FRANCHISE DISCLOSURE DOCUMENT

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

As a Melting Pot® franchisee, you will establish and operate a restaurant featuring fondue and offering a wide variety of food and beverages, including required alcoholic beverages, under the Melting Pot® trade name and business system (a "Melting Pot® Restaurant" or "Restaurant").

The initial investment necessary to begin operation of a Melting Pot® Restaurant franchise business ranges from $1,364,514 to $2,069,764. This includes $45,000 that must be paid to the franchisor or its affiliate(s).

This disclosure document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, 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 Collin Benyo, Franchise Growth Strategist, Restaurant Support Center, 7886 Woodland Center Blvd., Tampa, Florida 33614, (813) 425-6209.

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

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

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

Date of Issuance: June 14, 2024, as amended November 20, 2024

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit P.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Melting Pot® business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Melting Pot® franchisee?	Item 20 or Exhibits N and O list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

2. **Mandatory Minimum Payments.** You must make minimum advertising fund payments, regardless of your sales levels. Your inability to make payments may result in termination of your franchise and loss of your investment.

3. **Supplier Control**. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce your anticipated profit of your franchise business.

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

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.

TABLE OF CONTENTS

ITEM	PAGE
ITEM 1. THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES	1
ITEM 2. BUSINESS EXPERIENCE	4
ITEM 3. LITIGATION	5
ITEM 4. BANKRUPTCY	5
ITEM 5. INITIAL FEES	6
ITEM 6. OTHER FEES	6
ITEM 7. ESTIMATED INITIAL INVESTMENT	14
ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	18
ITEM 9. FRANCHISEE'S OBLIGATIONS	21
ITEM 10. FINANCING	23
ITEM 11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	24
ITEM 12. TERRITORY	36
ITEM 13. TRADEMARKS	38
ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	41
ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	42
ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	43
ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	43
ITEM 18. PUBLIC FIGURES	47
ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS	47
ITEM 20. OUTLETS AND FRANCHISEE INFORMATION|	50
ITEM 21. FINANCIAL STATEMENTS	54
ITEM 22. CONTRACTS	54
ITEM 23. RECEIPTS	55

EXHIBITS

Exhibit "A"	Financial Statements
Exhibit "B"	Form of Franchise Agreement
Exhibit "C"	Form of Successor Franchise Addendum to Franchise Agreement (Renewal)
Exhibit "D"	Form of Conditional Assignment of Telephone and Digital IP
Exhibit "E"	Form of Collateral Assignment and Assumption of Lease
Exhibit "E-1"	Form of Rights of Franchisor Rider to Lease
Exhibit "E-2"	Signage Standards
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 Franchisee Operating Agreement
Exhibit "J"	Form of Path to Grow Program Loan Documents
Exhibit "J-1"	Form of Loan Agreement
Exhibit "J-2"	Form of Promissory Note
Exhibit "J-3"	Form of Security Agreement
Exhibit "J-4"	Form of Guaranty
Exhibit "K"	List of State Agencies and Agents for Service of Process
Exhibit "L"	State Specific Addenda to Franchise Disclosure Document
Exhibit "M"	State Specific Riders to Agreements
Exhibit "N"	List of Current Franchisees
Exhibit "O"	Franchisees Who Have Left the System
	Receipt for Disclosure Document

APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN AN ADDENDUM OR RIDER IN EXHIBITS "L" AND "M," 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 "Melting Pot®" and "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 "K". We conduct business under our corporate name and under the trade and service marks "Melting Pot®" and "The Melting Pot®," and associated logos, designs, symbols, and trade dress (collectively the "Marks").

We have been offering franchises for Melting Pot Restaurants since September 1984. We do not operate any Melting Pot Restaurants. We have affiliates that operate 3 franchised Melting Pot Restaurants located in Pensacola, Florida, St. Louis, Missouri, and Farmingdale, New York, which are owned by our subsidiaries. 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. Until June 14, 2024, wee were affiliated, through common ownership, with Front Burner Brands, Inc., a/k/a Front Burner, ("FB"), formerly known as TGS Restaurant Management, Inc., a franchised restaurant management company formed on March 10, 2000 as a Florida corporation, whose address was the same as ours. FB previously managed 5 Melting Pot Restaurant franchises owned by our affiliates or our shareholders. FB also provided management and administrative services and supported operations to our Melting Pot franchisees for us. In FB's provision of these services and support, we shared certain employees with FB. FB did not offer, and has not offered, franchises of any type, nor did it offer services to other franchisees. FB did not conduct a business of the type to be operated by you. On June 14, 2024, we completed a stock swap statutory merger with FB, in which FB merged into us, FB ceased to exist, and we became the surviving corporation. As a result of the merger, we began to provide all of the franchised restaurant management services FB previously provided for us, without any derogation of the quality of services provided to you because all of FB's former employees became our employees effective the same day.

We have sold Melting Pot® Garlic & Wine seasoning on the Melting Pot website since 2018. In 2022, we commissioned a report from Data Essentials that uncovered an interest among consumers for retail fondue. The report confirmed there is a space for retail fondue offering in the market, and a Melting Pot branded fondue could benefit the brand and drive franchisee restaurant sales without jeopardizing restaurant visits. In the fourth quarter of 2023, we began selling Classic Fondue and Aged Cheddar & Gouda Fondue varieties in participating grocery retailers and in e-commerce. Beginning in the first quarter of 2024, we began selling fondue pot sets, t-shirts, and Meltmallows™ through e-commerce as well. In the third quarter of 2024, we will begin selling dark, milk and white chocolate fondue varieties in participating grocery retailers and e-commerce. Our grocery retail and e-commerce program is incremental to the restaurant business and desiged to reinforce brand awareness, keeping Melting Pot top of mind outside the four walls of the restaurant.

The System

We and our affiliates have expended considerable time and effort developing polished casual restaurants operating under the Marks ("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 us. The dining, unique physical layout, aesthetic decor, lighting, background music, hours of operation, and service format of a 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 Melting Pot® Restaurant cook some of the food they are served in fondue pots or on a grill on in-table burners. 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 Melting Pot® Restaurant at a single location acceptable to us. From at least September 2000 to June 2021, we offered the right to develop and operate Melting Pot® Restaurants at multiple locations within a geographic area (i.e., an area development program); however, we do not offer an area development program at this time. 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 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 and/or a third-party "Sponsor" who is an existing Melting Pot franchisee at a Restaurant at which you have worked as General Manager for at least three years, loan NewCo the balance of the purchase price. In return for your initial capital contribution of between 5 and 15 percent, 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 and/or the Sponsor's 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. The form of loan documents is attached as Exhibit "J" to this disclosure document.

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 account for 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 "C."

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 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 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 by local fire codes 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 Melting Pot Restaurant to comply with the fire code in your jurisdiction. 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 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 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 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

Bob Johnston – President, CEO and Chairman of the Board

Mr. Johnston has been an officer and one of our directors since our incorporation in August 1984. He became our CEO and Chairman of the Board in November 2014, and in April 2019 he assumed the role of brand President. Mr. Johnston served in all of these roles from our offices in Tampa, Florida.

Scott Pierce - Chief Financial Officer and Treasurer

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 served in all of these roles from our offices in Tampa, Florida.

Dan Stone - Chief Operating & Development Officer

Mr. Stone joined us in September of 2006 as Director of Franchise Sales. He became Chief Business & People Development Officer in April 2015 and was named Chief Operating & Development Officer in April 2019. Mr. Stone served in all of these roles from our offices in Tampa, Florida.

Ana Malmqvist – Chief Marketing Officer

Ms. Malmqvist joined us as Vice President of Marketing in January 2020, and in September 2020 she become our Chief Marketing Officer. Prior to joining us, Ms. Malmqvist she was employed by several consumer and restaurant brands and ran a brand consulting and marketing strategy consulting firm from January 2018 to December 2019. Ms. Malmqvist performed all of these roles in Tampa, Florida.

John Crawford - Executive Vice President of Franchise & Restaurant Operations

Mr. Crawford became our Executive Vice President of Franchise & Restaurant Operations in March 2020 based in Tampa, Florida. From October 2017 until February 2020, Mr. Crawford was based in Orlando, Florida and served as the Chief Operating Officer of Roy's.

Randy Barnett - Vice President of Technology

Mr. Barnett became our Vice President of Technology in April 2017. Mr. Barnett has serves in this role from our offices in Tampa, Florida.

Mike Mobley – Vice President of People

From April 2019 to present, Mr. Mobley has been our Vice President of People, where, until May 2024, his responsbilities included overseeing Field Training and Development. Mr. Mobley joined us in August of 2016 as the Director of People, Policies and Perks. Mr. Mobley is based in our offices in Tampa, Florida.

Matt Zurcher - Director of Franchise & Restaurant Operations

Mr. Zurcher joined us in January 2019 as Director of Operations for our company operated locations and served in this capacity until March 2020, when he was promoted to Director of Franchise & Restaurant Operations for the Melting Pot® Restaurant system. Mr. Zurcher performed these roles from our offices in

Tampa, Florida. From June 2018 until December 2019, Mr. Zurcher worked as a consultant for Push Operations in Vancouver, British Columbia, Canada.

Collin Benyo – Franchise Growth Strategist

Mr. Benyo was named Franchise Growth Strategist in June 2022, and he works both remotely and in our offices in Tampa, Florida. From January 2018 until June 2022, Mr. Benyo served as the General Manager of the Melting Pot Restaurant in Sarasota, Florida.

ITEM 3.
LITIGATION

Pending Actions

None.

Prior Actions

In re: Franchise No Poaching Provisions (The Melting Pot Restaurants, Inc.), Case No. 19-2-23510-1SEA (King County Superior Court, King County, Washington, September 9, 2019). In August 2019, the Attorney General for the State of Washington initiated an investigation into The Melting Pot Restaurants, Inc. ("TMPRI") relating to its hiring practices. For many years, TMPRI has included language in its franchise agreements that restrict a franchisee's ability to solicit or hire workers from other Melting Pot® Restaurants. The Attorney General asserted that the foregoing conduct constitutes a restraint of trade in violation of the Washington Consumer Protection Act, RCW 19.86.030. TMPRI expressly denied that this conduct constitutes a contract, combination, or conspiracy in restraint of trade in violation of the Consumer Protection Act, RCW 19.86.030, or any other law, and expressly denied that it had engaged in such conduct. Nonetheless, to avoid litigation and expense, on or about September 9, 2019, TMPRI entered into an Assurance of Discontinuance ("AOD") in which TMPRI agreed: (a) it will no longer include no-poach provisions in any of its future franchise agreements; (b) it will no longer enforce no-poaching provisions in any of its existing franchise agreement; (c) it will notify all of its franchisees of the entry of AOD and provide them a copy of it upon request; (d) it will exercise reasonable commercial efforts to amend all existing franchise agreements with franchisees in Washington to remove any non-poaching provisions; and; (e) as they come up for renewal, TMPRI will amend all of its existing franchise agreements on a nationwide basis to remove any no-poach provision. The AOD is not an admission of law, fact, liability, misconduct, or wrongdoing on the part of TMPRI, and TMPRI neither agreed nor conceded that the claims, allegations and/or causes of action which could have been asserted by the Attorney General have merit.

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

ITEM 4.
BANKRUPTCY

No bankruptcy is required to be disclosed in this disclosure document.

ITEM 5.
INITIAL FEES

Initial Franchise Fee

We charge an initial franchise fee in the amount 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.

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.

Type of Fee [1]	Amount	Due Date	Remarks
Brand Development Contribution ("BDF").[2]	Up to 3% of Gross Revenues,[3] currently 1.19% of Gross Revenues. The BDF contribution will increase to 1.69% on July 1, 2024 and to 2.19% on January 1, 2025; [12] however, each increase in the BDF contribution will be offset by a decrease in the Local Advertising contribution, resulting in no increase of your combined total BDF and Local Marketing contribution through June 30, 2025. The combined total of your BDF and Local Advertising contribution may not exceed 4.5 percent.	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 Funds are controlled and spent by us. Your Brand Development Contribution is paid via electronic funds transfer on the 10th day of each calendar month.
Local Advertising	Up to 3% of Gross Revenues. Currently Local Advertiing is 2.5% of Gross Revenues; however, on July 1, 2024 it will decrease to 2.0%, and on January 1, 2025 it will decrease to 1.5%.[4] The combintotal of your Brand Development Contribution and your Local Advertising may not exceed 4.5 percent.	Payable to local vendors for advertising and media placements as well as related printed materials as incurred for approved expenditures.	These expenditures are spent by you in your local market for tactical execution and media placement, including digital, 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. Your Local Advertising requirement is reduced by any contribution you make to Cooperative Advertising.

Type of Fee [1]	Amount	Due Date	Remarks
Digital Ad Cooperative	Minimum $1,000 per month.[3]	As designated by us from time to time; currently payable on the 25th day of each month.	This is a presently a voluntary program in which you agree to purchase a minimum of $1,000 in digital advertising per month which we purchase and place for you in your local market. On January 1, 2025 the program will become mandatory; however, Digital Ad Cooperative advertising counts toward your Local Advertising requirement and is not in addition to the Local Advertising requirement.
Standards Re-Training Course [5]	$2,000 per person, plus expenses	20 days after billing	Includes course registration fee and materials. You are responsible for travel and living expenses. This fee only applies if you designate additional manager(s) for training, or if we believe it is necessary for you or your managers to retake training in order to maintain successful Restaurant operations.
Additional, Refresher or UMELT Melting Pot LEAD[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. This fee only applies if you request additional Melting Pot LEAD Training, or if we believe it is necessary for you or your managers to retake Melting Pot LEAD Training in order to maintain successful Restaurant operations.
Learning & Communication Fee[7]	Approximately $500 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 fee only applies for additional or special guidance or assistance you need or request.

Type of Fee [1]	Amount	Due Date	Remarks
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 training, if incurred; however, transfer fee is reduced to $3,750 if transfer is to an existing franchisee	Prior to consummation of transfer	No charge if transfer is to a corporation or other business entity owned by you.
Successor Franchise Fee	1/2 of then-current initial franchise fee (currently $22,500 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 25th 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.

Type of Fee [1]	Amount	Due Date	Remarks
Evaluation Fee	Fee equal to our costs and expenses, including travel expenses and per diem personnel charges	20 days after billing	Payable if one or more follow-up evaluations are necessary to confirm that you have corrected deficiencies identified during any inspection.
Interest and Late Fees	Lesser of 1.5% per month or highest contract rate of interest allowed by law, plus a late payment fee of 5% of the amount due.	15 days after billing	Payable on all overdue amounts, including royalty and service fees, brand development contributions, and all other amounts due for purchases by franchisee from the Company or its affiliates and any other amounts owed by Franchisee to Company.
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]	$1,800 per trainer per day (not to exceed a total of $20,000)	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.

Type of Fee [1]	Amount	Due Date	Remarks
Hosting Services	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.
Website Enhancements/Integration ("WEI") Fee	$150 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.
Customer Comments Software (InMoment)	$12.50 per month	As designated by us from time to time; currently payable on or before the 15th 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 [11]	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 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 external purposes.

NOTES:

1. Unless otherwise stated, you must pay all fees to us. All fees are non-refundable. Except where otherwise specified, all fees are uniformly imposed. 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. 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 3.33% 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. However, on July 1, 2024 this requirement will decrease to 2.0%, and on January 1, 2025 it will decrease to 1.5 percent of Gross Revenues.We may increase or decrease 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) Melting Pot LEAD 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 Melting Pot LEAD, which is a higher-level management curriculum, includes topics such as Melting Pot® culture, guest recovery, guest feedback, management, local store marketing, and other related 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 may assess user fees in the future for the purpose of updating, developing, maintaining and/or hosting any database for the restaurant management software system we are then using in the operation of Melting Pot Restaurants. We may also charge this fee for any other technology that we develop for use in the operation of 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.

12. While we presently do not do so, we reserve the right to cap or create a lower BDF percentage contribution after a franchisee reaches a specific BDF dollar amount contribution threshold so that higher sales volume restaurants are not unduly penalized by requiring that franchisee to pay a much

higher total BDF contribution than is paid by franchisees who own restaurants with a more typical sales volume.

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	$45,000 (1)	Lump Sum	On signing Franchise Agreement	Us or our Affiliates
Real Estate Services Fee (18)	$2,500	Lump Sum	On signing Franchise Agreement	Us or Third Parties
Real Estate (Rent – First 3 months) (2)(3)	$28,500 to $81,250	Lump Sum	As specified in lease or sublease	Landlord
Security Deposit (4)	$0 to $22,916	Lump Sum	On signing lease or sublease	Landlord
Leasehold Improvements (5)(12)	$602,110 to $963,445	As Agreed	As Incurred	Contractors, Suppliers and Tradesmen
Computer and Point of Sales Hardware/Software (6)	$25,000	Lump Sum	As Incurred	Us or Outside Suppliers
Computer Software Installation and Training; First Year Subscription	$8,900 to $15,000	Lump Sum	As Incurred	Us or Outside Suppliers
Gift Card Processing and Website Development/Enhancement Fee (3) months) (7)	$677 to $747	Monthly	Lump Sum	Us or Third Parties
Restaurant Equipment, Furniture, Fixtures and Signage (8)	$438,826 to $572,482	Lump Sum	As Incurred	Outside Suppliers
Utility Deposits	$2,000 to $5,000	Lump Sum	As Incurred	Utilities
Opening Inventory and Supplies (9)	$65,000 to $75,000	As Agreed	As Incurred	Outside Suppliers and Us
Grand Opening Advertising (19)	$15,000 to $20,000	Lump Sum	As Incurred	Advertising Sources
Training Expenses (10)	$31,026 to $68,299	As Incurred	As Incurred	Us or Third Parties
Licenses – Alcoholic Beverages, Business and Health (11)	$6,000 to $10,000	Lump Sum	Before Opening	Third Parties
Insurance (12)	$3,000 to $6,000	Installments	As Agreed	Third Parties
Legal	$2,000 to $6,000	Lump Sum	As Agreed	Third Parties
Accounting Firm (3 months) (13)	$2,100 to $2,500	As Agreed	As Incurred	Us or Third Parties

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Reservation System (3 months) (14)	$1,875 to $3,625	Monthly	Monthly	Third Parties
Additional Funds (3 months) (15)	$85,000 to $145,000	As Incurred	As Incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT UNDER THE FRANCHISE PROGRAM (17)	$1,364,514 to $2,069,764			

Explanatory Notes

1. The current initial franchise fee is $45,000. 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 Melting Pot® Restaurant should occupy between 3,000 and 5,000 square feet of leased space in a strong retail hub or central business district. The annual rent (base rent plus pass through charges) for such space is estimated to range from $114,000 to $325,000, 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 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 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 $40,000 and $45,000. 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.

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), high speed internet modem, and back-office 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 and designate a POS System, but we reserve the right to change the designated POS system at any time, and we may require the purchase of handheld POS devices 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. In addition to PCI standards, you must maintain other best practices for data protection, which may include, but are not limited to, GDPR standards or California Consumer Privacy Act standards. You must have wireless internet access which meets our required upload and download speeds, which specification may change from time to time. There is usually not a one-time purchase price for this service but a monthly reoccurring charge for internet access. We cannot provide an estimate of this since it can vary depending on your service provider, your location, and the type of connection you may have. The estimate for the aforementioned (excluding internet access) can range from $8,600 to $20,500, depending on the number of remote terminals. These costs are also subject to change depending on the wiring in an existing structure or other factors which may impact the ability for an infrastructure to support any or all required computer systems.

7. 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.

8. 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 73 burners initially, for an approximate cost of $17,875 to $23,725, 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).

9. The difference between the low and high range (3,000 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, small-wares, janitorial and paper goods, and other materials and supplies necessary for the opening of the Restaurant in compliance with our prescribed standards and specifications.

10. 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.

11. 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.

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

13. 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.

14. The Reservation System fees range from $7,500 to $14,500 per year and are paid monthly. This estimate is for the first 3 months of the operation of your Restaurant.

15. 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. You should review these estimates carefully with an accountant or other business advisor before making any decision to buy a franchise.

16. 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.

17. 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.

18. 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, 2024, our revenues from the sale of items to franchisees were $15,831, which represents 0.06% of our total revenues of $25,929,385. 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 credit card processing through our required third-party vendor, Toast POS. You must use our approved restaurant reservation provider, OpenTable. 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 $3,053,502 for the fiscal year ending March 31, 2023, which is 14.7% of our total revenues of $25,929,385 (see our audited financial statements attached as Exhibit "A" to this disclosure document). The amount of the rebates vary from 2% to 11% of invoice price, and additional vendors may pay rebates in the future. Our affiliates derive no revenue from required purchases or leases.

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 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 Melting Pot Restaurants and the reputation of the Melting Pot Restaurants franchise system, 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 27% 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

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 method that we prescribe. We or our designated architectural and design firm will furnish you with mandatory and suggested specifications and layouts for a 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, project management and vendors. You are obligated at your expense to have the 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 a designated POS system but reserve the right to designate another service as determined by the needs of the business. You must also purchase computer hardware, including a laptop computer that is compatible with whatever back office system is designated. 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 and associated licenses to house recipes and job aids for your Restaurant.

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. You are required to obtain property insurance (full cost replacement value of lease improvements), general liability insurance ($2,000,000 general aggregate and $1,000,000 per occurrence), liquor liability insurance ($1,000,000 general aggregate and $1,000,000 per occurrence), automobile liability insurance ($1,000,000), workers' compensation insurance ($500,000) and umbrella liability insurance ($2,000,000 general aggregate and $1,000,000 per occurrence). 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 "The Melting Pot Restaurants, Inc. and its Affiliates" as additional insured parties. 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 real estateservices. The current fee for site selection services is $5,000, $2,500 is paid by you and $2,500 is paid us. The current fee for mid-term lease renegotiations is $5,000, ($2,500 paid by you and $2,500 paid by us), plus 30% of any savings to you over the life of the lease term. The current fee for lease renewal negotiations is $5,000, $2,500 is paid by you and $2,500 is paid by us. 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
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
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
d. Initial and ongoing training	Section 5 of Franchise Agreement; Section 6 of the Successor Franchise Addendum	Item 11
e. Opening	Section 4 of Franchise Agreement; Section 6 of the Successor Franchise Addendum	Item 11
f. Fees	Sections 4, 5, 9, 11 and 14 of Franchise Agreement; Section 4 of the Membership Agreement	Items 5 and 6
g. Compliance with standards and policies/ Manuals	Sections 4, 5, 6, 7, 10, 11 and 12 of Franchise Agreement	Items 8 and 11
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
i. Restrictions on products/ services offered	Section 10 of Franchise Agreement	Item 16
j. Warranty and customer service requirements	Not Applicable	None
k. Territorial development and sales quotas	Not applicable	None
l. On-going product/service purchases	Sections 2, 4, 5, 10 and 11 of Franchise Agreement	Item 8
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
n. Insurance	Section 10 of Franchise Agreement	Item 8
o. Advertising	Section 11 of Franchise Agreement; Sections 11 and 12 of the Membership Agreement	Item 11
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

Obligation	Section in Agreement	Disclosure Document Item
q. Owner's staffing/ participation/ management	Sections 10 of Franchise Agreement; Noncompete Agreement; Confidentiality Agreement	Item 15
r. Records and reports	Section 12 of Franchise Agreement	Item 11
s. Inspections and audits	Section 13 of Franchise Agreement	Items 6 and 11
t. Transfer	Section 14 of Franchise Agreement; Section 10 of the Successor Franchise Addendum; PGP Operating Agreement, Article 8	Items 10 and 17
u. Renewal	Section 3 of Franchise Agreement; Successor Franchise Addendum	Item 17
v. Post-termination obligations	Section 16 of Franchise Agreement; Noncompete Agreement; Confidentiality Agreement; PGP Operating Agreement, Article 10	Items 10 and 17
w. Non-competition covenants	Sections 7 and 16 of Franchise Agreement; Noncompete Agreement; Confidentiality Agreement	Items 15 and 17
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

ITEM 10.
FINANCING

New Restaurants

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

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 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. Only experienced Restaurant operators or franchisees are candidates for PGP. 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. See Exhibit J-1, Loan Agreement, p. 1.

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. Exhibit J-1, Loan Agreement, ¶¶ 4 and 5. In return for the loan, NewCo and/or you, as applicable, enters into our standard form of loan documents, a copy of which is attached as Exhibit "J" to this disclosure document. Specifically, NewCo enters into a Loan Agreement (Exhibit "J-1") and Promissory Note (Exhibit "J-2") in which NewCo agrees to repay the loan, together with interest on the unpaid principal, in 48 monthly installments. Exhibit J-1, ¶ 2; Exhibit J-2, ¶ 2. 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 "J-3." 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 "J-4."

The financing provided to NewCo covers the cost of the Initial Franchise Fee and all of the Included Assets of the Restaurant. See Exhibit J-1, Loan Agreement ¶ 5. The money is loaned to NewCo directly. Exhibit J-2. The amount of financing offered depends on the actual cost of the Restaurant, with total financing capped at between 85% to 95 percent. Exhibit J-1, ¶ 5. The interest rate is the Prime Rate as stated in the Wall Street Journal plus one (1) percent. Exhibit J-2. As of the date of this disclosure, the rate would be 9.5 percent. The debt can be prepaid without any prepayment penalty. Exhibit J-2, ¶ 2.

Upon default, NewCo, and you as its personal guarantor, 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. Exhibit J-2, ¶ 8; Exhibit J-4. 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 are subject to termination of the franchise. Exhibit "J-2, ¶ 5 and 6; Exhibit J-4; see also Exhibit B (Franchise Agreement), ¶ 15.

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. Exhibit J-1, ¶ 5. Until the loan is repaid, the lender also has 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. Exhibit J-1, ¶ 6.

We may assign to a third-party all or part of the PGP financing arrangement. Exhibit J-2, ¶ 11. If the PGP financing arrangement is assigned, you may lose all of your defenses against us as the lender as a result of the sale or assignment; however, we remain obligated to provide the goods and services under the Franchise Agreement. 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.

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. The site must meet our criteria for demographic characteristics, traffic patterns, parking, character of neighborhood, competition from and proximity to other businesses and other 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 Melting Pot® Restaurant for opening. You must begin operation of your Melting Potz ® 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 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 "C". 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 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 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, and recommended, suggested and/or prescribed prices, which may include minimum and maximum prices, for food and beverage products and services. (Franchise Agreement – Sections 5 and 10.K)

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 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 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 ("BDF"), 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 BDF such amounts that we prescribe periodically. The BDF contribution amount is currently 1.19% of Gross Revenues of the Restaurant, but we are allowed to increase the contribution up to a total of 3.0% of Gross Revenues. On July 1, 2024, the BDF contribution will increase to 1.69 percent, and on January 1, 2025 it will increase to 2.19 percent; however, each increase in the BDF contribution will be offset by a decrease in the Local Advertising contribution, resulting in no increase of your combined total BDF and Local Marketing contribution. The combined total of your BDF and Local Advertising contribution may not exceed 4.5 percent of your Gross Revenues. The BDF 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.

The BDF 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 BDF and its programs, including, without limitation, conducting market research, preparing advertising, promotion and marketing materials and collecting and accounting for contributions to the BDF. We may spend, on behalf of the BDF, in any fiscal year an amount greater or less than the aggregate contribution of all Melting Pot® Restaurants to the BDF in that year, and the BDF 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 BDF will be used to pay marketing costs before other assets of the BDF are expended. We do not intend to use any monies from the BDF for the preparation of franchise sales solicitation materials. We may incorporate the BDF or operate through a separate entity, and the successor entity will have all of the rights and duties described here. We will not prepare audited financial statements for the BDF.

The BDF is intended to maximize recognition of the Marks and patronage of Melting Pot® Restaurants. Although we endeavor to utilize the BDF to develop advertising and marketing materials and programs and to place advertising that will benefit all Melting Pot® Restaurants, we undertake no obligation to ensure that expenditures by the BDF in or affecting any geographic area are proportionate or equivalent to the contributions to the BDF by Melting Pot® Restaurants operating in that geographic area or that any Melting Pot® Restaurant will benefit directly or in proportion to its contribution to the BDF 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 BDF.

During the fiscal year ending March 31, 2024, the BDF spent an amount based on the total contributions made by the Restaurants as follows:

Item	Percentage Spent
Production	36%
Media Placement	21%
Administrative Expenses	50%
Other (Market Research)	4%
Total	111%

The Franchise Agreement authorizes us to spend in any fiscal year an amount greater or less than the aggregate contributions of Melting Pot® Restaurants to the BDF in that year. None of the BDF is used principally to solicit franchisees.

Melting Pot® Restaurants owned and operated by us and our affiliates contribute to the BDF on the same basis as franchise owners. Franchisee contributions to the BDF 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 BDF for one or more periods of any length and to terminate (and, if terminated, to reinstate) the BDF. If the BDF is terminated, all unspent monies on the date of termination will be distributed to franchisees in proportion to their respective contributions to the BDF during the preceding 12-month period.

Local Advertising

In addition to your required contributions to the BDF, 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 ("Local Advertising"); however, the total of your Brand Development Fund contribution and your Local Advertising may not exceed 4.5% of 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 Advertising efforts; however, on July 1, 2024 it will decrease to 2.0%, and on January 1, 2025 it will decrease to 1.5%. 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 Advertising 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 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, digital, 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 Melting Pot® Restaurants and demonstrate the commitment of 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.

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 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.

Digital Advertising Cooperative

You may participate in a digital advertising cooperative ("Digital Ad Fund") in which we purchase and place media for you in your local market (Franchise Agreement – Section 11). This is a presently a voluntary program in which you agree to purchase a minimum of $1,000 in digital advertising per month which we purchase and place on your behalf in your local market. On January 1, 2025, the program will become mandatory; however, Digital Ad Fund advertising counts toward your Local Advertising requirement and is not in addition to the Local Advertising requirement. You and other franchisees may contribute more to the Digital Ad Fund at your discretion. Franchisor-owned outlets must contribute to the Digital Ad Fund on the same basis as franchisees. We administer the Digital Ad Fund and may, at our sole discretion, use agency partners to assist in its management. There are no governing documents regarding the Digital Ad Fund. We distribute a sign-up form that includes the month(s), duration, and amount of your spend request. The sign-up form is available for you to review upon request. We do not prepare a financial statement; however, at least bi-monthly, a report is created and distributed that details each location's spend at the local level with assessed results. We may change or dissolve the Digital Ad Fund in our sole discretion.

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 marketing. 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 consult with the SPC and value its insights, its recommendations are not binding on us. We retain the power to change or dissolve the SPC at any time.

Computer Systems

We require you to purchase a POS system for your Restaurant from our preferred vendor. The POS system includes remote terminals, POS handhelds, remote printers, cash drawers, power supplies, switches, related cable requirements, POS software and integrated credit card software. We reserve the right to change the designated POS system and software from time to time. The POS system requires wireless connectivity. You must use the wireless access points, firewalls, cellular backups and a managed security services vendor 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 disclosing customer data, including any profile data provided by your customers during the course of operating your Restaurant. You must use the compliance security vendor we specify. You must be in compliance with other industry standards, including but not limited to, the GDPR and the California Consumer Privacy Act.

You must maintain, at your expense, a high-speed cable internet connection with download speeds of at least 10 MB and upload speeds of at least 5 MB (when obtainable), or such upload speeds as are necessary to implement the "e-learning" online training system and any other software applications required as described below. If, you cannot obtain the required internet speed through your local ISP, we must approve the speed which you can obtain. Additionally, you must obtain at your expense (through our required managed security services provider) a secondary internet connection for use in the firewall to allow continuous operation of the POS system when the main internet provider fails. 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. 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 $27,600.

Gift cards are issued and redeemed electronically using a card similar to a credit card. We also sell digital gift cards on our website. These gift cards will presented to you for redemption either as a paper printout or on a cellular phone. You may be required to purchase a terminal and printer or software from an approved vendor for processing these gift cards. Currently, gift cards are processed through the POS 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 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 $400 to $2,000 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 and associated licenses 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. Currently, Open Table is the required vendor, but we might require another vendor of our choosing at any time. 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. We estimate that the annual cost of the restaurant reservation system (including monthly subscription fees) is approximately $7,500 to $14,500. 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 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. If you do not locate and secure a site for your Restaurant within 275 days of signing the Franchise Agreement, we may terminate your Franchise Agreement and your Initial Franchise Fee is forfeit. We also must accept the letter of intent ("LOI"), 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 LOI, lease, and any lease amendment, addendum or renewal to us within 30 days after its execution. Our acceptance of the LOI or 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 Digital IP 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 site selection services.

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 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 to our satisfaction 30 days before the Restaurant opens for business. No Restaurant may open until the following minimum requirements are met:

1. Employ a 3-person (or 4-person if your Restaurant exceeds $2,000,000 in sales volume) 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 responsibilities where guests are served, called the "Front of the House," and one whose primary, but not exclusive, duties will include responsibility for the kitchen, which we call the "Heart of the House." 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 (and retrain from time-to-time as needed to stay current) on Front of the House and Heart of the House skills, both of which are described in Section 2 of the System Standards Manual, the table of contents of which is attached hereto as Exhibit "F",. 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 Field Training & Development 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	2	66	Restaurant Support Center, Tampa, FL, and Certified Training Locations (various states)
Dishwasher	1.5	6	Restaurant Support Center, Tampa, FL and Company Operated Restaurants, Tampa Bay, FL
Service Assistant	2.5	8	Restaurant Support Center, Tampa, FL and Company Operated Restaurants, Tampa Bay, FL
Hospitality Specialist	1.5	16	Restaurant Support Center, Tampa, FL, and Company Operated Restaurants, Tampa Bay, FL
Bartender / Wine Service	1	16	Restaurant Support Center, Tampa, FL,and Company Operated Restaurants, Tampa Bay, FL
Server	1.5	16	Restaurant Support Center, Tampa, FL, and Company Operated Restaurants, Tampa Bay, FL

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Management / Supervision & Administration	5	80	Restaurant Support Center, Tampa, FL, and Company Operated Restaurants, Tampa Bay, FL
TOTAL	15	208	

The Training materials include the Manuals, PowerPoint presentations, handouts, and other sources of information located on different platforms. Training will be conducted by one or more of the following employees and is led by Brad Styles. Brad is a management and training professional with over 13 years of training experience and four years of store operations experience with restaurant chains and a nationwide retail chain.

Training is offered multiple times throughout the year both in our offices in Tampa, Florida as well as Certified Training Retaurants (franchisor and franchise-owned Restaurants). You may select dates to attend based on our annual training calendar. Training will only be conducted during those dates that we specify. It is your job to ensure that all training is completed to our satisfaction prior to opening your Restaurant. Successful completion of training is validated/measured through on-the-job observations, written and online training assessments, practice quizzes and classroom training, conducted by our certified restaurant general managers, trainers and Restaurant
Support Center representatives.

We have developed and implemented "e-learning" online training courses and as part of the initial training and all or any portion of ongoing training to you and your employees. We will charge you an annual access fee (currently $250 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. All travel and living expenses incurred by trainers must be paid by you. A separate training fee of up to $2,000 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.

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 on menu changes and company rollouts 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.

At least one franchisee with 10 percent or greater ownership who is involved in the operation of the restaurant is required to attend any annual brand conference or event hosted by the franchisor and may represent up to three locations. In addition, each Melting Pot location is required to send at least one operator (general manager, director of operations, assistant manager) to accompany their franchisee(s). For any mandatory event, every attendee will pay a registration fee, paid via ACH from their location(s) at the conclusion of the in-person event. Franchisees and their operators are expected to attend in-person unless provided an exception from the Executive Vice President of Operations and/or the Leadership Team. If a franchisee elects not to attend in person or elects not to bring an operator from their location(s), their location(s) will be charged an event fee to cover the registration fee and other expenses associated with contractual obligations at the host property, and they will be provided with digital content at the conclusion of the event (unless a live stream is made available). In-person events last from three to five days, and the location varies year to year. The cost of all travel (hotel, airfare, transportation, meals, etc.) is solely paid by the franchisee. 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. We reserve the right to modify the attendance standards for training from time to time.

You must also pay us for training new managers hired after the Restaurant's opening. If you designate any new managers after the Restaurant opens for business, each such manager must attend and satisfactorily complete all Manager in Training programs within a 6-month period after assuming their position. 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 Melting Pot® Restaurant manager training program at a location that we specify. The Manager in Training curriculum may include higher-level management training on such topics as Melting Pot® culture, guest recovery, guest feedback, management, local store marketing, and other related 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 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

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 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 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 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.

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 Melting Pot® Restaurants at such locations outside the Territory and on such terms and conditions as we deem appropriate.

2. 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 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 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.

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.

Our affiliate, MP Social No.1, LLC, operates a business in Tampa, Florida under a different trademark that sells some goods or services similar to those Melting Pot® Restaurants offer, including cheese and chocolate fondue. The trademark under which this affiliate operates are Melting Pot Social® and MeltSO® ("Melting Pot Social®"). We envision no conflict between Melting Pot® Restaurant franchisees and Melting Pot Social® regarding Territory, customers, or franchisor support because this affliliate does not and will not solicit or accept orders within a Melting Pot® franchisee's Territory, and Melting Pot Social® is a very different restaurant concept than MELTING POT®, with a different demographic and target consumer. The principal business address of this affiliate is the same as our business address. We do not maintain or plan to maintain physically separate offices and training facilties for this affliate; nor do we have a timetable for future expansion of this concept.

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 if the population increases.

We do not grant options, rights of first refusal, or similar rights to acquire additional franchises, as each franchise is awarded on a franchise-by-franchise basis. Accordingly, you may only acquire additional franchised 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. Our primary trademarks are the "Melting Pot®" and "The Melting Pot ®." The following marks are registered on the Principal Register of the United States Patent and Trademark Office (the "PTO"). The 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

Mark	Reg. Date	Reg. No.	Register	Class/Use
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
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.
Fondue Fanatics	02/28/12	4106370	Principal	Restaurant Services
The Melting Pot A Fondue Restaurant and Design	04/01/14	4506552	Principal	Restaurant Services
Savor Every Moment	01/03/17	5116043	Principal	Restaurant Services
Best In Glass	08/07/18	5537320	Principal	Bar & Restaurant Services
Melting Pot	05/07/19	5747278	Principal	Restaurant Services
Melting Pot Word & Design Mark	08/04/2020	6120643	Principal	Restaurant Services
Melting Pot Design Mark	08/04/2020	6120644	Principal	Restaurant Services
Thursdate	12/22/2020	6229935	Principal	Restaurant Services
Melting Pot Social	09/28/2021	6502659	Principal	Restaurant Services
Melting Pot Social Word & Design Mark	09/28/2021	6503024	Principal	Restaurant Services
MeltSO	09/28/2021	6503023	Principal	Restaurant Services
MeltSO Word & Design Mark	06/07/2022	6754326	Principal	Restaurant Services
Forever Fondue	09/06/2022	6840714	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
Melting Pot	98011504	05/24/23	Principal	Cheese, Cheese Fondue, Sauce, and Chocolate Fondue
Melting Pot Word & Design Mark	98011514	05/24/23	Principal	Cheese, Cheese Fondue, Sauce, and Chocolate Fondue
Melting Pot Design Mark	98011519	05/24/23	Principal	Cheese, Cheese Fondue, Sauce, and Chocolate Fondue
Melting Pot Word & Design Mark	98011534	05/24/23	Principal	Seasonings; Salad Dressings

We do not have a federal registration for the above marks. Therefore, these trademarks do not have as many legal benefits and rights as a federally registered trademark. If our right to use this trademark 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 Melting Pot® Restaurants; marketing and advertising programs for 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 Melting® Restaurants other than your Restaurant.

All ideas, concepts, techniques or materials relating to a 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 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 "I". 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 Franchise 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 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 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	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).
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 10-year term. The granting of any additional successor franchises is governed by the successor franchise agreement you sign.

Provision	Section in Agreement	Summary
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.
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 (subject to state law).
e. Termination by franchisor without cause	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.
g. "Cause" defined – curable defaults	Section 15 of the Franchise Agreement	You have: (a) 24 hours to cure (i) a 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.

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).
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).
j. Assignment of contract by franchisor	Section 14 of the Franchise 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.

Provision	Section in Agreement	Summary
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.
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.
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.
o. Franchisor's option to purchase franchisee's business	Section 16 of the Franchise Agreement; Article 6 of the PGP Loan 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.
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.
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 (subject to state law).
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 Melting Pot® Restaurant is located; or (e) within a 30 mile radius of any other Melting Pot® Restaurant (same restrictions apply after assignment) (subject to state law).
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.

Provision	Section in Agreement	Summary
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.
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)
v. Choice of forum	Section 17 of the Franchise 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	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 if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We set forth below certain historical data for the 89 Restaurants that were open a full 12 months ending fiscal year March 31, 2024 (our "**2024 Fiscal Year**"). We did not include 1 franchised Restaurant that was not open for the entire 2024 Fiscal Year because they ceased operations during the 2024 reporting period.

The table in Section I below provides historic information for franchised Restaurants. The tables in Section II below provide historic information for Restaurants owned and operated by the Franchisor or its affiliates "**Company Owned Restaurants**."

SECTION I: FRANCHISED RESTAURANTS

The Gross Revenues or Average Unit Volume ("AUV") for the 87 franchised Restaurants open a full 12 months through the end of our fiscal year on March 31, 2024 was $2,501,804, and the average and median yearly AUV for the top third, middle third, and bottom third of these franchised Restaurants is provided in the table below. Unlike the information provided below for Company Owned Restaurants, we do not present the costs of food and beverages sold as a percentage of average yearly Gross Revenues for franchised Restaurants because we do not have reasonable written substantiation for such a representation.

Franchised Restaurants	# of Restaurants	Average AUV	#/% Exceeding Average AUV	Highest AUV	Lowest AUV	Median AUV
Total Restaurants	87	$2,501,804	31 / 35%	$8,786,016	$829,221	$2,102,108
Top Third	29	$3,466,619	11 / 38%	$8,786,016	$2,430,559	$3,141,628
Middle Third	29	$2,133,931	12 / 41%	$2,413,447	$1,896,221	$2,102,139
Bottom Third	29	$1,501,275	16 / 55%	$1,895,516	$829,221	$1,549,786

SECTION II: COMPANY OWNED RESTAURANTS

The AUV for the 5 Company Owned Restaurants open a full 12 months ending fiscal year March 31, 2024 was $2,595,021, and the average and median yearly AUV for the top third, middle third, and bottom third of these Company Owned Restaurants is provided in the table below.

Table 1: Average and Median Gross Revenues ("AUV")

Table 1 below presents the average and median yearly Gross Revenues for the 2024 Fiscal Year

Franchised Restaurants	# of Restaurants	Average AUV	#/% Exceeding Average AUV	Highest AUV	Lowest AUV	Median AUV
Total Restaurants	5	$2,595,021	2 / 40%	$3,546,384	$1,683,117	$2,028,635
Top Half	2	$1,643,657	1 / 50%	$1,643,657	$1,643,657	$1,643,657
Bottom Half	3	$3,546,384	2 / 67%	$3,546,384	$3,546,384	$3,546,384

Table 2: Average and Median Cost of Food and Beverages as a Percentage of Yearly Gross Revenues

Table 2 below presents the average and median costs of food and beverages sold as a percentage of average yearly Gross Revenues for the 2024 Fiscal Year End.

Fiscal Year	Average Cost of Food and Beverages Sold as Percentage of Yearly Gross Revenues	Number of Restaurants	% Attaining or Below Average	Median Cost of Food and Beverages Sold as Percentage of Yearly Gross Revenues
2023	24.7%	3	1 or 33%	25.1%

General Notes to Item 19

Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request.

"Gross Revenues" as used in this Item 19 is defined the same as in Item 6. "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.

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

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 Business & Legal Officer, Bud Culp, The Melting Pot Restaurants, Inc., 7886 Woodland Center Blvd., Tampa, Florida 33614, (813) 881-0055, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20.
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years Ending March 31, 2022 ("2022"), March 31, 2023 ("2023") and March 31, 2024 ("2024")

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	93	92	-1
	2023	92	89	-3
	2024	89	87	-2
Company-Owned [(1)]	2022	3	3	0
	2023	3	4	+1
	2024	4	5	+1
Total Outlets [(2)]	2022	96	95	-1
	2023	95	93	-2
	2024	93	92	-1

(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, 2022 ("2022") , March 31, 2023 ("2023") and March 31, 2024 ("2024")

State	Year	Number of Transfers
Florida	2022	1
	2023	1
	2024	0
Colorado	2022	1
	2023	1
	2024	0
Georgia	2022	0
	2023	2
	2024	2
Idaho	2022	0
	2023	0
	2024	0
Indiana	2022	1
	2023	0
	2024	0
Michigan	2022	0
	2023	1
	2024	0
Missouri	2022	0
	2023	0
	2024	0
New York	2022	0
	2023	0
	2024	1
North Carolina	2022	0
	2023	0

State	Year	Number of Transfers
	2024	0
Ohio	2022	0
	2023	1
	2024	0
Oregon	2022	0
	2023	1
	2024	0
Texas	2022	0
	2023	0
	2024	1
Wisconsin	2022	0
	2023	0
	2024	0
Total	2022	3
	2023	7
	2024	4

Table No. 3
Status of Franchised Outlets
For Years Ending March 31, 2022 ("2022"), March 31, 2023 ("2023") and March 31, 2024 ("2024")

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
Arizona	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
California	2022	4	0	1	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Colorado	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Connecticut	2022	1	0	0	0	0	0	1
	2023	1	0	1	0	0	0	0
	2024	0	0	0	0	0	0	0
Delaware	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Florida	2022	13	0	0	0	0	0	13
	2023	13	0	0	0	0	0	13
	2024	13	0	0	0	0	0	13

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
Georgia	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
Idaho	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Illinois	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	1	0	0	0	2
Indiana	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Kentucky	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Maryland	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Massachusetts	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Michigan	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Minnesota	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Missouri	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	1	0	1
	2024	1	0	0	0	0	0	1
New Jersey	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
New Mexico	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
New York	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	1	0	2
North Carolina	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
Ohio	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Oklahoma	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Oregon	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Pennsylvania	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4

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
	2024	4	0	0	0	0	0	4
South Carolina	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Tennessee	2022	3	0	0	0	0	0	3
	2023	3	0	1	0	0	0	2
	2024	2	0	0	0	0	0	2
Texas	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
Utah	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Virginia	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	0	7
Washington	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Wisconsin	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Totals	2022	93	0	1	0	0	0	92
	2023	92	0	2	0	1	0	89
	2024	89	0	1	0	1	0	87

Table No. 4
Status of Company-Owned Outlets[(1)]
For Years Ending March 31, 2022 ("2022"), March 31, 2023 ("2023") and March 31, 2024 ("2024")

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	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
Missouri	2022	0	0	0	0	0	0
	2023	0	0	1	0	0	1
	2024	1	0	0	0	0	1
New Jersey	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
New York	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	1	0	0	1
Total	2022	3	0	0	0	0	3
	2023	3	0	1	0	0	4
	2024	4	0	0	0	0	5

(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, 2024

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year (2024)	Projected New Company Owned Outlets in the Next Fiscal Year (2024)
Arkansas	1	1	0
Connecticut	1	1	0
Florida	2	0	2
Tennessee	1	1	0
Washington	1	1	0
Totals	6	4	2

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

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

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, 2024, March 31, 2023, and March 31, 2022.

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 "C"
3. Form of Conditional Assignment of Telephone and Digital IP – Exhibit "D"
4. Form of Collateral Assignment and Assumption of Lease – Exhibit "E"
5. Form of Rights of Franchisor Rider to Lease – Exhibit "E-1"
6. Form of Personal Guaranty of Owner/Shareholder – Exhibit "G-1"
7. Form of Principal Owner's Statement – Exhibit "G-2"
8. Noncompete Agreement – Exhibit "H-1"
9. Confidentiality Agreement – Exhibit "H-2"
10. Form of Franchisee Operating Agreement – Exhibit "I"
11. Form of Path to Grow Program Loan Documents – Exhibit "J"
    a. Form of Loan Agreement – Exhibit "J-1"
    b. Form of Promissory Note – Exhibit "J-2"
    c. Form of Security Agreement – Exhibit "J-3"
    d. Form of Guaranty – Exhibit "J-4"
12. Form of General Release – see Exhibit "C" – Successor Franchise Addendum and Exhibit "A" (Release) attached thereto

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any term of any document executed in connection with the franchise.

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, 2024, 2023 and 2022
(With Independent Auditors' Report Thereon)

THE MELTING POT RESTAURANTS, INC. AND SUBSIDIARIES

Table of Contents

	Page
Independent Auditors' Report	1 - 2
Consolidated Financial Statements:	
Consolidated Balance Sheets	3
Consolidated Statements of Operations	4
Consolidated Statements of Stockholders' Equity	5
Consolidated Statements of Cash Flows	6 - 7
Notes to Consolidated Financial Statements	8 - 21

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Independent Auditors' Report

To the Board of Directors and Stockholders of
The Melting Pot Restaurants, Inc. and Subsidiaries:

Opinion

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, 2024 and 2023, and the related consolidated statements of operations, stockholders' equity, and cash flows for the fiscal years ended March 31, 2024, 2023, and 2022, and the related notes to the consolidated financial statements (collectively referred to as the "consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Melting Pot Restaurants, Inc. and Subsidiaries as of March 31, 2024, and 2023, and the results of their operations and their cash flows for the fiscal years ended March 31, 2024, 2023, and 2022 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of The Melting Pot Restaurants, Inc. and Subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Melting Pot Restaurants, Inc. and Subsidiaries' ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Mayer Hoffman McCann P.C.
140 Fountain Parkway North
Suite 410
St. Petersburg, FL 33716

Phone: 727.572.1400
Fax: 727.571.1933
mhmcpa.com

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Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Melting Pot Restaurants, Inc. and Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Melting Pot Restaurants, Inc. and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

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

Mayer Hoffman McCann P.C.

June 14, 2024
St. Petersburg, Florida

THE MELTING POT RESTAURANTS, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2024 and 2023

	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	$ 2,553,472	5,932,787
Restricted cash	774,790	953,254
Accounts receivable:		
Trade, net of allowance for credit losses of $107,822 and $59,136, respectively	1,552,714	1,015,511
Restricted, net	327,335	274,549
Current portion of notes receivable	43,108	762,726
Inventories	295,233	130,283
Due from related parties and stockholders, net	311,796	49,010
Prepaid expenses and other current assets	1,016,074	282,742
Total current assets	6,874,522	9,400,862
Notes receivable, less current portion	-	26,232
Property and equipment, net	3,020,584	4,092,128
Intangible assets, net	76,915	53,124
Goodwill, net	821,866	870,000
Operating lease right-of-use assets, net	5,779,620	3,501,588
Finance lease right-of-use assets, net	974,839	1,058,668
Other assets	205,653	169,534
Total assets	$ 17,753,999	19,172,136
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 2,315,746	2,900,023
Gift card liability	3,456,308	3,235,449
Brand development fund liability	102,233	614,143
Deferred franchise fees, current	140,137	198,878
Income tax payable	920,562	910,561
Current portion of operating lease liabilities	772,753	870,256
Current portion of finance lease liabilities	201,087	229,022
Current portion of long-term debt	757,540	335,031
Total current liabilities	8,666,366	9,293,363
Deferred franchise fees, less current portion	724,509	513,212
Operating lease liabilities, net of current portion	5,507,546	3,531,878
Finance lease liabilities, net of current portion	789,128	791,476
Long-term debt, less current portion	912,907	1,293,610
Total liabilities	16,600,456	15,423,539
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	2,734,918	3,968,441
Total The Melting Pot Restaurants, Inc. equity	2,754,918	3,988,441
Non-controlling interests	(1,601,375)	(239,844)
Total equity	1,153,543	3,748,597
Total liabilities and equity	$ 17,753,999	19,172,136

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

THE MELTING POT RESTAURANTS, INC. AND SUBSIDIARIES

Consolidated Statements of Operations

For the Fiscal Years Ended March 31, 2024, 2023 and 2022

	2024	2023	2022
Revenues:			
Initial franchise fees	$ 280,996	147,103	145,910
Advertising revenue	3,536,588	3,151,855	2,344,720
Royalties	9,406,665	10,195,195	9,348,556
Restaurant sales, net of discounts of $332,877 $263,463 and $151,594 respectively	9,455,027	5,586,368	3,716,211
Rebates, food, equipment and supplies sales	3,250,109	3,403,314	3,114,129
	25,929,385	22,483,835	18,669,526
Operating expenses:			
Restaurant cost of sales	2,677,292	1,617,418	1,101,431
Cost of food, equipment and supplies sales	306,886	329,725	184,679
Advertising expense	4,484,589	3,475,965	2,637,570
General and administrative	18,929,130	14,592,490	12,780,229
	26,397,897	20,015,598	16,703,909
Income from operations	(468,512)	2,468,237	1,965,617
Other income (expense):			
Interest income	123,677	55,169	65,132
Interest expense	(165,037)	(91,091)	(50,522)
Other (loss) income	(188,994)	(1,143,517)	1,920,771
Income (loss) before taxes	(698,866)	1,288,798	3,900,998
Income tax expense (benefit)	(69,604)	67,687	35,842
Net income (loss)	(629,262)	1,221,111	3,865,156
Less net loss (income) attributable to non-controlling interest	1,882,685	1,800,357	(853,346)
Net income (loss) attributable to The Melting Pot Restaurants, Inc.	$ 1,253,423	3,021,468	3,011,810

See accompanying independent auditors' 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, 2024, 2023 and 2022

	Common Stock	Additional Paid-in Capital	Retained Earnings	Total The Melting Pot Restaurants, Inc. Equity	Non-Controlling Interests	Total Equity
Balances at March 31, 2021	7,000	$ 13,000	2,090,185	2,110,185	1,453,539	3,563,724
Net income	-	-	3,011,810	3,011,810	853,346	3,865,156
Contributions	-	-	194,030	194,030	46,660	240,690
Distributions	-	-	(1,500,000)	(1,500,000)	(980,357)	(2,480,357)
Deconsolidation of VIE (Note 2)	-	-	-	-	(830,261)	(830,261)
Balances at March 31, 2022	7,000	13,000	3,796,025	3,816,025	542,927	4,358,952
Net income (loss)	-	-	3,021,468	3,021,468	(1,800,357)	1,221,111
Contributions	-	-	530,787	530,787	-	530,787
Distributions	-	-	(3,379,839)	(3,379,839)	(18,418)	(3,398,257)
Deconsolidation of VIE (Note 2)	-	-	-	-	1,036,004	1,036,004
Balances at March 31, 2023	7,000	13,000	3,968,441	3,988,441	(239,844)	3,748,597
Net income (loss)	-	-	1,253,423	1,253,423	(1,882,685)	(629,262)
Contributions	-	-	305,190	305,190	-	305,190
Distributions	-	-	(2,541,619)	(2,541,619)	-	(2,541,619)
Deconsolidation of VIE (Note 2)	-	-	(250,517)	(250,517)	521,154	270,637
Balances at March 31, 2024	7,000	$ 13,000	2,734,918	2,754,918	(1,601,375)	1,153,543

See accompanying independent auditors' 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, 2024, 2023 and 2022

	2024	2023	2022
Cash flows from operating activities:			
Net income (loss)	$ (629,262)	1,221,111	3,865,156
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	682,545	479,432	501,274
Amortization of right-of-use assets	824,626	345,880	-
Provision for bad debts	72,517	50,000	189
Loss on disposal of property and equipment	615,992	303,676	-
Amortization of deferred rent	-	-	193,789
Forgiveness of Paycheck Protection Program loans	-	-	(1,482,149)
Increase (decrease) in cash resulting from changes in:			
Accounts receivable, trade	(609,720)	627,300	(54,843)
Accounts receivable, restricted	(52,786)	(7,713)	(53,408)
Notes receivable	745,850	(187,388)	243,625
Inventories	(164,950)	(34,726)	22,602
Due from related parties and stockholders	(262,786)	1,146,531	341,072
Prepaid expenses and other current assets	(297,339)	(151,574)	(26,706)
Other assets	(36,119)	372,678	(26,286)
Accounts payable and accrued expenses	(584,277)	1,233,645	(18,602)
Gift card liability	174,341	177,877	326,291
Brand development fund liability	(511,910)	(430,877)	645,028
Deferred franchise fees	152,556	7,402	96,059
Income tax payable	10,001	66,467	47,027
Finance lease right-of-use asset and obligations, net	(173,601)	-	-
Operating lease right-of-use asset and obligations, net	(696,707)	239,805	-
Net cash (used in) provided by operating activities	(741,029)	5,459,526	4,620,118
Cash flows from investing activities:			
Investment in subsidiaries	-	300,296	-
Intangible assets	(23,791)	-	-
Goodwill	-	(900,000)	-
Additions to premises and equipment	(700,290)	(2,901,140)	(1,976,544)
Proceeds from the disposal of assets	10,647	-	-
Net cash used in investing activities	(713,434)	(3,500,844)	(1,976,544)
Cash flows from financing activities:			
Proceeds from long-term debt	-	620,000	725,000
Stockholder contributions to Renegade Holdings LLC	-	530,787	240,690
Stockholder distributions	(2,541,619)	(3,379,839)	(1,500,000)
Stockholder distributions of consolidated variable interest entity	-	(18,418)	(980,357)
Principal payments on long-term debt	(394,187)	(277,101)	(218,865)
Net cash provided by (used in) financing activities	(2,935,806)	(2,524,571)	(1,733,532)
Net change in cash, cash equivalents and restricted cash	(4,390,269)	(565,889)	910,042
Cash, cash equivalents and restricted cash at beginning of year	6,886,041	7,022,988	6,405,753
Cash, cash equivalents and restricted cash at end of year	$ 3,328,262	6,886,041	7,022,988

(Continued)

THE MELTING POT RESTAURANTS, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows - Continued

Supplemental disclosures of cash flow information:			
Cash paid for interest	$ 165,037	91,091	50,522
Assumption of debt related to acquisition	$ -	500,000	-
Deconsolidation of non-controlling interests	$ 575,827	(71,058)	(292,807)
Adjustments to goodwill related to the acquisition of St. Louis, LLC	$ 46,518	-	-
Non-cash proceeds of debt	$ 435,993	-	-
Reclass to finance lease right-of-use assets from fixed assets	$ 288,943	-	-
Right-of-use assets, net obtained in exchange for operating lease obligations	$ 299,086	-	-
Right-of-use assets, net obtained in exchange for finance lease obligations	$ 844,692	-	-

See accompanying independent auditors' 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 30 states and Canada. 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, 2024, 2023 and 2022 are as follows:

	The Melting Pot Number of Stores
March 31, 2020	104
Locations opened during FYE March 31, 2021	0
Locations closed during FYE March 31, 2021	(7)
March 31, 2021	97
Locations opened during FYE March 31, 2022	0
Locations closed during FYE March 31, 2022	(1)
March 31, 2022	96
Locations opened during FYE March 31, 2023	0
Locations closed during FYE March 31, 2023	(2)
March 31, 2023	94
Locations opened during FYE March 31, 2024	0
Locations closed during FYE March 31, 2024	(1)
March 31, 2024	93

(b) Basis of Presentation and Principles of Consolidation

The consolidated financial statements as of and for the years ended March 31, 2024, 2023 and 2022, include the accounts of MPF of Pensacola, LLC, Oronzo POC 1, LLC, Oronzo POC 2, LLC, Melting Pot Social POC 2, LLC, Melting Pot Social Tampa, LLC, MPF of St. Louis, LLC, MPF of St. Pete, 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). MPF of Pensacola, LLC was formed on September 12, 2016, and is a franchise 100% owned by TMPRI. Oronzo POC 1, LLC was formed on January 22, 2019 and is a franchise that is owned 78.5% by FB. Oronzo POC 2, LLC was formed on August 28, 2020 and is a franchise that is owned 78.5% by FB. Melting Pot Social POC 2, LLC was formed on November 6, 2019, and is a franchise 100% owned by TMPRI.

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

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

During 2023, the Company formed new location Melting Pot Social Tampa, LLC and acquired TMP St. Louis, LLC, both of which are 100% owned by TMPRI. On December 31, 2022, Oronzo POC 1, LLC closed operations and was deconsolidated from the consolidated financial statements.

During 2024, the Company formed new location MPF of St. Pete, LLC and acquired MPF of Farmingdale, LLC, of which they are 100% owned by TMPRI and 80% owned by TMPRI, respectively. On March 31, 2024, Oronzo POC 2, LLC closed operations and was deconsolidated from the consolidated financial statements.

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 as well as the 21.5% interest TMPRI does not hold in Oronzo POC 1, LLC and Oronzo POC 2, LLC as of March 31, 2022 and Oronzo POC 2, LLC as of March 31, 2023.

When evaluating an entity for consolidation, the Company first determines whether an entity is within the scope of the guidance for consolidation of 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

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.

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

(e) Accounts Receivable - Trade and Allowance for Credit Losses

Accounts receivable - trade represent amounts due from franchisees for royalties, advertising, food, supplies, equipment and other related franchise fees payable under their franchise agreements. Accounts receivable - trade are carried at their net expected collectible amounts and trade credit is generally extended on a short-term basis. Collateral generally is not required. The Company uses historical loss information based on the aging of receivables as the basis to determine expected credit losses for receivables and believes that the composition of trade receivables at year-end is consistent with historical conditions as credit terms and practices and the customer base has not changed significantly.

An allowance for credit losses is an estimate based upon historical account write-off trends, facts about the current financial condition of the debtor, forecasts of future operating results based upon current trends and macroeconomic factors. Credit quality is monitored through the timing of payments compared to payment terms and known facts regarding the financial condition of customers. Accounts receivable - trade balances are charged off against the allowance for credit losses after recovery efforts have ceased. Accounts receivable - trade are presented net of an allowance for credit losses of approximately $108,000 and $59,000 at March 31, 2024 and 2023, respectively. Bad debt expense for the years ended March 31, 2024, 2023, and 2022 totaled approximately $73,000, $50,000 and $0, respectively.

(f) Inventories

Inventories consist of food and restaurant supply items, which are stated at the lower of cost, as determined by the FIFO method, or net realizable value.

(g) Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of these assets, generally ranging from three to 10 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, liquor license, and goodwill. The Company has identified franchise rights as intangible assets with an indefinite life and therefore, these assets are not amortized. Goodwill is amortized over a ten year period, and liquor licenses are amortized over a two year period. 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. The liquor license represents the Company's right to sell liquor in a franchise in the state of Florida. Goodwill represents the excess of the acquisition purchase price (including liabilities assumed) over the estimated fair value of net tangible and intangible assets acquired in the acquisition of the TMP St. Louis, LLC and MPF of Farmingdale, LLC.

(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. There were no impairment charges recognized during the years ended March 31, 2024, 2023 and 2022.

(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, 2024, 2023 and 2022, the Company recognized approximately $662,000, $515,000 and $414,000, 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 operations.

(k) Revenue Recognition

The Company generates revenues from franchising through initial franchise fees. In general, the Company's franchise agreements provide for the payment of a franchise fee for each opened restaurant. Deposits received for new franchises that have not opened have been recorded as deferred revenue in the accompanying consolidated balance sheets. Such amounts will be recognized over time based on the term of the franchise agreement, beginning when substantially all the initial services required by the franchise agreement have been performed and operations commence (typically, when the restaurant is opened). The Company adopted ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606) on April 1, 2020 using the modified retrospective approach and elected to apply the new guidance only to contracts that were not complete as of the date of adoption. See New Accounting Pronouncements below for further details of the impact of implementing Topic 606.

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

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

(k) Revenue Recognition - Continued

The Company recognizes revenue from its company-owned restaurant locations at a single point in time upon the sale of food and related products to customers.

(l) Advertising

Advertising expense was approximately $4,484,000, $3,476,000, and $2,638,000 for the fiscal years ended March 31, 2024, 2023 and 2022, respectively, and is included in general and administrative expenses in the accompanying consolidated statements of operation.

(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 operation.

(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 $77,000, $48,000 and $87,000 during the fiscal years ended March 31, 2024, 2023 and 2022, respectively. Such costs are included in general and administrative expenses in the accompanying consolidated statements of operation.

(o) Income Taxes

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

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

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

(p) Goodwill

Goodwill represents the excess of the cost of businesses acquired over the underlying fair value of net assets at the date of acquisition. The Company has adopted the private company accounting alternative offered to non-public entities for the subsequent measurement of goodwill. In accordance with this alternative, the Company amortizes goodwill over ten years on the straight-line basis and evaluates goodwill for impairment at the entity level whenever an event occurs or circumstances change that indicate that the fair value of the Company may be below its carrying value.

(q) 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, of $250,000. 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.

(r) 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.

(s) Accounting Standards Recently Adopted

In February 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-02, Leases (Topic 842). The guidance in ASU No. 2016-02 supersedes the lease recognition requirements in ASC Topic 840, Leases. ASU No. 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 No. 2016-02 is effective for the fiscal years beginning after December 15, 2021, with early adoption permitted.

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

(s) Accounting Standards Recently Adopted - Continued

The Company adopted the standard effective April 1, 2022 and recognized and measured leases existing at, or entered into after, April 1, 2022 (the beginning of the period of adoption) using the modified retrospective approach, applied as of the beginning of the period of adoption through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended March 31, 2022 are made under prior lease guidance in FASB ASC 840. The Company elected the available practical expedients to account for their existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard; (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance; or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

Effective April 1, 2023, the Company adopted FASB Accounting Standards Update ("ASU") No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Company adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Company's consolidated financial statements but did change how the allowance for credit losses is determined.

(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 consolidated financial statements at their historical basis.

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

		2024	2023
Total assets	$	424,658	1,814,605
Total liabilities		2,180,295	2,269,958
Total stockholders' equity (non-controlling interest)	$	(1,755,637)	(455,353)

(2) **Non-Controlling Interests - Continued**

The effect of the FB consolidation on income before non-controlling interest in consolidated variable interest entity was approximately $4,314,000, $1,495,000 and $965,000 for each of the fiscal years ended March 31, 2024, 2023 and 2022, 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.

The shareholders of the Company own 78.5% of Oronzo POC 1, LLC and as such, has been consolidated in the financial statements with those of the Company for the fiscal year ended March 31, 2022. Oronzo POC 2, LLC, is a franchise location. The 21.5% of Oronzo POC 1, LLC owned by an unrelated third party is presented as non-controlling interest in the Company's consolidated financial statements. On December 31, 2022, Oronzo POC 1, LLC was closed.

The effect of the Oronzo POC 1, LLC consolidation on income before non-controlling interest was a loss of approximately $0, $702,000 and $195,000 for the fiscal years ended March 31, 2024, 2023, and 2022, respectively, of which, 21.5% is included in non-controlling interest.

On March 31, 2023, Oronzo POC 1, LLC was deconsolidated from the financial statements resulting in $1,036,004 in accumulated deficit and non-controlling interests being deconsolidated from the consolidated financial statements.

The shareholders of the Company own 78.5% of Oronzo POC 2, LLC and as such, has been consolidated in the financial statements with those of the Company for the fiscal year ended March 31, 2023. Oronzo POC 2, LLC, is a franchise location. The 21.5% of Oronzo POC 2, LLC owned by an unrelated third party is presented as non-controlling interest in the Company's consolidated financial statements. On March 31, 2024, Oronzo POC 2, LLC was closed.

The effect of the Oronzo POC 2, LLC consolidation on income before non-controlling interest was a loss of approximately $670,000, $720,000 and $322,000 for the fiscal years ended March 31, 2024, 2023, and 2022, respectively, of which, 21.5% is included in non-controlling interest.

On March 31, 2024, Oronzo POC 2, LLC was deconsolidated from the financial statements resulting in $796,000 in accumulated deficit and non-controlling interests being deconsolidated from the consolidated financial statements.

Additionally, as of March 31, 2024, 2023 and 2022, 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 Note 5, which discusses the nature of the activities (royalty fees, loans) between the VIEs and TMPRI.

(3) Property and Equipment

Property and equipment consist of the following as of March 31:

		2024	2023
Leasehold improvements	$	2,397,677	2,792,657
Furniture and fixtures		1,099,081	1,178,840
Computer and office equipment		1,605,546	1,784,078
Construction in progress		510,641	618,211
		5,612,945	6,373,786
Less accumulated depreciation		(2,592,361)	(2,281,658)
	$	3,020,584	4,092,128

Depreciation and amortization expense was approximately $588,000, $449,000 and $501,000 for the fiscal years ended March 31, 2024, 2023 and 2022, respectively.

(4) Intangible Assets

Intangible assets consist of the following as of March 31:

		2024	2023
Franchise rights	$	53,124	53,124
Liquor license costs		23,791	-
Goodwill, net		821,866	870,000
Total intangible assets, net	$	898,781	923,124

Amortization expense was approximately $95,000, $30,000 and $0 for the fiscal years ended March 31, 2024, 2023 and 2022, respectively.

(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 $710,000 and $129,000 as of March 31, 2024 and 2023, respectively.

(5) Related Party Transactions - Continued

(a) Due from Related Parties and Stockholders, Net - Continued

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 $127,000 and $0 as of March 31, 2024 and 2023, respectively.

(b) Related Party Franchisees

As of March 31, 2024, 2023 and 2022, the stockholders of the Company owned entities, consisting of restaurant franchisees of TMPRI that 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 $422,000, $443,000 and $404,000, respectively, the amount of royalty fees that would be provided for under a franchise agreement.

(6) Employee Benefit Plan

The Company has a 401(k) profit sharing defined contribution plan (the "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 $123,000, $123,000 and $121,000 to the Plan during the fiscal years ended March 31, 2024, 2023 and 2022, respectively.

(7) Long-Term Debt

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 was paid in full as of March 31, 2023.

On January 22, 2021, the Company entered into a loan agreement for $450,000 with the Lender. The loan requires monthly payments of $10,009, which includes interest of 3.20%, beginning February 22, 2021 through the maturity date, January 21, 2025, at which time all remaining unpaid amounts are due. The balance of the loan was paid in full as of March 31, 2023.

On February 9, 2022, the Company entered into a loan agreement for $725,000 with the Lender. The loan requires monthly payments of $16,183, which includes interest of 3.38%, beginning March 9, 2022 through the maturity date, February 9, 2026, at which time all remaining unpaid amounts are due. The balance of the loan as of March 31, 2023 was $359,719 with a current portion totaling $184,737.

On January 10, 2023, the Company entered into a loan agreement for $620,000 with the Lender. The loan requires monthly payments of $8,813, which includes interest of 5.43%, beginning February 1, 2023 through the maturity date, January 1, 2028, at which time all remaining unpaid amounts are due. The balance of the loan as of March 31, 2023 was $531,455 with a current portion totaling $78,443.

(7) Long-Term Debt - Continued

On January 18, 2023, the Company entered into a loan agreement for $500,000 as part of the acquisition of The Melting Pot of St. Louis, LLC, with John Barnett, see note 12. The loan requires monthly payments of $9,765, which includes interest of 6.5%, beginning February 1, 2023 through the maturity date, January 1, 2028, at which time all remaining unpaid amounts are due. The balance of the loan as of March 31, 2023 was $389,059 with a current portion totaling $94,685.

On February 15, 2024, the Company entered into a loan agreement for $435,993 with the Lender. The loan requires monthly payments of $43,599, which includes interest of 8%, beginning March 15, 2024 through the maturity date, December 15, 2024, at which time all remaining unpaid amounts are due. The balance of the loan as of March 31, 2024, was $390,214, all of which was included in current portion.

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

Year Ending March 31,	
2025	$ 757,540
2026	358,881
2027	195,344
2028	358,682
	$ 1,670,447

The loan agreements contain non-financial restrictive covenants, including the maintenance of assets. In June 2019, the financial covenants were eliminated although the lender reserved its rights with respect to future requirements. The loans are collateralized by all accounts receivable, inventory and equipment of TMPRI and guaranteed by FB.

(8) Leases

The Company has operating and finance leases which consist of certain office space and equipment. The Company determines if an arrangement is a lease at inception. Operating and finance leases are included in operating and finance lease right-of-use ("ROU") assets, other current operating and finance lease obligations, and long-term operating and finance lease obligations on the consolidated balance sheets.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease obligations represent the Company's obligation to make lease payments arising from the lease. Operating and finance lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the Company's leases do not provide an implicit rate, the Company used the risk-free rate based on the information available at commencement date in determining the present value of lease payments. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

(8) Leases - Continued

The Company has lease agreements with lease and non-lease components, which are generally accounted for separately. Non-lease components, which are primarily comprised of common area maintenance, utilities, and real estate taxes that are passed on from the lessor in proportion to the space leased, are recognized in operating expenses in the period in which the obligation for those payments was incurred. The Company has elected to apply the short-term lease exemption to operating and finance leases. The expense for this class of underlying asset was not material to the consolidated financial statements for year ended March 31, 2024.

The following summarizes the weighted average remaining lease terms and discount rates as of March 31, 2024:

Year Ending March 31,	2024	2023
Weighted average remaining lease term:		
Operating leases	10.04	6.43
Finance leases	4.26	4.84
Weighted average discount rate:		
Operating leases	3.61	2.3
Finance leases	4.15	4.27

The following summarizes the cash flow information related to leases for the period:

Year Ending March 31,	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 763,481	598,451
Operating cash flows from finance leases	36,045	57,255
Financing cash flows from finance leases	171,825	-
Lease assets obtained in exchange for lease obligations:		
Operating leases	$ 4,117,943	3,998,864
Finance leases	1,168,921	1,038,543

(8) Leases - Continued

Total rent expense was $1,232,740 and $558,000 during the years ended March 31, 2024 and 2023, respectively. Approximate future minimum payments under the operating lease agreements are as follows:

Year Ending March 31,	Finance	Operating
2025	$ 238,556	949,047
2026	238,556	995,361
2027	238,556	994,440
2028	238,556	890,646
2029	136,127	813,142
Thereafter	-	3,005,279
Total future minimum lease payments	1,090,351	7,647,915
Less imputed interest	100,136	1,367,616
Total	$ 990,215	6,280,299

(9) 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.

(10) Income Taxes

The Company follows the guidance for Accounting for Income Tax Uncertainties as described in Note 1. As of March 31, 2024, and 2023, the Company has recognized approximately $921,000 and $911,000 respectively, of unrecognized tax benefits, which includes approximately $245,000 and $286,000, respectively, of interest and penalties.

Changes in the Company's gross liability for unrecognized tax benefits, including interest and penalties, for the years ended March 31, 2024, and March 31, 2023, are as follows:

	2024	2023
Beginning balance	$ 910,561	844,094
Additions based on tax positions related to the current year	69,901	127,938
Interest and penalties and other estimate changes	(59,900)	(61,471)
Ending balance	$ 920,562	910,561

(10) Income Taxes - Continued

The Company files income tax returns in the U.S. federal jurisdiction and various state jurisdictions. The Company has open tax years from 2022 to 2024 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.

(11) Business Acquisitions

On February 1, 2024, The Melting Pot Restaurants, Inc., and Subsidiaries entered into a Stock Purchase Agreement ("Acquisition") with and Li Fondue, Inc., a Franchisee to purchase 80% of the stock of MPF of Farmingdale, LLC. The acquisition resulted in a bargain purchase.

The following table summarizes the assets received and the liabilities assumed for MPF of Farmingdale, LLC as well as the gain on the bargain purchase recorded on Front Burner Brands, Inc. in other income on the statement of operations, at the acquisition date:

Inventories	$	62,605
Property and equipment, net		288,943
Intangible assets, net		16,992
Total assets		368,540
Gift card liability		136,359
Total liabilities		136,359
Bargain purchase gain	$	232,181

(12) Subsequent Events

Subsequent events were evaluated through June 14, 2024, the date the consolidated financial statements were available to be issued.

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:

TABLE OF CONTENTS

Section		Page
1.	PREAMBLE	1
2.	GRANT AND INITIAL TERM OF FRANCHISE/TERRITORIAL RIGHTS	2
A.	GRANT OF FRANCHISE	2
B.	INITIAL TERM	3
C.	TERRITORIAL RIGHTS	3
D.	COMMERCIALLY REASONABLE EFFORTS	4
3.	SUCCESSOR FRANCHISES	4
A.	FRANCHISEE'S RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE	4
B.	GRANT OF A SUCCESSOR FRANCHISE	4
C.	AGREEMENTS/RELEASES	5
D.	TRAINING AND REFRESHER PROGRAMS	5
E.	FEES AND EXPENSES	5
F.	SUBSEQUENT SUCCESSOR FRANCHISES	5
4.	SITE SELECTION, DEVELOPMENT AND OPENING OF THE RESTAURANT	6
A.	SITE SELECTION	6
B.	LEASE OF PREMISES	6
C.	DEVELOPMENT OF THE RESTAURANT	7
D.	FIXTURES, EQUIPMENT, FURNITURE, SIGNS, COMPUTER HARDWARE, AND COMPUTER SOFTWARE	8
E.	OPENING OF THE RESTAURANT	9
F.	RELOCATION OF THE RESTAURANT	10
5.	TRAINING AND OPERATING ASSISTANCE	10
A.	TRAINING BY COMPANY	10
B.	HIRING AND TRAINING OF EMPLOYEES BY FRANCHISEE	12
C.	OPENING ASSISTANCE	12
D.	OPERATING ASSISTANCE	12
E.	SYSTEM STANDARDS MANUAL	13
6.	MARKS	13
A.	OWNERSHIP AND GOODWILL OF THE MARKS	13
B.	LIMITATIONS ON FRANCHISEE'S USE OF THE MARKS	14
C.	DISCONTINUANCE OF USE OF THE MARKS	14
D.	OWNERSHIP OF MARKS	14
E.	NOTIFICATION OF INFRINGEMENT AND CLAIMS	14
F.	INDEMNIFICATION	15
7.	CONFIDENTIAL INFORMATION/COMPETITIVE RESTRICTIONS/INVENTIONS	15
A.	CONFIDENTIAL INFORMATION	15
B.	COMPETITIVE RESTRICTIONS/IN-TERM	17
C.	INVENTIONS	17
8.	RELATIONSHIP OF THE PARTIES/INDEMNIFICATION	17
A.	RELATIONSHIP OF THE PARTIES	17
B.	INDEMNIFICATION BY FRANCHISEE	17
C.	INDEMNIFICATION BY COMPANY	18
D.	CONTRIBUTION	18

9. FRANCHISE FEES 19

A. INITIAL FRANCHISE FEE 19
B. ROYALTY AND SERVICE FEE 19
C. DEFINITION OF GROSS REVENUES 19
D. ELECTRONIC FUNDS TRANSFER 19
E. TECHNOLOGY AND USER FEE 19
F. GIFT CARD SYSTEM SERVICE FEES. 20
G. HOSTING FEE 20
H. ADDITIONAL ASSISTANCE. 20
I. LATE PAYMENTS 20
J. COMPLIANCE FEE 20
K. APPLICATION OF PAYMENTS 20
L. PAYMENT OFFSETS 20
M. DISCONTINUANCE OF SERVICE 21

10. RESTAURANT IMAGE AND OPERATING STANDARDS 21

A. CONDITIONS AND APPEARANCE OF THE RESTAURANT/ REBUILDING OF THE RESTAURANT 21
B. ALTERATIONS TO THE RESTAURANT 22
C. UNIFORM IMAGE 22
D. APPROVED BRANDS AND/OR SUPPLIES 22
E. FORMATS, SPECIFICATIONS, STANDARDS, METHODS, AND PROCEDURES 23
F. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES 24
G. MANAGEMENT OF THE RESTAURANT 25
H. INSURANCE 25
I. VENDING MACHINES 26
J. CREDIT CARDS AND OTHER METHODS OF PAYMENT 26
K. PRICING. 26
L. ENVIRONMENTAL MATTERS 26

11. ADVERTISING 27

A. BY COMPANY 27
B. BY FRANCHISEE 28
C. FRANCHISEE'S PARTICIPATION IN LOCAL ADVERTISING COOPERATIVE 29
D. WEBSITES 29
E. PROMOTIONS FOR RESTAURANTS 30

12. RECORDS AND REPORTS 31

A. ACCOUNTING AND RECORDS 31
B. REPORTS AND TAX RETURNS 31

13. INSPECTION AND AUDITS 32

A. COMPANY'S RIGHT TO INSPECT AND EVALUATE THE RESTAURANT 32
B. COMPANY'S RIGHT TO EXAMINE BOOKS AND RECORDS 32
C. CONDUCT OF INSPECTIONS AND AUDITS 33
D. EXPENSE OF INSPECTIONS AND AUDITS 33

14. ASSIGNMENT 33

A. BY COMPANY 33
B. FRANCHISEE MAY NOT ASSIGN WITHOUT APPROVAL OF COMPANY 33
C. CONDITIONS FOR APPROVAL OF ASSIGNMENT 34
D. DEATH OR DISABILITY OF FRANCHISEE 35
E. ASSIGNMENT TO A BUSINESS ENTITY 36
F. COMPANY'S RIGHT OF FIRST REFUSAL 36

15. TERMINATION OF THE FRANCHISE 37

A. BY FRANCHISEE 37
B. BY COMPANY 37

16. RIGHTS OF COMPANY AND OBLIGATIONS OF FRANCHISEE UPON EXPIRATION OR TERMINATION OF THE FRANCHISE 39

A. PAYMENT OF AMOUNTS OWED 39
B. GIFT CARD LIABILITY 39
C. EMPLOYEES. 39
D. THE MARKS 39
E. CONFIDENTIAL INFORMATION 40
F. COMPETITIVE RESTRICTIONS/POST-TERM 40
G. COMPANY'S RIGHT TO PURCHASE THE RESTAURANT 41

17. ENFORCEMENT 44

A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS 44
B. WAIVER OF OBLIGATIONS 44
C. FORCE MAJEURE 45
D. RIGHTS AND REMEDIES ARE CUMULATIVE 45
E. COSTS AND ATTORNEY FEES 45
F. WAIVER OF PUNITIVE DAMAGES 45
G. LIMITATIONS OF CLAIMS 45
H. GOVERNING LAW/CONSENT TO JURISDICTION 45
I. WAIVER OF JURY TRIAL 46
J. BINDING EFFECT 46
K. VARIANCE 46
L. EXERCISE OF BUSINESS JUDGMENT 46
M. CONSTRUCTION 46

18. EFFECTIVENESS OF AGREEMENT 47

19. MEDIATION/ARBITRATION/DISPUTE RESOLUTION 47

A. AGREEMENT TO MEDIATE/ARBITRATE 47
B. PLACE AND PROCEDURE 47
C. AWARDS AND DECISIONS 48
D. INJUNCTIVE RELIEF 48
E. SURVIVAL 48
F. NOTICES AND PAYMENTS 48

20. ANTI-TERRORISM COMPLIANCE 48

Exhibits

Exhibit A Area, Premises and Territory
Exhibit B Proprietary 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. PREAMBLE

COMPANY has developed certain specialty restaurants, known as THE MELTING POT® or MELTING POT® Restaurants ("**Restaurant(s)**"), defined as follows: (A) 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) 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 "MELTING POT®" trade name and service mark (collectively, the "**Marks**"); and (C) 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, like any other business, the nature of the business of operating a Restaurant may evolve and change over time, and that an investment in a Restaurant involves business risks. 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. FRANCHISEE further acknowledges that 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.

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, shareholders agreement, or operating agreement, as appropriate, 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; and

(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.

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 FRANCHISEE may not divide its ownership interest in a manner that may lead to deadlock (for example, 50%-50% or 25%-25%-25%-25%). COMPANY may designate which one or more of FRANCHISEE'S owners must be (a) the FRANCHISEE's principal operating partner and/or (b) the FRANCHISEE owner who has and 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.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any term of any document executed in connection with the franchise.

2. GRANT AND INITIAL TERM OF FRANCHISE/TERRITORIAL RIGHTS

A. GRANT OF FRANCHISE. The foregoing PREAMBLE is hereby acknowledged to be true and accurate and is incorporated herein in its entirety by this reference. Subject to the provisions of this Agreement, COMPANY grants to FRANCHISEE a franchise (the "**Franchise**") to develop, own, and operate a 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 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 MELTING POT® Restaurant located 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 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 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, 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 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 10 years, to develop, own or operate, or to grant to any other persons the right to develop, own or operate, 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 MELTING POT® Restaurant, for an additional 10-year period on the terms and conditions of the franchise agreement COMPANY is then using in granting Successor Franchises for 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 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 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 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 1/2 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 he 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). FRANCHISEE is required to utilize the services of COMPANY's designated real estate broker/consultant network ("**Real Estate Broker**") for site selection services. 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.

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 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 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;

(2) 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

(3) 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 is obligated to deliver a copy of the unsigned lease, sublease, or any renewal or modification thereof, for COMPANY approval prior to its execution. FRANCHISEE acknowledges that COMPANY must accept the lease or sublease, or any renewal or modification thereof, for the Premises. COMPANY will not unreasonably or untimely withhold such acceptance. FRANCHISEE is further 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 acceptance of the lease for the Premises does not constitute a guarantee or warranty, express or implied, of the successful operation or profitability of a MELTING POT® Restaurant operated at the Premises. Such acceptance 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 acceptance. COMPANY will not negotiate the lease or sublease for the Premises on behalf of FRANCHISEE.

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.

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 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 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
- sourcing of required 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 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 provided by the required managed security service vendor, 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, customer profile, 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 antivirus software as required in the PCI Data Security Standards. FRANCHISEE must utilize the managed security services vendor that is designated by COMPANY for firewall, access points, cellular backup, PCI assistance and imbedded promotional or data capture capabilities. In addition, FRANCHISEE must maintain other best practices for data protection, which may include, but are not limited to, GDPR standards, California Consumer Privacy Act standards, or other applicable state consumer privacy laws.

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 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 $1,800 per trainer per day (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 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 meet COMPANY standards as described in the System Standards Manual or otherwise. 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 exceeds $2,000,000 in sales volume) 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 assessments, 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 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 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 $2,000 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 6 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 $2,000 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 attend and send a General Manager to attend the annual Franchisee/Operators' Conference. If you would like any other type of attendee to participate in the Franchisee/Operators' Conference, you must obtain our written approval no less than three weeks in advance of the Franchisee/Operators' 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 MELTING POT® Restaurants;

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

(3) selection, purchasing, and preparation of food and beverage products prescribed and approved for 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 MELTING POT® Restaurants; and

(5) recommended, suggested and/or prescribed prices for food and beverage products and services prescribed and approved for 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 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 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 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 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 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 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 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 MELTING POT®Restaurants if any franchised owner of a MELTING POT® Restaurant is permitted to have any interest in or involvement with any restaurant serving fondue other than a 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 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.

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 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, Front Burner Brands, Inc. ("Front Burner") and each of their affiliates and respective shareholders, directors, officers, employees, agents, successors and assignees (the "**Indemnified Parties**") against, and to pay directly on behalf of 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 for 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 that FRANCHISEE is required to pay on behalf of the COMPANY or another Indemnified Party.

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 5.6% 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.

K. FEE PROVISIONS GOVERNING PERSONS OR ENTITIES UNDER THE JURISDICTION OF THE ILLINOIS FRANCHISE DISCLOSURE ACT. Notwithstanding any provision in the Agreement to the contrary, neither the Initial Franchise Fee nor any other fee (collectively, "Fees") shall be due and payable upon the Execution of the Agreement. The FRANCHISEE must only pay Fees to the COMPANY after the COMPANY and its affiliates have satisfied their pre-opening obligations to FRANCHISEE and the FRANCHISEE has commenced business operations.

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 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 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 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 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 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 MELTING POT® Restaurants. COMPANY shall endeavor to maintain high standards of quality and service at all 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 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 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 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 the 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 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 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 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 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 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 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 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. COMPANY may consult with the franchise steering committee known as the "Strategic Partnership Committee" when making decisions regarding media purchase and placement; 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 3.0% of his Gross Revenues (or 3.33% 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. 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 MELTING POT® Restaurants.

COMPANY may spend in any fiscal year an amount greater or less than the aggregate contributions of 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 MELTING POT® Restaurants for the benefit of all 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 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 ("**Local Advertising**"). 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. However, the total of the Brand Development Fund Contributions and the Local Advertising Contributions shall not exceed 4.5% of annual Gross Revenues during any calendar year. Local Advertising 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 Advertising expenditures, 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 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 a 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 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 MELTING POT® Restaurants operating within the distribution area of such classified directories and the cost of such advertisements shall be reasonably apportioned among all 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 MELTING POT® Restaurant is in operation or under development within the distribution area of such directories.

C. FRANCHISEE'S PARTICIPATION IN DIGITAL ADVERTISING COOPERATIVE. COMPANY has established and administers a digital advertising cooperative ("**Digital Ad Fund**") in which COMPANY purchases and places media for FRANCHISEE in its local market. This program is currently voluntary, but the COMPANY reserves the right to make it mandatory if you do not meet your Local Advertising requirement. All Digital Ad Fund contributions count toward FRANCHISEE'S Local Advertising requirement. In order to participate, the minimum that FRANCHISEE must contribute to the Digital Ad Fund is $1,000 per month. COMPANY administers the Digital Ad Fund and may, at its sole discretion, use agency partners to assist in its management. Each month COMPANY prepares and distributes a report that details each franchisee's spend at the local level with assessed results. COMPANY may change or dissolve the Digital Ad Fund in our sole discretion.

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 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 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 shall not integrate URL links to additional world wide web sites without advance written permission of the COMPANY. 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 Americans 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 must maintain a Facebook page and may maintain one or more social media sites (e.g., Instagram, Twitter, Snapchat, TikTok, 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. To assist FRANCHISEE with the management of social media sites containing COMPANY Marks, COMPANY reserves the right to maintain administrative control of FRANCHISEE social media sites including but not limited to Territory-specific sites utilizing COMPANY Marks. 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 MELTING POT® Restaurants and to demonstrate the commitment of 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 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 the 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 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 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 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 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 "Manager Pro Tem"). The appointment of the Manager Pro Tem 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 Pro Tem within such 30-day period, COMPANY is authorized, but shall not be required, to unilaterally appoint a Manager Pro Tem to maintain the operations of the Restaurant for and on behalf of FRANCHISEE until an approved Manager Pro Tem or an approved new managing shareholder, owner, or partner ("New Franchisee Owner"), as described in the paragraph below, has assumed the management and operation of the Restaurant. COMPANY'S appointment of a Manager Pro Tem 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 the Manager Pro Tem. If COMPANY appoints a Manager Pro Tem to maintain operations of the Restaurant for and on behalf of FRANCHISEE, COMPANY shall have the right to charge a reasonable fee for such management services

which shall be payable by FRANCHISEE or his executor, administrator, conservator, or other personal representative on the FRANCHISEE's behalf, and COMPANY may 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 New Franchisee Owner approved by COMPANY, subject to the New Franchisee Owner's 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 including but not limited to entry by the New Franchisee Owner into the then current form of franchise agreement. Failure to comply with the requirements of this Section, specifically but not limited to the requirements to appoint a Manager Pro Tem and/or a New Franchisee Owner, shall constitute good cause 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 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 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 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 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 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.

(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 principles ("**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 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. If either party shall be delayed or prevented from the performance of any act required hereunder by reason of acts of God, strikes, lockouts, labor troubles, inability to procure materials, restrictive governmental laws, delays caused by the other party, or other cause without fault and beyond the control of the party obligated (financial inability excepted) (a "Force Majeure Delay"), performance of such act shall be excused for the period of delay; provided, however nothing in this paragraph shall excuse FRANCHISEE from the prompt payment of any royalty and service fee. A party claiming a Force Majeure Delay shall give notice of such delay to the other party promptly after commencement of the event giving rise to the delay, together with a reasonable estimate of the time period of the delay.

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 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), shall be submitted first to mediation, by written notice to the other party or parties. In the mediation process, the parties will try to resolve their differences voluntarily with the aid of an impartial mediator, who will attempt to facilitate negotiations. The mediator will be selected by agreement of the parties. If the parties cannot agree on a mediator, a mediator will be designated by the American Arbitration Association in the county and state in which the COMPANY'S principal headquarters are located at the request of a party. The mediation will be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute. The mediation will be treated as a settlement discussion and, therefore, will be confidential. The mediator may not testify for either party in any later proceeding relating to the Dispute. No recording or transcript shall be made of the mediation proceedings. Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

If the Dispute cannot be resolved within ninety days after the written notice beginning the mediation process (or a longer period, if the parties agree to extend the mediation), the mediation shall terminate, and the parties shall have the right to submit the Dispute to arbitration. The arbitration will be conducted by the American Arbitration Association pursuant to its Commercial Arbitration Rules. The parties to the 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:

_____

By:_____
Title: _____
Date:_____

COMPANY:

THE MELTING POT RESTAURANTS, INC.

By: _____
Title:_____
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 "**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.

FRANCHISEE:	THE MELTING POT RESTAURANTS, INC.:
Signature:_____	Signature:_____
Name:_____	Name:_____
Date:_____	Date:_____

EXHIBIT B
PROPRIETARY MELTING POT® RESTAURANT
EQUIPMENT, PRODUCTS, SUPPLIES OR SERVICES

(a) **Cooking Pots and Liners** – Metal fondue pots and liners, used for cooking or warming products.

(b) **White Plateware** - Custom fondue plates, ramekins, bowls, and small wares used for serving sauces.

(c) **Fondue Forks** – Fondue forks with plastic colored handle.

(d) **Roemmelators** – Devices made to safely transport the cooking pots.

(e) **Inset Table Burners** – Electric, thermostatically controlled burners which are inset into dining tables. Used for warming or cooking products.

(f) **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.

(g) **Solid Surface Tables and Table Bases** - designed with a cut-out in the granite to insert table burners and the under-mount thermostatic control knobs.

(h) **Host Stand** – Wooden host and reservation desk.

(i) **Signage** – Any type of signage, interior or exterior, bearing in any form MELTING POT® logo, name or insignia.

(j) **Branded Items, Menus and Point of Sale Materials** – Any item bearing in any form 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.

(k) **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 MELTING POT® Franchise System. Any form of database, including the reservation book(s), which contain customer names and/or other miscellaneous customer information.

(l) **System Standards Manuals, Recipes, Documents and Files** – Any manual, document or otherwise related form which is used by MELTING POT® Franchise system, including all 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.

(m) **Trade Dress** –any item of clothing identified with MELTING POT, including aprons, and any item bearing in any form MELTING POT® logo, name or insignia.

(n) **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 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 Company Trainer and the training team, unless otherwise agreed to in writing by FRANCHISOR and FRANCHISEE. **In order to secure the arrival of the Company Trainer to your location, please sign, date and email this Agreement to Brad Stiles at bstiles@frontburnerbrands.com no later than the Friday prior to the Company Trainer's scheduled arrival to the Restaurant.**

Office/Marketing/Clerical:	***Date task to be completed by:***
Pre-opening conference call with Company 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, and delivered to Restaurant	
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, phone lines, internet, internal network, office/POS/kitchen/hospitality printers, Fusion Prep)	
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	
Approved small wares ordered, in-house, washed and put away	
All required food items in house stocked and placed in appropriate labeled area	

Ordering template set up for produce, foodservice, liquor, beer and wine	
All approved equipment ordered and in-house, including Robot Coupe R2 Dicer and Stick Blender	
VIP invite list and invitations finalized and ready to be mailed	
Reservation system set up and configured per standards	
Guest relations set up	
Celebration packages set up and priced	
Construction punch list completed	
All previous listed tasks must be completed prior to Company 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 “C”
TO THE DISCLOSURE DOCUMENT

FORM OF

SUCCESSOR FRANCHISE ADDENDUM TO

FRANCHISE AGREEMENT (FOR RENEWALS ONLY)

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 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 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 10th anniversary (or _____, ____).

4. **Initial Franchise Fee/Successor Franchise Fee**. The initial franchise fee is not applicable. The successor franchise fee is $_____ (equal to 1/2 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 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 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 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. **Remaining Terms Unaffected**. The remaining terms of the Agreement are unaffected by this Addendum and remaining binding on the parties.

10. **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 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. However, the above notwithstanding, this Release does not apply to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

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:_____

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 “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 MELTING POT Restaurant (the "**Restaurant**"). 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 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:_____

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 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 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 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) 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 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 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):

(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 to be immediately terminated as of the date of your default under the Lease.

6. **Power of Attorney**. You irrevocably appoint us as your true and lawful attorney-in-fact and authorize us, upon any default under the Lease or under the Franchise Agreement, with or without taking possession of the Restaurant Premises, to operate, rent, lease, and manage the Restaurant Premises to or by any person, firm or corporation upon such terms and conditions as we may determine in our discretion, and with the same rights and powers and immunities, exoneration of liability and rights of recourse and indemnity as we would have upon taking possession of the Restaurant Premises pursuant to the provisions set forth in the Lease and this Assignment. The power of attorney

conferred upon us pursuant to this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without our written consent.

7. **Election of Remedies**. The provisions set forth in this Assignment will be deemed a special remedy given to us and will not be deemed to exclude any of the remedies granted in the Franchise Agreement or any other agreement between you and us, but will be deemed an additional remedy and will be cumulative with the remedies therein and elsewhere granted to us, all of which remedies will be enforceable concurrently or successively. No exercise by us of any of the rights hereunder will cure, waive or affect any default hereunder or default under the Franchise Agreement. No inaction or partial exercise of rights by us will be construed as a waiver of any of our rights and remedies and no waiver by us of any such rights and remedies will be construed as a waiver by us of any future rights and remedies.

8. **Copies of Reports**. Franchisee hereby agrees that it will provide to Franchisor copies of all reports and information that Franchisee must provide to Landlord under the Lease. Franchisee expressly permits the Lessor to deliver to us all reports and information that you must provide it under the Lease. Any agreement that is made between Landlord and Franchisee shall require Landlord to provide to Franchisor a copy of any notice that it sends to Franchisee and that Landlord must provide to Franchisor notice of any and all delinquency or breaches by Franchisee under such agreement (including, but not limited to, the Lease) or pending forfeiture of Franchisee's rights under such agreement, including, but not limited to, the Lease.

9. **Binding Effect**. This Assignment and all provisions herein will be binding upon and inure to the benefit of the parties and their respective successors-in-interest, heirs, and successors and assigns, except as otherwise provided herein. All individuals executing on behalf of entities, corporate or otherwise, hereby represent and warrant that such execution has been duly authorized by all necessary authorizations and approvals for such entities.

10. **Assignment to Control**. This Assignment will govern and control over any conflicting provision in the Lease; provided that this agreement shall in no way limit or abridge the rights of Lessor under the Lease except as otherwise provided herein.

11. **Attorney's Fees, Etc.** In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment, the prevailing party will be entitled to reimbursement of its attorneys' fees, costs and expenses from the non-prevailing party. The term "**attorneys' fees**" means any and all charges levied by an attorney for his or her services including time charges and other reasonable fees including paralegal fees and legal assistant fees and includes fees earned in settlement, at trial, appeal or in bankruptcy proceedings and/or in arbitration proceedings.

12. **Severability**. If any of the provisions of this Assignment or any section or subsection of this Assignment are held invalid for any reason, the remainder of this Assignment or any such section or subsection will not be affected thereby and will remain in full force and effect in accordance with its terms.

13. **Governing Law and Forum**. This Assignment and the rights and obligations of the parties hereunder shall in all respects be governed by, construed, and enforced in accordance with the laws of the State of Florida except to the extent of procedural and substantive matters relating only to the creation, perfection, foreclosure, and enforcement of rights and remedies against the Restaurant Premises, which such matters shall be governed by the laws of the State where the Restaurant Premises are located.

The parties hereby agree that any action relating to this Assignment (other than those procedural and substantive matters regarding the foreclosure and enforcement of right and remedies against the Restaurant Premises) shall be brought in the State or Federal Courts of general jurisdiction in the county in which Franchisor's principal headquarters are located; and the parties irrevocably submit to the jurisdiction of such courts and waive any objection they may have to either the jurisdiction or venue of such court.

14. **Headings**. The headings contained in this Assignment are for convenience of reference only and must not in any way modify or limit the meaning or interpretation of this Assignment.

15. **Pronouns and Gender**. All terms and words used in this Assignment, regardless of the number or gender in which they are used, will be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Assignment or any section, subsection, paragraph or clause may require, as if such words had been fully and properly written in the appropriate number and gender.

16. **Assignment to Franchisor**. In the event Franchisor elects to assume Franchisee's interest in the Lease, Franchisee shall promptly vacate the premises. Franchisee agrees that Landlord is not liable and shall indemnify and hold Landlord harmless in the event that Landlord transfers interest in the Lease to Franchisor.

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

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 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 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, 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) **Cooking Pots and Liners** – Metal fondue pots and liners, used for cooking or warming products.

(b) **White Plateware** - Custom fondue plates, ramekins, bowls, and small wares used for serving sauces.

(c) **Fondue Forks** – Fondue forks with plastic colored handle.

(d) **Roemmelators** – Devices made to safely transport the cooking pots.

(e) **Inset Table Burners** – Electric, thermostatically controlled burners which are inset into dining tables. Used for warming or cooking products.

(f) **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.

(g) **Tables and Table Bases** - designed with a cut-out in the tabletop to insert table burners and the under-mount thermostatic control knobs.

(h) **Host Stand** – Wooden host and reservation desk.

(i) **Signage** – Any type of signage, interior or exterior, bearing in any form the MELTING POT® logo, name or insignia.

(j) **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.

(k) **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.

(l) **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.

(m) **Trade Dress** – any item of clothing identified with the MELTING POT®, including aprons, and any item bearing in any form theMELTING POT® logo, name or insignia.

(n) **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.

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 3 business days 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 rent. 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.

Landlord

_____

Address:_____

_____

Phone:_____

By:_____
Name:_____
Title:_____

Tenant

_____

Address:_____

_____

Phone:_____

By:_____
Name:_____
Title:_____

EXHIBIT “E-2”
TO THE DISCLOSURE DOCUMENT

SIGNAGE STANDARDS

MELTING POT EVOLUTION

signage standards

updated: 4/17/19

approved logos.:

The below logos are the three choices for constructing signage.

Signage must be approved prior to installation of the sign based on the construction of the sign such as raceway, box, etc.

The Melting Pot logo is a registered trademark and cannot be reconstructed in any form. This includes the brand descriptor and pot.

LOGO STACKED #1 EXTERIOR SIGNAGE
Restaurants with Full Kitchen Only

LOGO STACKED #2 EXTERIOR SIGNAGE
Restaurants with Full Kitchen Only

LOGO HORIZONTAL EXTERIOR SIGNAGE
Restaurants with Full Kitchen Only

LOGO STACKED #1 EXTERIOR SIGNAGE
Restaurants without Full Kitchen

LOGO STACKED #2 EXTERIOR SIGNAGE
Restaurants without Full Kitchen

LOGO HORIZONTAL EXTERIOR SIGNAGE
Restaurants without Full Kitchen

The ® symbol is required on all signage.

color and fonts:

COLOR:

Below are the approved colors for constructing signage.

Pantone® PMS 138C

Black

Pantone® PMS 134C

White

FONT:

The font of The Melting Pot logo is not a font. It is stylized in vector. If you did not receive or are not able to convert to vector, please email Scott Evans at sevans@meltingpot.com.

(Logo is native in Adobe Illustrator Vector-EPS)

lighting options - night:

All lighting is subject to preliminary review and approval prior to manufacturing.

A) White Letters, 138 Orange Steam, 134 Yellow Steam
Channel Lit - White Face, 138 Orange Steam, 134 Yellow Steam

B) Black Letters, 138 Orange Steam, 134 Yellow Steam
Channel Lit - White Face, 138 Orange Steam, 134 Yellow Steam

C) All Black Face
Channel Lit - White

D) All White Face
Channel Lit - White

E) All Black Face
Backlit - White

F) Black Letters, 138 Orange Steam, 134 Yellow Steam
Backlit - White

lighting options - day:

All lighting is subject to preliminary review and approval prior to manufacturing.

A) White Letters, 138 Orange Steam, 134 Yellow Steam
Channel Lit - White Face, 138 Orange Steam, 134 Yellow Steam

B) Black Letters, 138 Orange Steam, 134 Yellow Steam
Channel Lit - White Face, 138 Orange Steam, 134 Yellow Steam

C) All Black Face
Channel Lit - White

D) All White Face
Channel Lit - White

E) All Black Face
Backlit - White

F) Black Letters, 138 Orange Steam, 134 Yellow Steam
Backlit - White

hours of operation:

Below is the recommended layout for your hours of operation signage. The signage should be in white to give it the most contrast in the window giving it more readability. Colors of signage vary depending on surface.

The font in the below artwork is Sonder Sans Bold.

Melting Pot®

BRUNCH

SATURDAY - SUNDAY	10 AM - 3 PM

LUNCH

MONDAY - FRIDAY	11 AM - 4 PM

HAPPY HOUR

MONDAY - FRIDAY	4 PM - 7 PM

DINNER

MONDAY - THURSDAY	4 PM - 10 PM
FRIDAY	4 PM - 11 PM
SATURDAY	3 PM - 11 PM
SUNDAY	3 PM - 9 PM

approval process & contact:

PRE-APPROVAL PROCESS

Please send proofs to The Melting Pot Restaurant Support Center before anything is submitted to the owner/location.

Items need to include:
Elevation drawing showing dimensions, color matching, lighting and construction of sign

Submit to sevans@meltingpot.com (.pdf preferred)

Once you are given pre-approval you may submit to the location for approval. If any changes are made after initial pre-approval, you will need to repeat the pre-approval process.

Final approval for construction/installation of the sign is the responsibility of the owner of the location. The Melting Pot Restaurant, Inc. / Restaurant Support Center will not be held responsible for final approval.

CONTACT INFORMATION

Scott Evans
Director of Construction and Design
The Melting Pot Restaurants, Inc. | Restaurant Support Center
7886 Woodland Center Blvd. | Tampa, FL 33614
p. 813-425-6239 | c. 813-404-8896
sevans@meltingpot.com
meltingpot.com

EXHIBIT “F”
TO THE DISCLOSURE DOCUMENT

MANUALS TABLES OF CONTENTS

SYSTEM STANDARDS MANUAL CONTENTS

Section	Beginning Page	Total # of Pages
Section 1: Administrative Practices	**13**	**1**
General Information	13	1
The History of The Melting Pot Restaurants, Inc.	13	1
Melting POT® Culture	14	1
Purpose	14	1
Vision	14	1
Mission	14	1
Core Values	15	1
Guiding Principles	15	1
What It Takes To Be a "Most Valuable Player" at the Melting Pot®	15	2
Most Valuable Player Program	16	1
InMoment	17	1
Operating Objectives	17	1
Requests to Change Operating Objectives	18	1
General Administrative Standards	18	1
Crise Communications	18	1
Hours of Operation	18	1
Operating Hours	18	2
Melting Pot Restaurants Permitted Days to Close Policy	20	1
Posting Closures Policy	20	1
Management Arrival Hours	20	1
Minimal Arrival Hours for Lunch Service	20	1
Minimal Arrival Hours for Dinner Service	20	1
Phone Messaging	20	1
Specials, Promotions & Charity Menus	21	1
Lunch Menu Policy	21	1
Retention of Records	22	1
Section 2: Personnel	**25**	**1**
Position Standards	25	1
General Manager	25	2
Manager/Assistant Manager (Front of the House)	26	1
Heart of the House Manager	27	1
Hospitality Specialist	27	1
Server	28	1
Service Assistant	29	1
Heart of the House	29	1
Bartender	30	1
Recruiting Team Members	30	1
Soliciting Quality Applicants	30	1
Sources for Applicants	31	1
Interviewing	31	1

Section	Beginning Page	Total # of Pages
Prescreen	31	1
Face-to-Face Interviews	31	1
Data Evaluation and Integration	31	1
Make an Offer / Turn Down	31	1
Employment Applications	32	1
Employing Minors	32	1
Validating Standards of Management Candidates	32	1
Onboarding	32	1
W-4 Form: Withholding Exemption Certificate	32	1
I-9 Form: Employment Eligibility Verification	33	1
Confidentiality, Non-Solicitation & Non-Competition Agreement	33	1
Orientation Procedures	33	1
Location-Specific Workplace Policies & Procedures	34	1
Professional Appearance & Uniform Policies	34	1
Cleanliness	34	1
Professional Appearance	35	1
Uniforms	36	3
Smoking	39	1
Use of Alcoholic Beverages & Drugs	40	1
Telephone Use	40	1
Team Member Initiated Shift Changes	40	1
Pay Periods & Pay	40	1
Accountability	41	1
Evaluations	41	1
Team Member Benefits	41	1
Team Member Meals	41	1
Recommended Team Member Discounts	41	1
Workers' Compensation Insurance	41	1
Section 3: Learning & Communications	**43**	**1**
University of Mastering Exceptional Learning & Training (UMELT)	43	1
Certified Training	43	1
Modalities – At UMELT we are Always On	43	1
Methods of Instruction TMPRI	43	1
Pillars of Training	43	1
Culture	43	1
Positional	44	1
Leadership	44	1
Innovation	44	1
New Restaurant Opening Training	45	1
Relocation Training	45	1
New Franchisee Training	45	1
Section 4: Food and Beverage	**47**	**1**
Purchasing & Distribution	47	3

Section	Beginning Page	Total # of Pages
Mandatory Purchasing Procedures	47	2
Beverage Purchasing Procedures	49	1
Core Beer Program	49	1
Receiving	50	1
Receiving Procedures	50	1
Reporting Food Quality Issues	50	1
Storage	50	1
Storage Procedures	50	1
Beer, Wine, Liquor & Mixers Storage	51	1
Physical Inventory	52	1
HOH Inventory	52	1
Bar Inventory	52	1
Key Control	53	1
Food Production	53	1
Kitchen Reference Manual	53	1
Approved Recipes	53	1
Production Planning Procedures	54	1
Food Quality & Presentation	54	1
Line Check	55	1
Successful Line Set Up	55	1
Food Cost Management	56	1
Entrée Item Substitution or Plate Sharing Policy	56	
Beverage Control and Preparation	56	1
Bar Service Authorization	56	1
Standardized Recipes	57	1
Beverage Quality & Presentation	57	1
Bar Line Check	57	1
Bar Food	58	1
Bar Food Program	58	1
Section 5: Manager Procedures	**61**	**1**
The Melting Pot Management Team	61	1
Perfect Night Out® Staffing	62	1
Scheduling	63	1
Preshift Meetings	63	1
Manager's Rotation	63	1
Weekly Duties Schedule	64	1
Weekly Manager's Meetings	64	1
Maximizing Reservations & Guest Counts	64	1
Maximizing Reservations	64	1
Opening Inventory Online	64	1
Managing Guest Counts & Walk-In Guests	65	1
OpenTable Data	65	1
Seating	65	1

Section	Beginning Page	Total # of Pages
Table Visits	65	1
Special Circumstances	65	1
Security Measures	66	1
Guest Recovery	67	1
Email, Phone Calls & InMoment	67	1
Online Review Sites	68	1
Social Media	68	1
BLAST Method of Guest Recovery	68	1
The Restaurant Support Center	69	1
Franchise Referral Campaign	69	1
Section 6: Restaurant Support	**71**	**1**
Compliance	71	1
Quality Certification	71	1
Procedure	71	1
Critical Item Checklist	72	1
FondueGuard	72	1
Core Communication	73	1
Franchisee Communication Requirements	73	1
FranConnect	73	1
Voice Mail	74	1
Team Member Satisfaction Survey	74	1
Operational Updates	74	1
The Weekly Dip	74	1
Meetings & Reunion	75	1
Required Franchise Reunion	75	1
Required Operators' Conference	75	1
Required Franchise Strategic Partnership Meetings	75	1
Strategic Partnership Committee Meeting	76	1
Franchise Support	76	1
Franchise Development	76	1
Growth	77	1
Transfers and Assets for Sale	77	1
Sales Forecasts and Relocations	77	1
Real Estate	78	1
Lending	78	1
Administration	78	1
Construction & Design	79	1
Accounting Department	79	2
Marketing Department	80	1
Food & Beverage	80	1
Purchasing & Distribution	81	1
Learning & Communications	81	1
Restaurant Support Center Collaboration Days	82	1

Section	Beginning Page	Total # of Pages
Franchise Operational Maintenance	82	1
Atmosphere	82	1
Pest Control	82	1
Franchise Financial Maintenance	82	1
Financial Consultation	82	1
Payment Card Industry Compliance Procedures	83	1
Franchise Gift Card Policies	83	1
Gift Card Procedures	83	1
Gift Card Sales Procedures	84	1
Local Store Gift Card Procedures	84	1
Section 7: Data Integrity	**85**	**1**
Information Technology	85	1
Franchisee and Locations Melting Pot Franchise Emails	85	1
Enterprise Content Management	85	1
Northstar Order Entry – Point of Sale	85	1
Income & Expense Control Procedures	86	1
Using Data Central	86	1
Petty Cash, House Bag & Safe Control Standards & Procedures	86	1
Invoice Standards and Procedures	86	1
Inventory	87	1
Labor & Payroll	87	1
Profit & Loss Adjustments	87	1
Deadlines	88	1
Best Practices	88	1
Total	75	**75**

SYSTEM STANDARDS MANUAL ADDENDUM CONTENTS

Section	Beginning Page	Total # of Pages
System Standards Manual Addendum	**5**	**1**
1.1.1 What it takes to be a Melting Pot "Most Valuable Player"	5	1
1.1.2 Operating Hours	6	1
1.1.3 Management Arrival Hours	6	1
1.1.3.1 Minimum Arrival Hours for Brunch & Lunch Service	7	1
1.1.3.2 Minimum Arrival Hours for Dinner Service	7	1
1.1.4 Hospitality Specialist	7	1
1.1.5 Lead Server & Server	8	1
1.1.6 Bartender	8	1
1.1.7 Perfect Night Out® Staffing	9	1
Total		**5**

MARKETING MANUAL TABLE OF CONTENTS

Description	Begins on Page No:	Total No. of Pages
WELCOME	1	1
RSC MARKETING DEPARTMENT		
Introduction	1	1
Staff and Job Descriptions	1	3
Marketing Partners	4	1
Getting Started With Us	5	2
Getting Started With Workamajig	6	5
BRAND ARCHITECTURE		
Brand Positioning Statement	2	1
Restaurant Profile / SWOT Analysis	2	1
Target Audience - Demographic and Psychographic Profiles	3	1
Brand Persona - Meet Sheila and Dan	4	3
Campaign Platform	7	1
Creative Work	8	1
Photography	9	4
Logo Standards	13	7
Signage Standards (Separate PDF)	PDF	7
MARKETING CAMPAIGNS		
Introduction	1	1
Fondue Effect Launch Creative	Tab 1	11
Everyday Creative	Tab 2	19
OFF-THE-SHELF		
Off-the-Shelf Promotions Overview	1	1
OTS Objectives	1	2
Available Programs	3	10
LOCAL MARKETING		
Introduction	1	1
Preparing for Your Plan	2	1
Objectives, Strategies, Tactics	3	1
Budgeting, Execution and Analysis	4	3
GENERAL BEST PRACTICES/STANDARDS/POVs		
Introduction	2	1
Trademarks – Proper Usage		
Introduction	3	1
DOs and DON'Ts	4	3
Standard Protocol	6	1
Partner logo guidelines	7	3
Trademark and Copyright Authorization Form and Sample	10	1
Sweepstakes and Contest Policy	11	4
Facebook Promotions Guidelines	15	2
Commercial Filming and Photography		
Introduction	18	1
Policy	19	4

Description	Begins on Page No:	Total No. of Pages
TACTICS		
Introduction – Understanding the Media Landscape	2	2
Digital/Online	4	3
Direct Mail	7	4
Club Fondue Email	11	7
Out-Of-Home (OOH)	17	3
Print	20	3
Radio	23	3
Television	26	3
Group-Buying Sites (Groupon, Living Social, Facebook Offers)	29	6
Local Web Pages	35	3
In-Restaurant	38	4
Events/Promotions (with Filter)	42	2
Community Outreach (with Checklist)	44	4
Sample Media Plans	48	3
PUBLIC RELATIONS		
Introduction	2	1
PR Brand Standards	3	3
PR Tactics	6	13
Media Training: The Art of the Interview	19	6
PR Tools	25	2
SOCIAL MEDIA		
Introduction	2	1
Getting Started Checklist	3	2
Introduction to Social Media	5	13
The Melting Pot Restaurants, Inc. Social Media Policy	18	19
Facebook	37	32
Twitter	69	14
A Guide to Hosting a Yelp Event	82	4
Listening and Monitoring	86	1
Guest Interaction and Recovery Process	87	9
Tracking, Measuring and Determining Worth	95	2
Social Media Support/Help (sites, FAQ, etc.)	97	5
YOUR MARKETING PLAN		
Introduction	2	1
Market Profile	2	2
Competitive Survey	4	1
Local SWOT	5	5
Business Cycle	6	2
Review of Prior Year Programs (1st Half)	8	1
Review of Prior Year Programs (2nd Half)	9	1
Marketing Budget	10	1
Program Analysis	11	1
CRISIS COMMUNICATIONS		
Emergency Contact List	2	1
Introduction	3	1
Preparation	4	8

Description	Begins on Page No:	Total No. of Pages
Top Tips When Navigating Through Crisis	11	2
What To Do and Not To Do	12	3
In-Depth Look	14	19
Food and Product Emergencies	14	4
Food Borne Illness Protocol	17	3
Contagious Disease	19	3
Bomb Threats/Terrorism	21	1
Hurricanes/Tornados	22	5
Protests	27	1
Robbery	28	2
Kidnapping	29	1
Critical Injury	29	2
Death in Workplace	30	2
Preparedness and Response Checklist	31	1
Crisis Resources and Contact List	32	4
Food-Borne Illness Form (Separate Document)		2
Food Safety Audit Log (Separate Document)		1
RESOURCES		
Introduction	2	1
Club Fondue User Guide	Tab 1	17
Radio Ordering Guide	Tab 2	2
Television Ordering Guide	Tab 3	15
Photo Booth Ordering Guide	Tab 4	2
MISCELLANEOUS		
Marketing Terms and Definitions	1	14
TOTAL		**406**

EXHIBIT “G-1”
TO THE DISCLOSURE DOCUMENT

FORM OF

PERSONAL GUARANTY OF OWNER/SHAREHOLDER

PERSONAL GUARANTY OF OWNER/SHAREHOLDER

This Guaranty must be signed by the principal owners (referred to as "**you**" for purposes of this Guaranty only) of _____(the "**Franchise Owner**") under the **MELTING POT® Restaurant Franchise Agreement** (the "**Agreement**") dated _____, 20___.

1. **Scope of Guaranty**. In consideration of and as an inducement to, the signing and delivery of the Agreement by **The Melting Pot Restaurants, Inc.** ("**us**," or "**our**" or "**we**" or "**Franchisor**"), each of you signing this Guaranty personally and unconditionally: (a) guarantees to us and our successors and assigns that the Franchise Owner will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement.

2. **Waivers**. Each of you waives: (a) acceptance and notice of acceptance by us of your obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by you; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by you; (d) any right you may have to require that an action be brought against the Franchise Owner or any other person as a condition of your liability; (e) all rights to payments and claims for reimbursement or subrogation which you may have against the Franchise Owner arising as a result of your execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which you may be entitled in your capacity as guarantors.

3. **Consents and Agreements**. Each of you consents and agrees that: (a) your direct and immediate liability under this Guaranty are joint and several; (b) you must render any payment or performance required under the Agreement upon demand if the Franchise Owner fails or refuses punctually to do so; (c) your liability will not be contingent or conditioned upon our pursuit of any remedies against the Franchise Owner or any other person; (d) your liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which we may periodically grant to Franchise Owner or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims and no such indulgence shall in any way modify or amend this Guaranty; and (e) this Guaranty will continue and is irrevocable during the term of the Agreement and, if required by the Agreement, after its termination or expiration.

4. **Enforcement Costs**. If we are required to enforce this Guaranty in any judicial or arbitration proceeding or any appeals, you must reimburse us for our enforcement costs. Enforcement costs include reasonable accountants', attorneys', attorney's assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

5. **Effectiveness**. Your obligations under this Guaranty are effective on the Agreement Date, regardless of the actual date of signature. Terms not otherwise defined in this Guaranty have the meanings as defined in the Agreement. This Guaranty is governed by Florida law and may be enforced in the courts of the county and state where Franchisor's principal headquarters are located. Each Guarantor irrevocably submits to the jurisdiction and venue of such courts.

Each of the principal owners now signs and delivers this Guaranty as of the date of the Agreement.

PERCENTAGE OF OWNERSHIP INTEREST IN FRANCHISE OWNER	**GUARANTORS:**
_____	_____
_____	_____
_____	_____
	DATE_____

EXHIBIT “G-2”
TO THE DISCLOSURE DOCUMENT

FORM OF

PRINCIPAL OWNER’S STATEMENT

PRINCIPAL OWNER'S STATEMENT

This form must be completed and signed by the Franchisee and/or Developer, _____ _____ (the "**Business Entity**"), and each of its principal owners under the _____ Agreement dated _____, 20___ (the "**Agreement**") with **THE MELTING POT RESTAURANTS, INC.** (the "**Franchisor**"), if the Business Entity has multiple owners or if the Business Entity or the franchised business is owned by a business organization (like a corporation, partnership or limited liability company). Franchisor is relying on the truth and accuracy of this form in awarding the Agreement to the Business Entity.

1. **Form of Owner**. The Business Entity is a (check one):

(a)	General Partnership	☐
(b)	Corporation	☐
(c)	Limited Partnership	☐
(d)	Limited Liability Company	☐
(e)	Other	☐
	Specify: _____	

2. **Business Entity**. It was incorporated or formed on _____, ___, under the laws of the State of _____. It has not conducted business under any name other than its corporate, limited liability company or partnership name and the following names (if any) _____ _____. The following is a list of all persons who have management rights and powers (e.g., officers, managers, partners, etc.) and their positions (attach additional sheets if needed):

Name of Person	Position(s) Held

3. **Owners**. The following list includes the full name and mailing address of each person who is a direct or indirect owner and fully describes the nature of each owner's interest in the Business Entity. Attach additional sheets if necessary.

Owner's Name and Address	Description of Interest*	% of Ownership

*Indicate whether ownership interest is direct or indirect. For indirect ownership, include the name of each entity or trust through which ownership interests are held.

4. **Governing Documents**. Attached is an organizational chart showing the ownership structure of the Business Entity, including all direct and indirect parents, affiliates and subsidiaries. The undersigned agree to provide copies of the documents and contracts governing the ownership, management and other significant aspects of the Business Entity (e.g., articles of incorporation or organization, partnership or shareholder agreements, etc.) upon request from Franchisor.

This Principal Owner's Statement is current and complete as of _____.

OWNER

INDIVIDUALS:

Sign:_____
Print:_____

Sign:_____
Print:_____

Sign:_____
Print:_____

Sign:_____
Print:_____

CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP:

_____
[Name of Entity]

By:_____
Print Name:_____
Title:_____

EXHIBIT “H-1”
TO THE DISCLOSURE DOCUMENT

FORM OF

NONCOMPETE AGREEMENT

NONCOMPETE AGREEMENT

This Noncompete Agreement (the "**Agreement"**) is entered into by and between: ***[ENTER NAME OF FRANCHISEE]*** **(**"**Employer**") and _____ (the "**Employee**").

Employer is a franchisee operating a 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 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 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 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 FRANCHISEE OPERATING AGREEMENT

Operating Agreement of
[*Insert Company Name*],
a Limited Liability Company

THIS OPERATING AGREEMENT (this "Agreement") is made and entered into effective _____, 20__ by and among: (i) _____, LLC (the "**Company**"), (ii) _____ [insert member (the "**Manager**")], and (iii) _____ (the "**Non-Managing Member**"). The Manager and the Non-Managing Member are individually referred to as a "**Member**" and collectively referred to as the "**Members.**"

Preamble

Whereas, the Members agreed that that the Company would develop, build, and operate a Melting Pot® restaurant (the "**Restaurant**").

Whereas, this is the Operating Agreement setting forth the rights and obligations of the Members of the Company that owns the Restaurant.

Now, Therefore, in in consideration of the premises and the mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and its Members agree as follows:

Covenants

I. Formation and Incorporation of Preamble.

A. State of Formation. This is a Limited Liability Company Operating Agreement (the "**Agreement**") for _____ [*insert company name*], Manager-managed [*list state of formation*] limited liability company (the "**Company**") formed under and pursuant to _____ [STATE] law.

B. Operating Agreement Controls. To the extent that the rights or obligations of the Members or the Company under provisions of this Operating Agreement differ from what they would be under [STATE] law absent such a provision, this Agreement, to the extent permitted under [STATE] law, shall control.

C. Primary Business Address. The location of the primary place of business of the Company is _____, or such other location as shall be selected from time to time by the Members.

D. Registered Agent and Office. The Company's initial agent (the "**Agent**") for service of process is the Manager. The Agent's registered office is _____ [*must be an address within the state in which the Restaurant is located*]. The Company may change its registered office, its registered agent, or both, upon filing a statement with the STATE Secretary of State.

E. No State Law Partnership. No provisions of this Agreement shall be deemed or construed to constitute a partnership (including, without limitation, a limited partnership) or any Member a partner of or with any other Member, for any purposes other than federal and state tax purposes.

F. Incorporation of Preamble. The Members acknowledge and agree that the Preamble is true and accurate, and the Preamble is incorporated as a covenant of the Members as if fully set forth herein.

II. Purposes and Powers.

A. Purpose. The purpose of the Company is to develop, own, and operate the Restaurant, and such other Purposes to which the Members unanimously agree.

B. Powers. The Company shall have all of the powers of a limited liability company set forth under [*state*] law.

C. Duration. The Company's term shall commence upon the filing of an Articles of Organization and all other such necessary materials with the state of STATE. The Company will operate until terminated as outlined in this Agreement unless:

1. Manager votes to dissolve the Company;

2. No Member of the Company exists, unless the business of the Company is continued in a manner permitted by STATE law;

3. It becomes unlawful for either the Members or the Company to continue in business;

4. A judicial decree is entered that dissolves the Company; or

5. Any other event results in the dissolution of the Company under federal or STATE law.

III. Members.

A. Members. The Members of the Company and their percentage ownership in same (their "**Membership Interest**") at the time of adoption of this Agreement are set forth on Exhibit "A."

B. Initial Contribution. Each Member shall make an "**Initial Contribution**" to the Company in an amount to be determined.

No Member shall be entitled to interest on their Initial Contribution. Except as expressly provided by this Agreement, or as required by law, no Member shall have any right to demand or receive the return of their Initial Contribution. Any modifications as to the signatories' respective rights as to the receipt of their initial contributions must be set forth in writing signed by all interested parties.

C. Limited Liability of the Members. Except as otherwise provided for in this Agreement or otherwise required by STATE law, no Member shall be personally liable for any acts, debts, liabilities or obligations of the Company beyond their respective Initial Contribution, including liability arising under a judgment, decree or order of a court.

D. Member Voting.

1. *Voting power*. The Company's Members shall each have voting power equal to their share of Membership Interest in the Company.

2. *Proxies*. At all meetings of Members, a Member may vote in person or by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. Such proxy shall be delivered to the other Members of the Company before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

E. Members' Duty to File Notices. The Members shall be responsible for preparation, maintenance, filing and dissemination of all necessary returns, notices, statements, reports, minutes or other information to the Internal Revenue Service, the state of STATE, and any other appropriate state or federal authorities or agencies. Notices shall be filed in accordance with the section titled "Notices" below. The Members may delegate this responsibility to a Manager at the Members' sole discretion.

F. Waiver of Partition: Nature of Interest. Except as otherwise expressly provided in this Agreement, to the fullest extent permitted by law, each Member hereby irrevocably waives any right or power that such Member might have to cause the Company or any of its assets to be partitioned, to cause the appointment of a receiver for all or any portion of the assets of the Company, to compel any sale of all or any portion of the assets of the Company pursuant to any applicable law or to file a complaint or to institute any proceeding at law or in equity to cause the dissolution, liquidation, winding up or termination of the Company. No Member shall have any interest in any specific assets of the Company.

IV. Transferability.

A. Transfer Generally. No Member shall be permitted to sell, transfer, assign, encumber or otherwise dispose of, directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise ("**Transfer**") all or any portion of such Member's Membership Interest except in compliance with this Article IV.

B. Right of First Refusal.

(1) If a Member receives a bona fide written offer (a "**Member BFO**") to purchase all or part of its Membership Interest from any individual, partnership, joint stock company, corporation, entity, association, trust, limited liability company, joint venture, unincorporated association, or any government, governmental department or agency or political subdivision of any government (a "**Potential Purchaser**"), and such Member desires to Transfer all or a portion

of such Member's Membership Interest to such Potential Purchaser, such Member (the "**Selling Member**") shall first deliver written notice of such Member's desire to do so (the "**Selling Notice**") to the Company and each other Member (the "**Non-Selling Members**"), together with any letter of intent or similar document evidencing such written offer. The Selling Notice must specify: (i) the Selling Member's bona fide intention to Transfer the Membership Interest, (ii) the percentage Membership Interest that the Selling Member proposes to Transfer (the "**Offered Membership Interest**"), (iii) the proposed consideration for the Membership Interest (expressed as a value in cash, the "**Offered Price**") for which the Selling Member proposes to Transfer the Offered Membership Interest, (iv) the identity of the Potential Purchaser, and (v) all other material terms and conditions of the proposed transaction (the "**Offered Terms**"). Each Notice shall constitute an irrevocable and binding offer by the Selling Member to Transfer the Offered Membership Interest in accordance with the Selling Notice and this Section IV(B).

(2) The Company shall have the option to purchase all or a portion of the Membership Interest for the Offered Price and on the Offered Terms. The Company must exercise such option, if it so desires, no later than thirty (30) calendar days after the Selling Notice has been delivered to it in accordance with Section IV(B)(1) (the "**Company Option Period**") by written notice to the Selling Member. Any written notice delivered by the Company to the Selling Member exercising the option set forth under this Section IV(B)(2) shall constitute an irrevocable commitment by the Company to purchase the portion of the Offered Membership Interest for which the Company has indicated its intention to purchase in such written notice in accordance with the Selling Notice and this Section IV(B). If the Company fails to provide such written notice to the Selling Member prior to the expiration of the Company Option Period, then the Company shall forfeit its right to purchase any of the Offered Membership Interest.

(3) If the Company does not elect to purchase all of the Offered Membership Interest, then the Company shall, not later than the last calendar day of the Company Option Period, deliver written notice to the Non-Selling Members (the "**Selling Member Notice**") specifying the percentage, if any, of Offered Membership Interest that it does not intend to purchase (the "**Remaining Membership Interest**").

(4) Each Non-Selling Member shall have an option to purchase (i) such Non-Selling Member's pro rata portion of the aggregate number of the Remaining Membership Interest, based on the ratio of the Membership Interest owned by such Non-Selling Member to the total Membership Interest owned by all Non-Selling Members, for the Offered Price and on the Offered Terms. Such option must be exercised by each Non-Selling Member within thirty (30) calendar days from the earlier of (i) the date of delivery of the Non-Selling Member Notice and (ii) the expiration of the Company Option Period (the "**Non-Selling Member Option Period**"), by delivery by such Non-Selling Member of a written notice (the "**Exercise Notice**") to the Selling Member and the Company, which shall state the portion of the Remaining Membership Interest that such Non-Selling Member intends to purchase. Such written notice shall constitute an irrevocable and binding commitment by such Non-Selling Member to purchase the portion of the Remaining Membership Interest specified therein in accordance with the terms set forth in the Selling Notice and this Section IV(B). During the Non-Selling Member Option Period, the Company shall provide access to such Non-Selling Member to assist such Non-Selling Member in determining whether to exercise such option.

(5) If a Non-Selling Member fails to exercise such Member's option prior to the expiration of the Non-Selling Member Option Period or fails to purchase in full such Member's pro rata portion of the Remaining Membership Interest, then such Non-Selling Member shall forfeit such Member's right to purchase any of the Remaining Membership Interest.

(6) Upon the expiration of the Non-Selling Member Option Period, subject to Section IV(D), the Selling Member shall have the right, exercisable for a period of forty-five (45) calendar days from the expiration of the Non-Selling Member Option Period (the "**Unrestricted Period**"), to Transfer the remaining Offered Membership Interest to any Person for a price that is not less than the Offered Price and on material terms and conditions that are not more favorable to such Person than the Offered Terms.

(7) This Section IV(B) shall terminate effective as of, and shall not apply to Transfers of Membership Interests made pursuant to a registered offering of shares of capital stock of the Company or any successor to the Company (whether by merger, conversion, the transfer of all or substantially all of the assets of the Company or otherwise), or a subsidiary of the Company, as the case may be under the Securities Act of 1933, as amended and in effect from time to time, pursuant to an effective registration statement (an "**Initial Public Offering**").

C. Drag-Along Right.

(1) If Members owning at least 60% of the outstanding Membership Interest in the Company propose to (1) sell for value all of the Membership Interest held by them (the "**Controlling Membership Interest**"), whether by a sale of the Membership Interest or a merger or consolidation involving the Company, or (2) cause the Company to sell or substantially sell all of the assets of the Company (each such transaction, a "**Drag-Along Sale**"), in each case to a Potential Purchaser, but only in the event that the Company and the Non-Selling Members elect not to exercise their right to purchase all of the Offered Membership Interest pursuant to Section IV(B), the Compellors may, at their option, require the Non-Selling Members (the "**Compelled Members**") to (i) sell all of the Membership Interest owned or held by them, or (ii) consent to such asset sale, as the case may be, to the Potential Purchaser for the same consideration and otherwise on the same terms and conditions upon which the Compellors agreed to enter into the Drag-Along Sale, subject to this Section IV(C).

(2) The Compellors shall provide a written notice (the "**Drag-Along Notice**") of such Drag-Along Sale to each of the Compelled Members, with a copy to the Company, not later than the date of acceptance of the Drag-Along Sale by the Potential Purchaser. The Drag-Along Notice shall contain written notice of the exercise of the rights of the Compellors pursuant to Section IV(C)(1), setting forth the applicable consideration to be paid by the Potential Purchaser and all other material terms and conditions of the Drag-Along Sale, as well as a copy of any letter or intent or similar document providing for the Drag-Along Sale, if available. Within ten (10) business days following the date the Drag-Along Notice is given, each of the Compelled Members shall deliver to the Compellors either (a) a special irrevocable power-of-attorney authorizing the Compellors, on behalf of the Compelled Member, to sell or otherwise dispose of such Compelled Member's Membership Interest, or (b) a signed written consent approving an

asset sale, as applicable, in each case pursuant to the terms of such Drag-Along Sale and such power-of-attorney or written consent, as the case may be, shall further authorize the Compellors to take all such actions as shall be necessary or appropriate in order to consummate the Drag-Along Sale.

(3) Promptly after the consummation of the Drag-Along Sale, but in no event more than two (2) business days thereafter, the Compellors shall remit to each Compelled Member the total consideration due such Compelled Member in respect of the Membership Interest held by such Compelled Member prior to the Drag-Along Sale, less a pro rata portion of any amounts to be held in escrow or subject to an earn-out or similar provision and of the expenses (including, without limitation, reasonable legal expenses) incurred by the Compellors in connection with such sale.

(4) If, at the end of the ninety (90)-day period following the giving of the Drag-Along Notice, the Compellors shall not have completed the Drag-Along Sale, then no Member shall have any obligation with respect to such Drag-Along Sale; provided, that the provisions of this Section IV(C) shall apply to any subsequent Drag-Along Sale.

(5) Except as expressly provided in this Section IV(C), the Compellors shall have no obligation to any Compelled Member to consummate any Drag-Along Sale (it being understood that any and all such decisions shall be made by the Compellors in their sole discretion). In the event that the Drag-Along Sale is not consummated by the Compellors, the Compelled Members shall not be entitled to sell or otherwise dispose of their Membership Interest directly to any third party or parties pursuant to such Drag-Along Sale (it being understood that all such sales and dispositions shall be made only on the terms and pursuant to the procedures set forth in this Article IV).

(6) In furtherance of, and not in limitation of the foregoing, in connection with any Drag-Along Sale, each Member will (a) to the fullest extent permitted by law raise no objections in its or his or her capacity as a Member against the Drag-Along Sale or the process pursuant to which it was arranged, and (b) execute all documents containing such terms and conditions as those executed by other Members that are reasonable necessary to effect the transaction.

(7) This Section IV(C) shall terminate effective as of, and not apply to Transfers of Membership Interests made pursuant to an Initial Public Offering.

D. Tag-Along Right.

(1) If any Selling Member proposes to Transfer to a Potential Purchaser 30% or more of the outstanding Membership Interest in the Company (such Transfer, a "**Tag-Along Sale**"), and the Company and the Non-Selling Members elect not to exercise their right to purchase all of the Offered Membership Interest pursuant to Section IV(B), then each Non-Selling Member (the "**Tag-Along Members**") shall have the option, exercisable in his or its sole discretion, to participate in the Tag-Along Sale at the Offered Price and on the Offered Terms set forth in the Selling Notice, by providing written notice (the "Tag-Along Notice") to the Selling Member on or before the thirtieth (30^{th}) calendar day following the expiration of the Non-Seller Member

Option Period (the "**Expiration Date**"). Each Tag-Along Member shall be entitled to include in the Tag-Along Sale each such Tag-Along Member's pro rata portion (the "**Tag-Along Membership Interest**"), determined by multiplying the total Membership Interest owned by such Tag-Along Member by a fraction, the numerator of which is the Membership Interest proposed to be transferred by the Selling Member and the denominator of which is the total Membership Interest owned by the Selling Member.

(2) Upon receipt of any Tag-Along Notice from a Tag-Along Member, the Selling Member shall cause the Potential Purchaser to purchase from such Tag-Along Member the Tag-Along Membership Interest. If the aggregate Membership Interest proposed to be transferred by the Selling Member and all Tag-Along Members exceed the total Membership Interest the Potential Purchaser is willing to purchase, then each of the Selling Member and the Tag-Along Members shall reduce, to the extent necessary, the Membership Interest to be Transferred by such Member pursuant to this Section IV(D) on a pro rata basis. At the time of consummation of the Tag-Along Sale, the Selling Member shall cause the Potential Purchaser to remit directly to each such Tag-Along Member that portion of the sale proceeds to which such Tag-Along Member is entitled by reason of such Tag-Along Member's participation in the Tag-Along Sale.

(3) In furtherance, and not in limitation, of the foregoing, in connection with any Tag-Along Sale, each Tag-Along Member will execute all documents containing such terms and conditions as those executed by the Selling Member that are reasonably necessary to effect the transaction.

(4) If a Tag-Along Member fails to deliver a Tag-Along Notice before the Expiration Date, then such Tag-Along Member shall forfeit the right to participate in such Tag-Along Sale. The Selling Member shall have forty-five (45) calendar days after the Expiration Date to consummate the proposed transaction identified in the Tag-Along Notice at the Offered Price and on the Offered Terms set forth in such Tag-Along Notice.

(5) This Section IV(D) shall terminate effective as of, and not apply to Transfers of Membership Interests made pursuant to an Initial Public Offering.

E. Issuance of a Membership Interest to a New Member. The Members' Membership Interest may be diluted through the Company's issuance of a Membership Interest to a new Member of the Company (a "**New Member**"); provided, however, all existing Members' Membership Interest shall be diluted equitably on a pro rata basis as a result of the issuance of a Membership Interest to the New Member.

F. General Restrictions on Transfer; Admission of New Members.

(1) For purposes of this Agreement, a "**Specified Transferee**" shall mean with respect to any Member, as applicable, (a) any "**Affiliate**" ("Affiliate" shall have the meaning set forth in Rule 12b-2 of the Securities Exchange Act of 1934) of such Member and (b) any transferee of such Member pursuant to Section IV(G).

(2) Any Person acquiring a Membership Interest from the Company or from any Member in accordance with this Agreement shall be admitted to the Company as a Member (a) only following the Members' approval pursuant to this Agreement, unless such acquiring Person is a Member as of immediately prior to such acquisition or is a Specified Transferee of a Member, and (b) upon such Person's (including any Specified Transferee's) agreement in writing to be bound by the terms of this Agreement, to the same extent, and in the same manner, as the Member proposing to Transfer the Membership Interest, which writing shall be reasonably satisfactory in form and substance to the Company.

(3) If any Member purports to Transfer a Membership Interest to any Person in a transaction that would violate the provisions of this Article IV, such Transfer shall be void as to such Membership Interest.

G. Estate Planning Transfers. Notwithstanding anything to the contrary contained in this Agreement, a Member may Transfer his or her Membership Interest for estate planning purposes without complying with Sections IV(B), IV(C) or IV(D) to (1) a trust under which the distribution of the Membership Interest may be made only to beneficiaries who are such Member, his or her spouse, his or her parents, members of his or her immediate family and/or his or her lineal descendants (collectively, such Member's "**Immediate Family**"), (2) a corporation, the shareholders of which are only such Member and/or his or her Immediate Family, or (3) a partnership or limited liability company, the partners or members of which are only such Member and/or his or her Immediate Family. Subject to this Agreement, a Membership Interest may also be Transferred by will or as a result of the laws of descent and distribution.

V. Accounting and Distributions.

A. Fiscal Year. The Company's fiscal year shall end on the last day of December.

B. Records. All financial records including tax returns and financial statements will be held at the Company's primary business address and will be accessible to all Members.

C. Distributions. Distributions shall be issued annually or at more frequent intervals as the Board sees fit. The distribution shall not exceed the remaining net cash of the Company after making appropriate provisions for the Company's ongoing and anticipatable liabilities and expenses. Each Member shall receive a percentage of the overall distribution that matches that Member's percentage of Membership Interest in the Company.

VI. Tax Treatment Election. The Company has not filed with the Internal Revenue Service for treatment as a corporation. Instead, the Company will be taxed as a pass-through organization. The Members may elect for the Company to be treated as a C-Corporation, S-corporation or a Partnership at any time.

VII. Board of Managers.

A. Creation of a Board of Managers. The Members shall create a board of **Managers** (the "**Board**") consisting of Managers appointed at the sole discretion of the Members and headed by

the Chairman of the Board. The Members may serve as Managers and may appoint a Member to serve as the Chairman. The Members may determine at any time in their sole and absolute discretion the number of Managers to constitute the Board, subject in all cases to any requirements imposed by STATE law. The authorized number of Managers may be increased or decreased by the Members at any time in their sole and absolute discretion, subject to STATE law. Each Manager elected, designated or appointed shall hold office until a successor Manager is elected and qualified or until such Manager's earlier death, resignation or removal.

B. Powers and Operation of the Board of Managers. The Board shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the Company's purposes described herein, including all powers, statutory or otherwise.

1. *Meetings*. The Board may hold meetings, both regular and special, within or outside the state of STATE. Regular meetings of the Board may be held without notice at such time and at such place as shall from time to time be determined by the Board. Special meetings of the Board may be called by the Chairman on not less than one day's notice to each Manager by telephone, electronic mail, facsimile, mail or any other means of communication.

i. At all meetings of the Board, a majority of the Managers shall constitute a quorum for the transaction of business and, except as otherwise provided in any other provision of this Agreement, the act of a majority of the Managers present at any meeting at which there is a quorum shall be the act of the Board. If a quorum shall not be present at any meeting of the Board, the Managers present at such meeting may adjourn the meeting until a quorum shall be present. Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if all Managers consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board.

ii. Managers may participate in meetings of the Board by means of telephone conference or similar communications equipment that allows all persons participating in the meeting to hear each other, and such participation in a meeting shall constitute presence in person at the meeting. If all the participants are participating by telephone conference or similar communications equipment, the meeting shall be deemed to be held at the primary business address of the Company.

C. Compensation of Managers. The Board shall have the authority to fix the compensation of Managers. The Managers may be paid their expenses, if any, of attendance at meetings of the Board, which may be a fixed sum for attendance at each meeting of the Board or a stated salary as Manager. No such payment shall preclude any Manager from serving the Company in any other capacity and receiving compensation therefor.

D. Removal of Managers. Unless otherwise restricted by law, any Manager or the entire Board may be removed, with or without cause, by the Members, and any vacancy caused by any such removal may be filled by action of the Members.

E. Managers as Agents. To the extent of their powers set forth in this Agreement, the Managers are agents of the Company for the purpose of the Company's business, and the actions

of the Managers taken in accordance with such powers set forth in this Agreement shall bind the Company. Except as provided in this Agreement, no Manager may bind the Company.

F. No Power to Dissolve the Company. Notwithstanding any other provision of this Agreement to the contrary or any provision of law that otherwise so empowers the Board, none of the Board shall be authorized or empowered, nor shall they permit the Company, without the affirmative vote of the Members, to institute proceedings to have the Company be adjudicated bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against the Company or file a petition seeking, or consent to, reorganization or relief with respect to the Company under any applicable federal or state law relating to bankruptcy, or consent to the appointment of a receiver, liquidator, assignee, trustee (or other similar official) of the Company or a substantial part of its property, or make any assignment for the benefit of creditors of the Company, or admit in writing the Company's inability to pay its debts generally as they become due, or, to the fullest extent permitted by law, take action in furtherance of any such action.

G. Duties of the Board. The Board and the Members shall cause the Company to do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory) and franchises. The Board also shall cause the Company to:

1. Maintain its own books, records, accounts, financial statements, stationery, invoices, checks and other limited liability company documents and bank accounts separate from any other person;

2. At all times hold itself out as being a legal entity separate from the Members and any other person and conduct its business in its own name;

3. File its own tax returns, if any, as may be required under applicable law, and pay any taxes required to be paid under applicable law;

4. Not commingle its assets with assets of the Members or any other person, and separately identify, maintain and segregate all Company assets;

5. Pay its own liabilities only out of its own funds, except with respect to organizational expenses;

6. Maintain an arm's length relationship with the Members, and, with respect to all business transactions entered into by the Company with the Members, require that the terms and conditions of such transactions (including the terms relating to the amounts paid thereunder) are the same as would be generally available in comparable business transactions if such transactions were with a person that was not a Member;

7. Pay the salaries of its own employees, if any, out of its own funds and maintain a sufficient number of employees in light of its contemplated business operations;

8. Not guarantee or become obligated for the debts of any other person or hold out its credit as being available to satisfy the obligations of others;

9. Allocate fairly and reasonably any overhead for shared office space;

10. Not pledge its assets for the benefit of any other person or make any loans or advances to any person;

11. Correct any known misunderstanding regarding its separate identity;

12. Maintain adequate capital in light of its contemplated business purposes;

13. Cause its Board to meet or act pursuant to written consent and keep minutes of such meetings and actions and observe all other STATE limited liability company formalities;

14. Make any permitted investments directly or through brokers engaged and paid by the Company or its agents;

15. Not require any obligations or securities of the Members; and

16. Observe all other limited liability formalities.

Failure of the Board to comply with any of the foregoing covenants shall not affect the status of the Company as a separate legal entity or the limited liability of the Members.

H. Prohibited Actions of the Board. Notwithstanding any other provision of this Agreement to the contrary or any provision of law that otherwise so empowers the Board, none of the Board on behalf of the Company, shall, without the unanimous approval of the Board, do any of the following:

1. Guarantee any obligation of any person;

2. Engage, directly or indirectly, in any business or activity other than as required or permitted to be performed pursuant to the Company's Purpose as described in Section II (A) above; or

3. Incur, create or assume any indebtedness other than as required or permitted to be performed pursuant to the Company's Purpose as described in Section II (A) above.

VIII. Fiduciary Duties of the Board.

A. Loyalty and Care. The Managers shall have only the fiduciary duties of loyalty and care required under STATE Revised Limited Liability Company Act.

1. *Loyalty.* The duty of loyalty shall be limited to:

i. Not usurping or otherwise appropriating an opportunity of the Company without disclosure to and authorization from the Board of Managers;

ii. Refraining from competing against the company in the conduct of the Company's activities without disclosure to and authorization from the Board of Managers;

iii. Accounting to the Board of Managers any property, profit or benefit derived by the Manager in the conduct or winding up of the Company's affairs, or by the use of the Company's property.

2. *Care*. The duty of care shall be limited to refraining from engaging in grossly negligent or reckless conduct, willful or intentional misconduct, or a knowing violation of law.

B. Competition with the Company. The Managers shall refrain from dealing with the Company in the conduct of the Company's business as or on behalf of a party having an interest adverse to the Company unless a majority, by individual vote, of the Board of Managers excluding the interested Manager, consents thereto. The Managers shall refrain from competing with the Company in the conduct of the Company's business unless a majority, by individual vote, of the Board of Managers excluding the interested Manager, consents thereto.

C. Duties Only to the Company. The Manager's fiduciary duties of loyalty and care are to the Company and not to the other Managers. The Managers shall owe fiduciary duties of disclosure, good faith and fair dealing to the Company and to the other Managers. A Manager who so performs their duties shall not have any liability by reason of being or having been a Manager.

D. Reliance on Reports. In discharging the Manager's duties, a Manager is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by any of the following:

1. One or more Members, Managers, or employees of the Company whom the Manager reasonably believes to be reliable and competent in the matters presented.

2. Legal counsel, public accountants, or other persons as to matters the Manager reasonably believes are within the persons' professional or expert competence.

3. A committee of Members or Managers of which the affected Manager is not a participant, if the Manager reasonably believes the committee merits confidence.

E. Other Considerations. In discharging the Manager's duties, the Manager may consider factors that the Manager deems relevant, including the long-term prospects and interests of the Company and its Members, and the social, economic, legal, or other effects of any action on the employees, suppliers, and customers of the Company, the communities and society in which the Company operates, and the economy of STATE and the nation.

IX. Dissolution.

A. Limits on Dissolution. The Company shall have a perpetual existence, and shall be dissolved, and its affairs shall be wound up only upon the provisions established in Section II (C) above.

Notwithstanding any other provision of this Agreement, the Bankruptcy of any Member shall not cause such Member to cease to be a Member of the Company and upon the occurrence of such an event, the business of the Company shall continue without dissolution.

Each Member waives any right that it may have to agree in writing to dissolve the Company upon the Bankruptcy of any Member or the occurrence of any event that causes any Member to cease to be a Member of the Company.

B. Winding Up. Upon the occurrence of any event specified in Section II(C), the Company shall continue solely for the purpose of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of its creditors. One or more Members, selected by the remaining Members, shall be responsible for overseeing the winding up and liquidation of the Company, shall take full account of the liabilities of the Company and its assets, shall either cause its assets to be distributed as provided under this Agreement or sold, and if sold as promptly as is consistent with obtaining the fair market value thereof, shall cause the proceeds therefrom, to the extent sufficient therefor, to be applied and distributed as provided under this Agreement.

C. Distributions in Kind. Any non-cash asset distributed to one or more Members in liquidation of the Company shall first be valued at its fair market value (net of any liability secured by such asset that such Member assumes or takes subject to) to determine the profits or losses that would have resulted if such asset were sold for such value, such profit or loss shall then be allocated as provided under this Agreement. The fair market value of such asset shall be determined by the Members or, if any Member objects, by an independent appraiser (any such appraiser must be recognized as an expert in valuing the type of asset involved) approved by the Members.

D. Termination. The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the Members in the manner provided for under this Agreement and (ii) the Company's registration with the state of STATE shall have been canceled in the manner required by STATE law.

E. Accounting. Within a reasonable time after complete liquidation, the Company shall furnish the Members with a statement which shall set forth the assets and liabilities of the Company as at the date of dissolution and the proceeds and expenses of the disposition thereof.

F. Limitations on Payments Made in Dissolution. Except as otherwise specifically provided in this Agreement, each Member shall only be entitled to look solely to the assets of the Company for the return of its Initial Contribution and shall have no recourse for its Initial Contribution and/or share of profits (upon dissolution or otherwise) against any other Member.

G. Notice to STATE Authorities. Upon the winding up of the Company, the Member with the highest percentage of Membership Interest in the Company shall be responsible for the filing of all appropriate notices of dissolution with STATE and any other appropriate state or federal authorities or agencies as may be required by law. In the event that two or more Members have equally high percentages of Membership Interest in the Company, the Member with the longest continuous tenure as a Member of the Company shall be responsible for the filing of such notices.

X. Exculpation and Indemnification.

A. No Member, Manager, employee or agent of the Company and no employee, agent or affiliate of a Member (collectively, the "**Covered Persons**") shall be liable to the Company or any other person who has an interest in or claim against the Company for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Covered Person by this Agreement, except that a Covered Person shall be liable for any such loss, damage or claim incurred by reason of such Covered Person's gross negligence or willful misconduct.

B. To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Covered Person by this Agreement. Expenses, including legal fees, incurred by a Covered Person defending any claim, demand, action, suit or proceeding shall be paid by the Company. The Covered Person shall be liable to repay such amount if it is determined that the Covered Person is not entitled to be indemnified as authorized in this Agreement. No Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's gross negligence or willful misconduct with respect to such acts or omissions. Any indemnity under this Agreement shall be provided out of and to the extent of Company assets only.

C. A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any person as to matters the Covered Person reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Members might properly be paid.

D. To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Company or to any other Covered Person for its good faith reliance on the provisions of this Agreement. The provisions of the Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise

existing at law or in equity, are agreed by the Members to replace such other duties and liabilities of such Covered Person.

E. The foregoing provisions of this Article X shall survive any termination of this Agreement.

XI. Insurance.

The Company shall have the power to purchase and maintain insurance, including insurance on behalf of any Covered Person against any liability asserted against such person and incurred by such Covered Person in any such capacity, or arising out of such Covered Person's status as an agent of the Company, whether or not the Company would have the power to indemnify such person against such liability under the provisions of Article X or under applicable law. This is separate and apart from any business insurance that may be required as part of the business in which the Company is engaged.

XII. Settling Disputes.

All Members agree to enter into mediation before filing suit against any other Member or the Company for any dispute arising from this Agreement or Company. Members agree to attend one session of mediation before filing suit. If any Member does not attend mediation, or the dispute is not settled after one session of mediation, the Members are free to file suit. Any lawsuit will be under the jurisdiction of and venue in the state of Florida.

XIII. Independent Counsel.

All Members entering into this Agreement have been advised of their right to seek the advice of independent legal counsel before signing this Agreement. All Members and each of them have entered into this Agreement freely and voluntarily and without any coercion or duress.

XIV. General Provisions.

A. Notices. All notices, offers or other communications required or permitted to be given pursuant to this Agreement shall be in writing and may be personally served or sent by email or United States mail and shall be deemed to have been given when delivered in person, via email, or three (3) business days after deposit in United States mail, registered or certified, postage prepaid, and properly addressed, by or to the appropriate party.

B. Number of Days. In computing the number of days (other than business days) for purposes of this Agreement, all days shall be counted, including Saturdays, Sundays and holidays; provided, however, that if the final day of any time period falls on a Saturday, Sunday or holiday on which national banks are or may elect to be closed, then the final day shall be deemed to be the next day which is not a Saturday, Sunday or such holiday.

C. Agreement to Mediate/Arbitrate. Any litigation, claim, dispute, suit, action, controversy, proceeding or otherwise ("**Dispute**") between or involving a Member and the Company, a

Member and another Member (and/or involving a Member or the Company's affiliates, shareholders, directors, partners, officers, employees, agents, attorneys, accountants, affiliates, guarantors or otherwise) shall be submitted first to mediation, by written notice to the other party or parties. In the mediation process, the parties will try to resolve their differences voluntarily with the aid of an impartial mediator, who will attempt to facilitate negotiations. The mediator will be selected by agreement of the parties. If the parties cannot agree on a mediator, a mediator will be designated by the American Arbitration Association in the county and state in which the Company's principal headquarters are located at the request of a party. The mediation will be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute. The mediation will be treated as a settlement discussion and, therefore, will be confidential. The mediator may not testify for either party in any later proceeding relating to the Dispute. No recording or transcript shall be made of the mediation proceedings. Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

If the Dispute cannot be resolved within ninety days after the written notice beginning the mediation process (or a longer period, if the parties agree to extend the mediation), the mediation shall terminate, and the parties shall have the right to submit the Dispute to arbitration. The arbitration will be conducted by the American Arbitration Association pursuant to its Commercial Arbitration Rules. The parties to the 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.

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. If the Dispute is worth 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.

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.

This section regarding meditation and arbitration shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement for any reason.

D. Execution of Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, and all of which shall together constitute one and the same instrument.

E. Severability. The provisions of this Agreement are independent of and separable from each other, and no provision shall be affected or rendered invalid or unenforceable by virtue of the fact that for any reason any other or others of them may be invalid or unenforceable in whole or in part.

F. Headings. The Article and Section headings in this Agreement are for convenience and they form no part of this Agreement and shall not affect its interpretation.

G. Controlling Law. This Agreement shall be governed by and construed in all respects in accordance with the laws of the state of Florida (without regard to conflicts of law principles thereof).

H. Application of Florida Law. Any matter not specifically covered by a provision of this Agreement shall be governed by the applicable provisions of Florida law.

I. Amendment. This Agreement may be amended only by written consent of all the Members. Upon obtaining the approval of any such amendment, supplement or restatement as to the Certificate, the Company shall cause a Certificate of Amendment or Amended and Restated Certificate to be prepared, executed and filed in accordance with STATE law.

J. Entire Agreement. This Agreement contains the entire understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements or conditions, express or implied, oral or written, except as herein contained.

IN WITNESS WHEREOF, the Members have executed and agreed to this Limited Liability Company Operating Agreement effective as of _____, 20__.

Signature: _____
_____, Manager

Signature: _____
_____, Non-Managing Member

EXHIBIT “A”

Membership Interest

_____ – __% interest – Manager

_____ - ___% interest – Non-Managing Member

EXHIBIT "J"
TO THE DISCLOSURE DOCUMENT

FORM OF PATH TO GROW PROGRAM LOAN DOCUMENTS

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 "J-2"
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 "J-3"
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 "J-4"
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 “K”
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 Financial Protection and Innovation www.dfpi.ca.gov Ask.DFPI@dfpi.ca.gov ***Los Angeles*** 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 (213) 576-7500 ***Sacramento*** 2101 Arena Blvd. Sacramento, CA 95834 (916) 327-7585 ***San Diego*** 1455 Frazee Road, Suite 315 San Diego, CA 92108 (619) 610-2093 ***San Francisco*** One Sansome Street, Suite 600 San Francisco, CA 94104-4428 (415) 972-8565	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 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

STATE	AGENCY	PROCESS, IF ANY
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
Michigan	Office of Attorney General Consumer Franchise Section 670 G. Mennen Williams Building 525 West. Ottawa Lansing, Michigan 48913 (517) 373-7117	
Minnesota	Minnesota Commerce Department 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 296-6328	Minnesota Commerce Department 85 7th Place East, Suite 280 St. Paul, MN 55101-2198
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

STATE	AGENCY	PROCESS, IF ANY
Washington	Department of Financial Institutions 150 Israel RoadTumwater, WA 98501 (360) 902-8760	Department of Financial Institutions 150 Israel RoadTumwater, WA 98501
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 “L”
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. **Registration of the Franchise Disclosure Document with the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**

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 termination of the franchise. A provision that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, 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.

For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

4. California's Franchise Investment Law (Corporations Code sections 3512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on representaions it makes to you, or (iii) any violations of law.

5. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

6. Neither the franchisor, nor any person or franchise broker listed in Item 2 of the disclosure document is subject to any currently effective order of any national securities association or national securities exchange as defined in the Securities Exchange Act of 1934 (15 U.S.C.A. §78A *et seq*.), suspending or expelling these persons from membership in such association or exchange.

7. Any interest rate charged to a California franchise shall comply with the California Constitution. The interest rate shall not exceed either (a) 10% annually or (b0 5% annually plus the prevailing rate changed by banks by the Federal Reserve Bank of San Francisco, whichever is higher.

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 FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

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.

2. Item 5 is amended by the addition of the following language:

   Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

3. Item 11, under the heading Brand Development Fund, is amended by addition of the following language:

   We or our designee will provide you with a copy of the annual report of the operations of the Brand Development Fund upon request.

4. 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**").

5. 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.

6. 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.

7. 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).

8. 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.

9. Item 17 is amended by the additional language at the end of the Item:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT FOR
THE MELTING POT RESTAURANTS, INC.
STATE OF MINNESOTA

1. The first paragraph of ITEM 5 of the disclosure document is amended in its entirety to read as follows:

   We charge an initial franchise fee in the amount of $45,000. You must pay the initial franchise fee in a lump sum on the opening day of the Restaurant. The initial franchise fee is nonrefundable.

2. In the table under ITEM 7, the cell intersecting at the "Initial Franchise Fee" row and the "When Due" column is amended in its entirety to read:

   On the opening day of the Restaurant.

4. 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.

5. 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.

6. 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.

7. 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 NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as

defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for a franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer**":

   However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**": You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**," and Item 17(w), titled "**Choice of law**":

   The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 *et seq.*), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

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.
COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for The Melting Pot Restaurants, Inc. for use in the Common of Virgina shall be amended as follows:

Additional Disclosure. The following statements are added to Item 17.h.

> Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

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 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 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 t Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also becourt decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, inWashington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonablyrestrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result,

any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) solicitingor hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

EXHIBIT “M”
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 Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. A provision that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.

- 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.

- For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

This Addendum contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

- California's Franchise Investment Law (Corporations Code sections 3512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on representaions it makes to you, or (iii) any violations of law.

- No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

- Neither the franchisor, nor any person or franchise broker listed in Item 2 of the disclosure document is subject to any currently effective order of any national securities association or national securities exchange as defined in the Securities Exchange Act of 1934 (15 U.S.C.A. §78A *et seq*.), suspending or expelling these persons from membership in such association or exchange.

- Any interest rate charged to a California franchise shall comply with the California Constitution. The interest rate shall not exceed either (a) 10% annually or (b0 5% annually plus the prevailing rate changed by banks by the Federal Reserve Bank of San Francisco, whichever is higher.

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

2. 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: **THE MELTING POT RESTAURANTS, INC**	**FRANCHISEE:** _____
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: _____

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 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:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. **Franchise Fees**. Paragraph A of Section 9 is amended in its entirety to read as follows:

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

4. **Effectiveness of Agreement.** Section 18 is amended in its entirety to read as follows:

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.

5. **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.

6. **General Release**. No general release required as a condition of renewal, sale, assignment or transfer will apply to any liability under the Maryland Law.

7. **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:

_____
Name:_____

THE MELTING POT RESTAURANTS, INC.:

By:_____
Name:_____

Title:_____ Title:_____
Date:_____ 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 theMELTING 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. **Franchise Fees**. Paragraph A of Section 9 is amended in its entirety to read as follows:

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

4. **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.

5. **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.

6. **Effectiveness of Agreement.** Section 18 is amended in its entirety to read as follows:

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.

7. **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:_____

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 ADDENDUM TO
THE FRANCHISE AGREEMENT, AND RELATED AGREEMENTS.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

To resolve an investigation by the Washington Attorney General and without admitting any liability, we have entered into an Assurance of Discontinuance ("AOD") with the State of Washington, where we have agreed to remove from our form franchise agreement a provision which restricts a franchisee from soliciting and/or hiring the employees of our other franchisees, which the Attorney General alleges violates Washington state and federal antitrust and unfair practices laws. We have agreed, as part of the AOD, to not enforce any such provisions in any existing franchise agreement, to request that our Washington franchisees amend their existing franchise agreements to remove such provisions, and to notify our franchisees about the entry of the AOD. In addition, the State of Washington did not assess any fines or other monetary penalties against us.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this_____day of_____20_____.

FRANCHISOR:	FRANCHISEE:
The Melting Pot Restaurants, Inc.	_____

EXHIBIT "N"
TO THE DISCLOSURE DOCUMENT

LIST OF CURRENT FRANCHISEES

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., Bld. B
Scottsdale, AZ 85258
Tel: (480) 874-4934

CALIFORNIA

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

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
Mark Rosenthal & George Chaposky334 East Mountain Avenue
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Tel: (303) 794-5666

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Tel: (941) 481-1717

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MADISON
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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 “O”

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, 2024 or who have not communicated with us within 10 weeks of the issuance date of this disclosure document:

Georgia	Atlanta Mark Gunn (770) 712-1290 Kennesaw Mark Gunn (770) 712-1290	Transfer Transfer
Illinois	Naperville Mike Ruffolo* (630) 717-8301	Termination
New York	Farmingdale Dale Paustian (516) 695-8727 Ron Nichols No phone number on file Kevin Mason* (301) 455-8562 Will Layfield* (201) 446-2821 Charlie LaRosa* (856) 296-1640	Transfer
Texas	Arlington Mike, David and Gayle Hatala (817) 401-3389	Transfer

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.

* While this franchised unit was transferred or terminated, this franchisee associate remains in the system.

STATE EFFECTIVE DATES

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

This Franchise Disclosure Document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If 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 "K."

The name, principal business address, and telephone number of the franchise seller(s) offering the franchise is/are:

Name	Principal Business Address	Telephone Number
□ Bob Johnston	7886 Woodland Center Blvd., Tampa, FL 33614	813-881-0055
□ Collin Benyo	7886 Woodland Center Blvd., Tampa, FL 33614	813-881-0055
□ Dan Stone	7886 Woodland Center Blvd., Tampa, FL 33614	813-881-0055

Issuance Date: June 14, 2024, as amended November 20, 2024.

I received a disclosure document dated June 14, 2024, as amended November 20, 2024. (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 "C"	Form of Successor Franchise Addendum to Franchise Agreement (Renewal)
Exhibit "D"	Form of Conditional Assignment of Telephone and Digital IP
Exhibit "E"	Form of Collateral Assignment and Assumption of Lease
Exhibit "E-1"	Form of Franchisor Rider to Lease
Exhibit "E-2"	Signage Standards
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 Franchisee Operating Agreement
Exhibit "J"	Form of Path to Grow Program Loan Documents
Exhibit "K"	List of State Agencies and Agents for Service of Process
Exhibit "L"	State Specific Addenda to Franchise Disclosure Document
Exhibit "M"	State Specific Riders to Agreements
Exhibit "N"	List of Current Franchisees
Exhibit "O"	Franchisees Who Have Left the System

Dated:_____

_____
Individually and as an Officer

_____
Printed Name
of_____
(a_____Corporation)
(a_____Partnership)
(a_____Limited Liability Company)

[Keep this page for your records]

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

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Exhibit "F"	Manuals Tables of Contents
Exhibit "G-1"	Form of Personal Guaranty of Owner/Shareholder
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Exhibit "N"	List of Current Franchisees
Exhibit "O"	Franchisees Who Have Left the System

Dated:_____

_____
Individually and as an Officer

_____
Printed Name
of_____
(a_____Corporation)
(a_____Partnership)
(a_____Limited Liability Company)

[Sign and return this page]