date, April 25, 2021, at which time all remaining unpaid amounts are due. The balance of the loan as of March 31, 2018 was $98,697 with a current portion totaling $30,744.

On September 28, 2017, the Company entered into a loan agreement for $700,000 with the Lender. The loan requires monthly payments of $12,992, which includes interest of 4.25%, beginning October 15, 2017 through the maturity date, September 15, 2022, at which time all remaining unpaid amounts are due. The balance of the loan as of March 31, 2018 was $634,936 with a current portion totaling $131,093.

Future minimum annual debt payments under the above loan are as follows:

2019	$	161,837
2020		168,814
2021		176,190
2022		151,773
2023		75,019
	$	733,633

The loan agreements contains various financial and non-financial restrictive covenants, including the maintenance of assets. At March 31, 2018, the Company was in compliance with all financial and non-financial restrictive covenants. The loans are collateralized by all accounts receivable, inventory and equipment of TMPRI and guaranteed by FB.

(8) 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 June 2027. Effective July 2017, the Company entered into a new lease which expires June 2027 and includes two five-year renewal options. Upon execution of the lease, the Company was required to prepay the last three months of rent totaling approximately $45,000, which has been included in other assets in the consolidated balance sheet as of fiscal year end March 31, 2018. Rent expense was approximately $436,000, $250,000 and $117,000 for the fiscal years ended March 31, 2018, 2017 and 2016, respectively.

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

2019	$	470,000
2020		371,000
2021		364,000
2022		368,000
2023		293,000
Thereafter		779,000
	$	2,645,000

(b) Loan Guarantees

TMPRI is a co-guarantor on long-term debt of several entities owned by the stockholders. As of March 31, 2017, the total aggregate outstanding principal of the notes for which TMPRI was a co-guarantor was approximately $130,000, with maturities through 2017. During fiscal year 2018 the guaranteed long-term debt was repaid. As of March 31, 2018 TMPRI is not the guarantor on any long-term debt.

(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.

(9) Income Taxes

The Company follows the guidance for Accounting for Income Tax Uncertainties as described in Note 1. As of March 31, 2018 and 2017, the Company has recognized approximately $1,203,000 and $1,141,000, respectively, of unrecognized tax benefits, which includes approximately $455,000 and $476,000, respectively, of interest and penalties.

Changes in the Company's gross liability for unrecognized tax benefits, including interest and penalties, for March 31, 2018 and March 31, 2017 are as follows:

		2018	2017
Beginning balance	$	1,140,699	1,119,604
Additions based on tax positions related to the current year		50,354	54,059
Interest and penalties and other estimate changes		11,644	(32,964)
Ending balance	$	1,202,697	1,140,699

Income tax expense also includes approximately $38,000 paid to various states for income taxes related to the year ended March 31, 2018.

The Company files income tax returns in the U.S. federal jurisdiction and various state jurisdictions. The Company has open tax years from 2014 to 2017 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.

(10) Subsequent Events

Management has evaluated subsequent events through June 4, 2018, the date the consolidated financial statements were available for issuance.

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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Exhibits

Exhibit A Area, Premises and Territory
Exhibit B Proprietary The Melting Pot® Restaurant Equipment, Products, Supplies Or Services
Exhibit C Pre-Opening Agreement

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 ("**Restaurant(s)**"), defined as follows: (a) THE MELTING POT® Restaurants serve cheese fondue and may also serve (i) beef, chicken, seafood, and vegetable fondue, (ii) chocolate fondue, (iii) salads, fruits, and fresh breads, (iv) imported and domestic beer and wine, and/or (v) other foods and beverages as specified by COMPANY; (B) THE MELTING POT® Restaurants are operated under certain trade names, service marks, logos, trade dress, and other commercial symbols as specified by COMPANY from time to time, including, without limitation, the "THE MELTING POT®" trade name and service mark (collectively, the "**Marks**"); and (C) 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 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 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 Restaurant may evolve and change over time, that an investment in a 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 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.

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 necessary to reflect any proposed ownership changes, to provide the revised Owner's Statement to COMPANY for approval prior to making any changes to FRANCHISEE ownership, to update the FRANCHISEE'S entity organizational documents to reflect the FRANCHISEE'S ownership as approved by COMPANY, 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

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, and he may not divide his ownership interest in a manner which may lead to deadlock (for example, 50%-50% or 25%-25%-25%-25%). 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. FRANCHISEE has applied for a franchise to develop, own, and operate a 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.

2. GRANT AND INITIAL TERM OF FRANCHISE/TERRITORIAL RIGHTS

A. GRANT OF FRANCHISE. The foregoing PREAMBLES are hereby acknowledged to be true and accurate and are incorporated herein by this reference. 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 the 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; or

(b) 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), that does not operate under one or more of the present or future Marks.

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. Additionally, 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 Restaurants and 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 (including, but not limited to, airports, entertainment and/or sports venues, supermarkets, retail stores, the Internet, catalogues, 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, décor, fixtures, equipment, signs, furnishings, etc. COMPANY may also assist FRANCHISEE in the purchasing of certain materials and supplies for the construction of the Restaurant; however, FRANCHISEE is solely responsible for the selection and the use of those materials and supplies, and COMPANY MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, FOR THE MATERIALS AND SUPPLIES THAT COMPANY HELPS FRANCHSIEE TO ACQUIRE. 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;

(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 design, 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
- purchasing of products used in design and construction at FRANCHISEE'S expense

- 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 (i) install and maintain access to the Internet or other computer network(s) that COMPANY specifies, (ii) maintain a backup device, such as a mobile card as specified by the COMPANY in the event that FRANCHISEE'S primary access to the Internet fails, (iii) install, use and maintain all computer hardware and software, including point-of-sale systems, that COMPANY specifies periodically, and (iv) use this hardware and software in the manner and method specified by COMPANY. The overall network infrastructure, which includes network cabling, hardware, software and services must be installed and maintained by a vendor approved or required by COMPANY, shall be in accord with a set of standards defined by COMPANY, and FRANCHISEE must adhere to these standards both upon installation and throughout the term of this Agreement. 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 owns the rights to all of the data within any hardware or software specified for use by FRANCHISEE, including, without limitation, the menu, reservation information, product purchases and/or sales mix, profit and loss information, inventory, labor costs and all other data derived from or produced by FRANCHISEE'S Restaurant operations. 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. In addition to credit card information, FRANCHISEE'S computer network infrastructure must also protect from disclosure customer data, including any profile data provided by FRANCHISEE'S customers during the course of operating the Restaurant. 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/or FRANCHISEE the premises does not reflect current System standards or there has been a change in the market or 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 (or 4-persons if the Restaurant is open for lunch) to manage the Restaurant – 1 will be the manager who will oversee the entire operation of the Restaurant (the "**General Manage**r"), and 2 to 3 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 System Standards 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 System Standards 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-operated 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. FRANCHISEE principals and managers shall periodically retake training if COMPANY believes it is necessary and required to maintain successful Restaurant operations. 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 $2,000 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. FRANCHISEE must send a General Manager, Manager and/or Kitchen Manager to participate in the annual Operations Conference; if you would like any other type of attendee to participate in the Operations Conference, you must obtain our written approval no less than three weeks in advance of the Operations Conference. 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. FRANCHISEE agrees that it is important that it and/or any of its management personnel attend required training courses, conferences, seminars or meetings; therefore, if FRANCHISEE and/or any of its management personnel fail to attend all days and all sessions provided at such training course, conference, seminars and meetings, FRANCHISEE agrees that it shall be in default under this Agreement, and COMPANY may charge FRANCHISEE a Compliance Fee (up to $1,500) per occurrence. 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 system standards. FRANCHISEE agrees to maintain at all times a staff of trained employees sufficient to operate the Restaurant in compliance with COMPANY'S standards. FRANCHISEE agrees to seek its own independent legal counsel for all its human relations and employment issues and that any advice sought from COMPANY and given to FRANCHISEE regarding such issues is suggestive only and not mandatory in nature and that final decisions regarding FRANCHISEE'S employees remains the sole province of FRANCHISEE.

C. OPENING ASSISTANCE. COMPANY, at its cost, shall provide FRANCHISEE with the services of 1 or more personnel, including a 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 System Standards 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 System Standards 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. SYSTEM STANDARDS MANUAL. COMPANY will grant FRANCHISEE during the Term access to the System Standards Manual via COMPANY'S intranet, which may consist of 1 or more manuals and other written or electronic materials (collectively, the "**System Standards 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 System Standards 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 System

Standards Manual, then FRANCHISEE must keep his copy of the System Standards 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 System Standards Manual. FRANCHISEE shall not at any time copy any part of the System Standards 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 System Standards Manual, in computer software licensed to FRANCHISEE, and in guidance and written materials furnished to FRANCHISEE during the Term.

The System Standards 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, joint employer, 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 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 System Standards 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 System Standards 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 System Standards 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 System Standards 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 System Standards 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 System Standards 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 (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 individual violation ("**Compliance Fee**"). This Compliance Fee applies for each violation about which the COMPANY notifies the 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 set-off 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 exterior, 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, updating the exterior and/or interior of the Restaurant (including signage and Marks) to reflect the current brand standard, replacement 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 exceptional 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, absence of food additives and/or chemicals, nutritional metrics, sustainability, fair trade and 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 standards of 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 System Standards Manual, Marketing Manual, information provided on the COMPANY intranet, UMELT, 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, along with network infrastructure;

(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 System Standards 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.

FRANCHISEE is required to have all necessary licensing to serve alcoholic beverages in the Restaurant and 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 must possess the permits or licenses needed to serve beer, wine and liquor at the Restaurant, and the failure to be able to lawfully serve beer, wine and liquor at the Restaurant shall be a violation of this Agreement. 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, 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 (a) applying for financing, including but not limited to a line or credit and/or a loan ("Financing"), or (b) closing on or otherwise Financing.

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 System Standards 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 shall read and respond to COMPANY email and intranet posts as required and implement any brand initiative or standard at the Restaurant within the specified deadline. 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 System Standards 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 System Standards 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 System Standards 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.

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) 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, digital, and other media programs and activities; costs associated with conducting market research; costs associated with website development and marketing, including, without limitation, website development/integration 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, in its sole discretion, 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, and to account for this expenditure in the manner specified by the COMPANY, for approved expenditures for paid media placement directly related to local advertising for the Restaurant. FRANCHISEE must spend (i) up to 3% of its Gross Revenues for the first six months of the year on local advertising, failing which FRANCHISEE is required to make up any shortfall in spending within 60 days from June 30 of that year, and (ii) up to 3% of FRANCHISEE'S Gross Revenues for the last six months of the year on local advertising, failing which FRANCHISEE must make up any shortfall in spending by February 28 of the following year. Such expenditures shall be made directly by FRANCHISEE, in such media (including print, digital, 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. COMPANY may review FRANCHISEE'S books and records relating to its expenditures for such advertising and promotion to ensure that FRANCHISEE has spent the requisite amounts and that it has accounted for its expenditures in the manner required by the COMPANY. 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 FRANCHISEE fails to spend the minimum amount designated by COMPANY for local marketing and promotional activities, COMPANY may execute brand-level marketing and promotional activities on FRANCHISEE's behalf and charge FRANCHISEE the cost and expense, including labor, of such activities payable via ACH from the Restaurant's bank operating account. 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. 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 System Standards 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.

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 worldwide 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 System Standards 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 website development/integration services as COMPANY may require from time to time. FRANCHISEE is required to (i) offer reservations online on the micro-site web page for FRANCHISEE'S Restaurant and to use any third-party online reservation service as specified by COMPANY from time to time and (ii) follow standards regarding the use, programing and settings of the online reservation system as prescribed by the COMPANY from time to time. COMPANY may, at its option, obtain website development/integration 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 System Standards 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, shall be responsible for ensuring that such content does not violate any laws, including the American's with Disabilities Act, or infringe upon the copyright or trademark rights of any third party, and shall fully indemnify COMPANY for any violations of the foregoing. Any website development/integration 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 website development/integration 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., Twitter, Facebook, Instagram 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. FRANCHISEE is prohibited from starting or implementing its own customer loyalty or rewards program.

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 designated and approved by COMPANY, which may be the COMPANY's internal accounting services; (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 System Standards 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 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/or its designated representatives or third party vendors 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, examine cyber security practices and/or audits, 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 and/or its designated representatives or third-party vendors may, within COMPANY'S discretion, provide FRANCHISEE with a written summary of the 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, representatives or third-party vendors within the time period COMPANY specifies following FRANCHISEE'S receipt of COMPANY'S notice of such deficiencies. COMPANY and/or its designated representatives or third-party vendors 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 System Standards Manual. COMPANY may charge FRANCHISEE an evaluation fee to compensate COMPANY, its representatives or third-party vendors for their 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), all or any portion of the assets owned by the FRANCHISEE (including but not limited to the liquor license), 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.

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) (i) has made any material misrepresentation or omission in his application for the Franchise or at any point during the term of this Agreement, (ii) is convicted or pleads no contest to a felony, (iii) is knowingly dishonest in its dealings with COMPANY, or (iv) is convicted of or pleads no contest to any crime or offense

which may adversely affect the reputation of the Restaurant, the System, 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 System Standards 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) is a party to a franchise agreement for a Restaurant that is terminated by COMPANY for any reason (other than by (i) mutual agreement of the parties or (ii) expiration of its term);

(11) 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;

(12) 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;

(13) 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.

(14) 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;

(15) 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;

(16) 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

(17) 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 System Standards 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. MEDIATION/ARBITRATION/DISPUTE RESOLUTION

A. AGREEMENT TO MEDIATE/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), will be submitted to mediation administered by the American Arbitration Association under its Commercial Mediation Procedures before resorting to arbitration. Any Dispute not resolved by mediation shall be submitted to arbitration. The arbitration will be conducted by the American Arbitration Association pursuant to its Commercial Arbitration Rules. The parties to any mediation or 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. Mediation and arbitration proceedings will be conducted in the county and state in which COMPANY'S principal headquarters are located, by a single mediator or arbitrator. The mediator or arbitrator shall be experienced in resolving commercial disputes, and, preferably, franchise disputes. Any mediation and any arbitration will be conducted and resolved on an individual and not

a collective, 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. If the Dispute is less than $100,000, there shall be no discovery other than the exchange of documents. If the Dispute is over $100,000, discovery shall consist of no more than two depositions per party of eight hours per deposition or less.

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 prevailing party shall be entitled to an award of reasonable attorneys' fees and costs. The arbitrator will not have the authority to award exemplary or punitive damages. The award of the arbitrator shall be accompanied by a reasoned opinion. The parties agree that failure or refusal of a party to pay its required share of the deposits for arbitrator compensation or administrative charges shall constitute a waiver by that party to present evidence or cross-examine witnesses. 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 System Standards 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.

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) **System Standards 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, System Standards Manual, and other operational manuals, internal releases and newsletters.

(n) **Trade Dress** –any item of clothing identified with THE MELTING POT, including aprons, and any item 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 Danielle Kilgore at dkilgore@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

EXHIBIT "D"
TO THE DISCLOSURE DOCUMENT

FORM OF

CONDITIONAL ASSIGNMENT OF TELEPHONE AND DIGITAL IP

CONDITIONAL ASSIGNMENT OF TELEPHONE AND DIGITAL IP

THIS CONDITIONAL ASSIGNMENT OF TELEPHONE AND DIGITAL IP (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 digital intellectual property 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, regular, classified or other telephone directory listings, and other digital intellectual property, including but not limited to, domain names, email addresses, social media accounts, or other digital platforms (collectively, the "**Numbers and Digital IP**") 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 entities with which you have placed Numbers and Digital IP (collectively, the "**Company**") to effectuate the assignment of the Numbers and Digital IP to us. Upon termination or expiration of the Franchise Agreement we will have the right and authority to ownership of the Numbers and Digital IP. In such event, you will have no further right, title or interest in the Numbers and Digital IP and will remain liable to the Company for all past due fees owing to the 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 Digital IP.

3. **Power of Attorney**: You irrevocably appoint us as your true and lawful attorney-in-fact to: (a) direct the Company to effectuate the assignment of the Numbers and Digital IP 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 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 Company. If you fail to promptly direct the Company to effectuate the assignment of the Numbers and Listings to us, we will direct the Company to do so. The 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 Company's receipt of such notice from you or us. If the Company requires that you and/or we sign the 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, and you agree to provide any passwords or other information necessary to access and utilize the Numbers and Digital IP. 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 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 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:

By:_____
Name:_____
Title:_____
Date:_____

ASSIGNEE:

THE MELTING POT RESTAURANTS, INC.

By:_____
Name:_____
Title:_____
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:

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.

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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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)**"), defined as follows: (a) THE MELTING POT® Restaurants serve cheese fondue and may also serve (i) beef, chicken, seafood, and vegetable fondue, (ii) chocolate fondue, (iii) salads, fruits, and fresh breads, (iv) imported and domestic beer and wine, and/or (v) other foods and beverages as specified by the COMPANY; (B) THE MELTING POT® Restaurants are operated under certain trade names, service marks, logos, trade dress, and other commercial symbols as specified by COMPANY from time to time, including without limitation, the "THE MELTING POT®" and "THE MELTING POT® (with design)" trade name and service mark (collectively, the "**Marks**"); and (C) 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 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. DEVELOPER and its owners agree to revise the Principal Owner's Statement as necessary to reflect any proposed ownership changes, to provide the revised Principal Owner's Statement to COMPANY for approval prior to making any changes to FRANCHISEE ownership, to update the FRANCHISEE'S entity organizational documents to reflect the FRANCHISEE'S ownership as approved by COMPANY, and to furnish such other information about FRANCHISEE'S organization or formation as COMPANY may request;

(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, and may not divide their ownership interest in a manner which may lead to deadlock (for example, 50%-50% or 25%-25%-25%-25%). COMPANY may designate which one of DEVELOPER'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 DEVELOPER'S owners.

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: perform in the top 50% of units in operation on most recent COMPANY'S quality certification inspection reports with no "critical focus items, are substantially in compliance with no active breaches, and guest survey metrics 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). DEVELOPER is required, to utilize the services of COMPANY's designated real estate broker/consultant network ("**Real Estate Broker**") for all lease negotiations. 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 attend all days and all sessions provided at such training programs, meetings and conventions.

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. MEDIATION/ARBITRATION/DISPUTE RESOLUTION

14.1 **Agreement To Mediate/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), will be submitted to mediation administered by the American Arbitration Association under its Commercial Mediation Procedures before resorting to arbitration. Any Dispute not resolved by mediation shall be submitted to arbitration. The arbitration will be conducted by the American Arbitration Association pursuant to its Commercial Arbitration Rules. The parties to any mediation or 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**

Mediation and arbitration proceedings will be conducted in the county and state in which COMPANY'S principal headquarters are located, by a single mediator or arbitrator. The mediator or

arbitrator shall be experienced in resolving commercial disputes, and, preferably, franchise disputes. Any mediation and any arbitration will be conducted and resolved on an individual and not a collective, class-wide, multiple plaintiff or similarly-consolidated basis. If the Dispute is less than $100,000, there shall be no discovery other than the exchange of documents. If the Dispute is over $100,000, discovery shall consist of no more than two depositions per party of eight hours per deposition or less.

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 prevailing party shall be entitled to an award of reasonable attorneys' fees and costs. The arbitrator will not have the authority to award exemplary or punitive damages. The award of the arbitrator shall be accompanied by a reasoned opinion. The parties agree that failure or refusal of a party to pay its required share of the deposits for arbitrator compensation or administrative charges shall constitute a waiver by that party to present evidence or cross-examine witnesses. 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: Legal 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	**COMPANY**
_____	**THE MELTING POT RESTAURANTS, INC.**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	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:_____

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.

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:_____
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) System Standards **Manual, 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, System Standards Manual, and other operational manuals, internal releases and newsletters.

(n) **Trade Dress** – any item of clothing identified with THE MELTING POT, including aprons, and any item 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 a wholly-owned subsidiary or one of Franchisor's franchisees upon written notice to the Landlord, provided that should Franchisor transfer the Lease to a franchisee, such franchisee shall meet the then existing standards of Franchisor for franchisees. Upon such transfer, whether to a wholly-owned subsidiary or to a franchisee, 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:_____

EXHIBIT "F"
TO THE DISCLOSURE DOCUMENT

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SYSTEM STANDARDS MANUAL CONTENTS

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What It Takes To Be a "Most Valuable Player" at The Melting Pot®	15	2
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InMoment	17	1
Operating Objectives	17	1
Requests to Change Operating Objectives	18	1
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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 determine. The Board of Directors may by resolution provide for the time and place of other regular meetings, and no notice of such regular meetings need be given.

All other meetings of the Board may be called on the written request of (i) the Franchisor, or (ii) any Director or (iii) 25% or more of Members in good standing, at such time and place as may be stated in such request.

Section 4.7 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.**	_____ *[Name of Member]*
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date:_____	Date:_____

EXHIBIT "L-1"
TO THE DISCLOSURE DOCUMENT

FORM OF FRANCHISEE OPERATING AGREEMENT

LIMITED LIABILITY COMPANY OPERATING AGREEMENT

(*COMPANY NAM*E), LLC

A Member-Managed Limited Liability Company

OPERATING AGREEMENT

THIS OPERATING AGREEMENT ("Agreement") is made and entered into effective (*Month Day, Year*), by and among: (i) (*Company Name*), LLC (the "Company"), (ii) (*First Member Full* Name) and (iii) (*Second Member Full Name*). First *Member Full Name* and *Second Member Full Name* are collectively referred to in this Agreement as the "Members".

SECTION 1

THE LIMITED LIABILITY COMPANY

1.1 *Formation*. Effective (*Month Day, Year*), the Members formed a limited liability company under the name (*Company Name*), LLC on the terms and conditions in this Agreement and pursuant to the limited liability company act of the State of (*State of Organization*) (the "Act"). The Members agree to file with the appropriate agency within the State of (*State of Organization*) charged with processing and maintaining such records all documentation required for the formation of the Company. The rights and obligations of the parties are as provided in the Act except as otherwise expressly provided in this Agreement.

1.2 *Name*. The business of the Company will be conducted under the name (*Company Name*), LLC., or such other name upon which the Members may unanimously may agree.

1.3 *Purpose*. The purpose of the Company is to operate a The Melting Pot® Restaurant ("Restaurant") franchised from The Melting Pot Restaurants, Inc. ("TMPRI"). Each Member agrees to operate, and to allow each other Member to operate, the Restaurant in accordance with the terms of the TMPRI Franchise Agreement, Operations Manual and brand standards.

1.4 *Office*. The Company will maintain its principal business office within the State of ("*State of Organization*") at the following address: (*Address, City, State Zip*).

1.5 *Registered Agent*. (*Full Name*) is the Company's initial registered agent in the State of ("*State of Organization*"), and the registered office is (*Address, City, State Zip*).

1.6 *Names and Addresses of Members*. The Members' names and addresses are attached as Schedule 1 to this Agreement.

1.7 *Admission of Additional Members*. No additional members may be admitted to the Company through issuance by the company of a new interest in the Company without the prior written consent of TMPRI and the prior unanimous written consent of the Members.

SECTION 2

CAPITAL CONTRIBUTIONS

2.1 *Initial Contributions*. The Members initially shall contribute to the Company capital as described in Schedule 2 attached to this Agreement.

2.2 *Additional Contributions*. A majority vote of the Members 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. 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 of such Additional Capital Contribution, the Company through a majority vote of its Members may elect the following remedy: 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 Member(s).

2.3 *No Interest on Capital Contributions*. Members are not entitled to interest or other compensation for or on account of their capital contributions to the Company except to the extent, if any, expressly provided in this Agreement.

SECTION 3

ALLOCATION OF PROFITS AND LOSSES; DISTRIBUTIONS

3.1 *Profits/Losses*. For financial accounting and tax purposes, the Company's net profits or net losses shall be determined on an annual basis and shall be allocated to the Members in proportion to each Member's relative capital interest in the Company as set forth in Schedule 2 as amended from time to time in accordance with U.S. Department of the Treasury Regulation 1.704-1.

3.2 *Distributions.* The Members shall determine and distribute available funds annually or at more frequent intervals as they see fit. Available funds, as referred to herein, shall mean the net cash of the Company available after appropriate provision for expenses and liabilities, as determined by the Members. Distributions in liquidation of the Company or in liquidation of a Member's interest shall be made in accordance with the positive capital account balances pursuant to U.S. Department of the Treasury Regulation 1.704.1(b)(2)(ii)(b)(2). To the extent a Member shall have a negative capital account balance, there shall be a qualified income offset, as set forth in U.S. Department of the Treasury Regulation 1.704.1(b)(2)(ii)(d).

3.3 *No Right to Demand Return of Capital*. No Member has any right to any return of capital or other distribution except as expressly provided in this Agreement. No Member has any drawing account in the Company.

SECTION 4

INDEMNIFICATION

Without limiting any other obligation of the Company to the Members, the Company shall indemnify the Members with respect to, and make advances for, the payments made, personal liabilities incurred and expenses incurred by the Members 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 law.

SECTION 5

POWERS AND DUTIES OF MANAGERS

5.1 *Management of Company*.

5.1.1 The Members, within the authority granted by law and the terms of this Agreement shall have the complete power and authority to manage and operate the Company and make all decisions affecting its business and affairs.

5.1.2 Except as otherwise provided in this Agreement, all decisions and documents relating to the management and operation of the Company shall be made and executed by a majority in interest of the Members. In order to prevent management deadlocks, the ownership interest of the Company shall not be divided equally (e.g., 50/50 or 25/25/25/25), and any attempted Transfer (as defined in Section 8 below) in violation of the terms of this provision shall be null and void.

5.1.3 Third parties dealing with the Company shall be entitled to rely conclusively upon the power and authority of a majority in interest of the members to manage and operate the business and affairs of the Company.

5.2 *Decisions by Members*. Whenever in this Agreement reference is made to the decision, consent, approval, judgment, or action of the Members, unless otherwise expressly provided in this Agreement, such decision, consent, approval, judgment, or action shall mean a majority of the Members.

5.3 *Withdrawal by a Member*. A Member has no power to withdraw from the Company, except as otherwise provided in Section 8.

SECTION 6

SALARIES, REIMBURSEMENT, AND PAYMENT OF EXPENSES

6.1 *Organization Expenses*. All expenses incurred in connection with organization of the Company will be paid by the Company.

6.2 *Salary*. No salary will be paid to a Member for the performance of his or her duties under this Agreement unless the salary has been approved in writing by a majority of the Members.

6.3 *Legal and Accounting Services*. The Company may obtain legal and accounting services to the extent reasonably necessary for the conduct of the Company's business.

SECTION 7

BOOKS OF ACCOUNT, ACCOUNTING REPORTS, TAX RETURNS, FISCAL YEAR, BANKING

7.1 *Method of Accounting*. 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 a 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 a majority of the Members.

7.2 *Fiscal Year; Taxable Year*. The fiscal year and the taxable year of the Company is the calendar year.

7.3 *Capital Accounts*. The Company will maintain a capital account for each Member on a cumulative basis in accordance with federal income tax accounting principles.

7.4 *Banking*. All funds of the Company will be deposited in a separate bank account or in an account or accounts of a savings and loan association in the name of the Company as determined by a majority of the Members. Company funds will be invested or deposited with an institution, the accounts or deposits of which are insured or guaranteed by an agency of the United States government.

SECTION 8

TRANSFER OF MEMBERSHIP INTEREST

8.1 *Sale or Encumbrance Prohibited Absent TMPRI Approval*. No Member may voluntarily or involuntarily transfer, sell, convey, encumber, pledge, assign, or otherwise dispose of (collectively, "Transfer") an interest in the Company without the prior written consent of TMPRI. Any attempted Transfer in violation of the terms of this Agreement shall be null and void.

8.2 *Right of First Refusal*. Subject to Section 8.1, a Member may transfer all or any part of the Member's interest in the Company (the "Interest") as follows:

8.2.1 The Member desiring to transfer his or her Interest first must provide written notice (the "Notice") to the other Members, specifying the price and terms on which the Member is prepared to sell the Interest (the "Offer").

8.2.2 For a period of 30 days after receipt of the Notice, the Members may acquire all, but not less than all, of the Interest at the price and under the terms specified in the Offer. If the other Members desiring to acquire the Interest cannot agree among themselves on the allocation of the Interest among them, the allocation will be proportional to the ownership interests of those Members desiring to acquire the Interest.

8.2.3 Closing of the sale of the Interest will occur as stated in the Offer; provided, however, that the closing will not be less than 45 days after expiration of the 30-day notice period.

8.2.4 If the other Members fail or refuse to notify the transferring Member of their desire to acquire all of the Interest proposed to be transferred within the 30-day period following receipt of the Notice, then the Members will be deemed to have waived their right to acquire the Interest on the terms described in the Offer, and the transferring Member may sell and convey the Interest consistent with the Offer to any other person or entity; provided, however, that notwithstanding anything in Section 8.2 to the contrary, should the sale to a third person be at a price or on terms that are more favorable to the purchaser than stated in the Offer, then the transferring Member must reoffer the sale of the Interest to the remaining Members at that other price or other terms; provided, further, that if the sale to a third person is not closed within six months after the expiration of the 30-day period describe above, then the provisions of Section 8.2 will again apply to the Interest proposed to be sold or conveyed.

8.3 *Substituted Parties*. Any transfer in which the Transferee becomes a fully substituted Member is not permitted unless and until:

(1) The transferor and assignee executes and delivers to the Company the documents and instruments of conveyance necessary or appropriate in the opinion of counsel to the Company to effect the transfer and to confirm the agreement of the permitted assignee to be bound by the provisions of this Agreement; and

(2) The transferor furnishes to the Company an opinion of counsel, satisfactory to the Company, that the transfer will not cause the Company to terminate for federal income tax purposes or that any termination is not adverse to the Company or the other Members.

8.4 *Death, Incompetency, or Bankruptcy of Member*. On the death, adjudicated incompetence, or bankruptcy of a Member, unless the Company exercises its rights under Section 8.5, the successor in interest to the Member (whether an estate, bankruptcy trustee, or otherwise) will receive only the economic right to receive distributions whenever made by the Company and the Member's allocable share of taxable income, gain, loss, deduction, and credit (the "Economic Rights") unless and until (a) TMPRI provides its prior written consent to admit the transferee as a fully substituted Member, and (b) a majority of the other Members determined on a per capita basis to admit the transferee as a fully substituted Member in accordance with the provisions of Section 8.3.

8.4.1 Any transfer of Economic Rights pursuant to Section 8.4 will not include any right to participate in management of the Company, including any right to vote, consent to, and will not include any right to information on the Company or its operations or financial condition. Following any transfer of only the Economic Rights of a Member's Interest in the Company, the transferring Member's power and right to vote or consent to any matter submitted to the Members will be eliminated, and the Ownership interests of the remaining Members, for purposes only of such votes, consents, and participation in management, will be proportionately increased until such time, if any, as the transferee of the Economic Rights becomes a fully substituted Member.

SECTION 9

DISSOLUTION AND WINDING UP OF THE COMPANY

9.1 *Dissolution*. The Company will be dissolved on the happening of any of the following events:

9.1.1 Sale, transfer, or other disposition of all or substantially all of the property of the Company;

9.1.2 The agreement of all of the Members;

9.1.3 By operation of law; or

9.1.4 The death, incompetence, expulsion, or bankruptcy of a Member, or the occurrence of any event that terminates the continued membership of a Member in the Company, unless there are then remaining at least the minimum number of Members required by law and all of the remaining Members, within 120 days after the date of the event, elect to continue the business of the Company.

9.2 *Winding Up*. On the dissolution of the Company (if the Company is not continued), the Members must take full account of the Company's assets and liabilities, and the assets will be liquidated as promptly as is consistent with obtaining their fair value, and the proceeds, to the extent sufficient to pay the Company's obligations with respect to the liquidation, will be applied and distributed, after any gain or loss realized in connection with the liquidation has been allocated in accordance with Section 3 of this Agreement, and the Members' Capital Accounts have been adjusted to reflect the allocation and all other transactions through the date of the distribution, in the following order:

9.2.1 To payment and discharge of the expenses of liquidation and of all the Company's debts and liabilities to persons or organizations other than Members;

9.2.2 To the payment and discharge of any Company debts and liabilities owed to Members; and

9.2.3 To Members in the amount of their respective adjusted Capital Account balances on the date of distribution; provided, however, that any then outstanding default advances (with interest and costs of collection) first must be repaid from distributions otherwise allocable to the defaulting Member pursuant to Section 9.2.3.

SECTION 10

GENERAL PROVISIONS

10.1 *Amendments*. Amendments to this Agreement may be proposed by any Member. A proposed amendment will be adopted and become effective as an amendment only on the written approval of the majority vote of all of the Members.

10.2 *Interpretation and Governing Law*. This Agreement shall be construed as though prepared by all of the Members. This Agreement and the rights and obligations of the parties under it are governed by and interpreted in accordance with the laws of the State of (*State of Organization*) (without regard to principles of conflicts of law).

10.3 *Entire Agreement; Modification*. This Agreement constitutes the entire understanding and agreement between the Members with respect to the subject matter of this Agreement. No agreements, understandings, restrictions, representations, or warranties exist between or among the Members other than those in this Agreement or referred to or provided for in this Agreement.

10.4 *Arbitration*. In order to resolve disputes among Members with minimal disruption to the Company's operations, any claim, dispute, controversy, proceeding or otherwise between Members of the Company, which are not resolved within 30 days of notice from any Member to another, will be submitted to arbitration conducted by the American Arbitration Association pursuant to its Commercial Arbitration Rules before a single arbitrator based on written submissions and without the necessity of a hearing. The arbitrator may award any relief deemed proper in the circumstances, including, for example, money damages, specific performance, and injunctive (including mandatory injunctive) relief. The arbitrator may also award and determine the amount of attorneys' fees and related costs, and the prevailing party will be entitled to recover, in addition to other costs, reasonable attorney fees in connection with the arbitration, and any appeals or enforcement proceedings. 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.

10.5 *Further Effect*. The parties agree to execute other documents reasonably necessary to further effect and evidence the terms of this Agreement, as long as the terms and provisions of the other documents are fully consistent with the terms of this Agreement.

10.6 *Severability*. If any term or provision of this Agreement is held to be void or unenforceable, that term or provision will be severed from this Agreement, the balance of the Agreement will survive, and the balance of this Agreement will be reasonably construed to carry out the intent of the parties as evidenced by the terms of this Agreement.

10.7 *Captions*. The captions used in this Agreement are for the convenience of the parties only and will not be interpreted to enlarge, contract, or alter the terms and provisions of this Agreement.

10.8 *Notices*. All notices required to be given by this Agreement will be in writing and will be effective when actually delivered or, if mailed, when deposited in the United States Mail, postage prepaid, directed to the address provided at Schedule 1 for each Member or to such other address as a Member may specify by notice given in conformance with these provisions to the other Members.

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:

[COMPANY NAME], LLC

By: _____

Print Name: _____

MEMBERS:

By: _____

Print Name: _____

By:_____

Print Name: _____

Listing of Members - Schedule 1

LIMITED LIABILITY COMPANY OPERATING AGREEMENT

FOR (*COMPANY NAME*), L.L.C.

LISTING OF MEMBERS

As of the (*Day*) day of (*Month, Year*), the following is a list of Members of the Company:

NAME	ADDRESS
(*Member Full Name*)	
(*Member Full Name*)	

Authorized by Member(s) to provide Member Listing as of this (*Day*) day of (*Month, Year*).

(*Member Full Name*)	
Printed/Typed Name	Signature
(*Member Full Name*)	
Printed/Typed Name	Signature

Listing of Capital Contributions - Schedule 2

LIMITED LIABILITY COMPANY OPERATING AGREEMENT

FOR (*COMPANY NAME*), L.L.C.

CAPITAL CONTRIBUTIONS

Pursuant to ARTICLE 2, the Members' initial contribution to the Company capital is stated to be $_____. The description and each individual portion of this initial contribution is as follows:

NAME	CONTRIBUTION	% OWNERSHIP
(*Member Full Name*)	$_____	51%
(*Member Full Name*)	$_____	49%

SIGNED AND AGREED this (Day) day of (Month, Year).

_____ _____

Printed/Typed Name Signature

_____ _____

Printed/Typed Name Signature

EXHIBIT "L-2"
TO THE DISCLOSURE DOCUMENT

FORM OF 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 Lender 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 Lender, 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 "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*** One Sancome Street, Suite 600 San Francisco, CA 94104 (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, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

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

The Franchise Agreement contains a covenant not to compete which extends beyond the 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 Illinois. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

3. **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.

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

3. **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. 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
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 & Kelly Cooper
3626 East Ray Road
Phoenix, AZ 85044
Tel: (480) 704-9206

ARROWHEAD
Dan Arndt & Kelly Cooper
19420 N 59th Ave., Bldg B
Scottsdale, AZ 85258
Tel: (480) 874-4934

SCOTTSDALE
Dan Arndt
8260 N. Hayden Rd.
Scottsdale, AZ 85258
Tel: (480) 607-1799

CALIFORNIA

IRVINE
Mira Shoenrock
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
Joe & Julie Gibson
814 15th Street
Sacramento, CA 92612
Tel: (916) 443-2347

SAN DIEGO – Gas Lamp 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
Thomas Reiff, Chris Millsap, Jim Materese, Zach Hearon
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
Lucinda Hollis, Auburn Bridge & Jay Kilmartin
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*
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
Mike Ruffalo & Erv Emery
1205 Butterfield Rd., Ste A
Downer's Grove, IL 60515
Tel: (630) 737-0810

NAPERVILLE
Mike Ruffalo & Erv Emery
4931 S. Rt. 59
Naperville, IL 60564
Tel: (630) 717-8301

SCHAUMBURG
Mike Ruffalo & Erv Emery
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
Dave Chantrell
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

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
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 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

MAPLE SHADE
Charles LaRosa & Kimberly Hughes
584 Rt. 38 East
Maple Shade, NJ 08052
856-793-7033

NEW JERSEY
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

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
James Layfield & Tony Kemna
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
202 W NC Highway 54
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

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
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
Brian Sikorski
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

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

PENINSULA
Jason Shea & Chad Hornik
12233 Jefferson Ave. Suite 3
Newport News, VA 23602
Tel: (410) 619-2700

RESTON
Barry Berkowitz
11730 Plaza America Dr.
Reston, VA 20190
Tel: (703) 435-1277

RICHMOND
Dave Chantrell
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
Kim & Hollis Silva
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, 2018 or who have not communicated with us within 10 weeks of the issuance date of this disclosure document:

Arizona	Kelly Cooper Tucson, AZ (602) 705-6207	Termination
California	Mike Frampton Sacramento, CA (916) 847-1795	Transfer
New Jersey	Charlie Haney Atlantic City, NJ (609) 289-0951	Mutual Termination
Rhode Island	Renee Torres Providence, NY (202) 497-0551	Termination
Ohio	Eric McIntyre Rocky River, OH (440) 479-8962	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
□ Jesi Tarver	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 12, 2018.

I received a disclosure document dated June 12, 2018. (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 and Digital IP
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 Path to Grow Program Loan Documents
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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Dated:_____

_____
Individually and as an Officer

_____
Printed Name

of_____
(a_____Corporation)
(a_____Partnership)
(a_____Limited Liability Company)

[Sign and return this page]